

Bargaining Power in the European Council*

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Abstract

What grants influence in the European Council? Drawing on general theories of negotiation, this article isolates and illustrates three complementary sources of bargaining power in the European Council: state sources of power, institutional sources of power and individual sources of power. It reports the results of a unique series of elite interviews with European heads of state and government, foreign ministers and top-level civil servants. Elite testimonies suggest that the state dimension of power is the most fundamental, whereas the institutional and individual dimensions of power play a secondary role and mainly mediate the impact of structural power asymmetries.

Introduction

The European Council constitutes the supreme political body in the European Union. Composed of the heads of government of the Member States and the

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president of the Commission, the European Council provides strategic guidelines for the development of the EU, serves as the ultimate decision-maker on issues too complex or contentious for the Council of Ministers to handle, shapes the EU's collective foreign policy, co-ordinates Member State policy on socioeconomic issues, appoints senior officials of the EU institutions, initiates and concludes intergovernmental conferences that amend the treaties and effectively decides if and when the EU should welcome new members.¹

Yet, despite its central political importance, the European Council has only been subject to limited research, most of which is dated, atheoretical and limited in empirical scope. Part of the explanation is the difficulties of conducting research on a political body that convenes behind closed doors, whose proceedings are undocumented and whose participants are unusually hard to gain access to. More specifically, existing research may be divided into three categories. The first consists of a set of monographs on the European Council, dating from the second half of the 1980s and the first half of the 1990s (Bulmer and Wessels, 1987; Donat, 1987; Werts, 1992; Taulègne, 1993; Johnston, 1994). The strength of these works is the description of the European Council's early development and influence. Yet they make few attempts to draw on general theories in political science and they offer no guidance on developments beyond the early 1990s. The second category consists of individual chapters on the European Council in volumes on the Council of Ministers or the EU institutions generally (Westlake and Galloway, 2004; Hayes-Renshaw and Wallace, 2006; Schoutete, 2006). These chapters provide insightful and up-to-date overviews of the European Council, but cannot address the politically interesting aspects of this institution in any depth. The third category is composed of think-tank reports that either address the potential reform of the European Council (Grant, 2002; Schoutete and Wallace, 2002), or provide accounts of individual meetings (Ludlow, 2002, 2004). These offer refreshing perspectives on the European Council and useful chronologies of negotiations, but do not qualify as theory-driven research.

This article moves beyond existing research in three central respects. First, it explores the sources of bargaining power in the European Council, which so far have not been subject to systematic research. Second, it draws explicitly on general theories of negotiation in isolating, explicating and categorizing alternative sources of bargaining power. Third, it synthesizes and presents a unique set of elite testimonies on bargaining power in the European Council.

¹ I use the terms 'heads of government' and 'chief executives' for purposes of simplification. The formally correct term is 'heads of state and government.'

Prevailing conceptions of bargaining power in the European Council tend to be either overly legalistic or prone to simplistic power distinctions. Formally speaking, all heads of government enjoy equal status in the European Council as a product of the principle of unanimity. However, even cursory knowledge of European affairs suggests that formal authority is one thing and influence over political outcomes another. Yet, when the legalistic perspective is surrendered for power-sensitive interpretations, these tend to present general claims about differences between large and small Member States, without specifying how differences in size matter and without recognizing alternative sources of bargaining power. As Andrew Moravcsik notes: 'Inter-governmental explanations often speak of Germany, France, or Britain as "powerful" or "influential" in negotiations, but such claims are rarely demonstrated by specifying what resources convey "power" or which outcomes demonstrate that one country has been influential' (1998, p. 53).

The general argument of this article is that bargaining power in the European Council may be captured in three dimensions: state sources of power, institutional sources of power and individual sources of power. Bargaining power is defined as the capacity of the national executive to achieve a distributional outcome that as closely as possible reflects the preferences of the Member State he or she represents. The first dimension of bargaining power is the most fundamental. On most issues, differences between the Member States in structural power resources – economic strength, population size, military capabilities, political stability and administrative capacity – decisively shape bargaining outcomes. Yet differences in state sources of power do not provide the full picture. The dominance of Europe's resource-rich states is mediated and sometimes even offset by the other two dimensions of bargaining power. Institutional features of the European Council – the access to the veto and the rotating Presidency – constitute additional sources of bargaining power, as do the personal qualities of the chief executives as negotiators – their personal authority and level of expertise. Coalition-building, in this context, is conceived of as a strategy for pooling bargaining power, rather than an independent source of power.

The article reports the results of a project specifically designed to overcome the data problems that have hampered previous research on the European Council. The core strategy is a unique series of elite interviews with acting or former presidents, prime ministers and foreign ministers, as well as top-level officials of Member States and EU institutions.² The list of interviewees includes, among others, nine heads of state or government, four ministers of foreign affairs, one president of the Commission and one

² A complete list of interviewees is provided in the appendix.

secretary general of the Council. The interviews were semi-structured and the interviewees appeared on record, but were granted anonymity where this was specifically requested.

For purposes of minimizing potential methodological problems of elite interviewing, I have adopted a threefold strategy. First, interviewees have been selected to control for known political divides in EU politics, notably left–right, large–small, north–south and intergovernmentalist–federalist. Second, I have asked principled questions about experiences of bargaining power in the European Council, rather than questions about specific historical events, which are more prone to the problem of memory loss. Third, I have centred on general tendencies in the interview material, based on multiple interviews and I only draw on individual interviews when exemplifying general tendencies.

I lay out the argument in three sections. The first section explains how bargaining power may be derived from a Member State's aggregate structural power, as well as from its issue-specific power. In the second section, I specify how the institutional context of European Council negotiations generates additional sources of bargaining power. The third section specifies individual attributes that heads of government may profit from to varying degrees. The article ends with a conclusion that outlines the implications of this argument for research on EU politics and international bargaining generally.

I. State Sources of Power

Heads of government in the European Council represent a diverse set of Member States. How and to what extent do differences between Member States affect the bargaining power of their national executives? Drawing on the international relations (IR) literature on state power, I distinguish in this section between a Member State's aggregate structural power and its issue-specific power, where the first refers to the overall capabilities of a state and the latter to its resources in a particular policy area. The testimonies from European Council participants suggest that both forms of state power loom large in summit bargaining. Despite the fact that co-operation in the EU is more institutionalized than in any other international organization and takes place between a relatively homogenous group of industrialized democracies, differences in state capabilities and resources are perceived to matter greatly.

Aggregate Structural Power

Aggregate structural power refers to a state's total amount of resources and capabilities – its territory, population, economic strength, military

capabilities, technological development, political stability and administrative capacity. The notion that a state's power is a reflection of its aggregate resources harks back to the age of great power conflict in Europe, but it also features in the modern analysis of world politics, where it constitutes a key component of realist theory (Morgenthau, 1948; Waltz, 1979). State capabilities, in this view, determine national power, which in turn determines the position of a state in relation to other states in the international system. The emphasis on *aggregate* resources signals the central assumption that capabilities can be added up, are measureable and in theory can be calculated into a national power score.

When applied to the analysis of international negotiations, this perspective suggests that states of greater aggregate structural power will prevail, since they can use their superior resources to coax and cajole weaker parties into submission through threats and promises (Hampson with Hart, 1995, pp. 8–11; Hopmann, 1996, pp. 99–111; Drezner, 2007). The outcomes of international negotiations are likely to represent the interests of the most powerful states. The process of international negotiations is thus of limited importance, since outcomes in any case will reflect the distribution of structural power between states. Negotiation tactics and strategies only constitute a 'transmission belt', through which resources and capabilities are translated into instruments of power in interstate bargaining.

European Council participants unanimously testify that differences in aggregate structural power matter significantly in this forum. Former French president Valéry Giscard d'Estaing speaks of how French and German dominance in the European Council during his time in office was only normal, since these two countries originally constituted the majority in every conceivable way – territory, population and GDP. Hubert Védrine, former French minister of foreign affairs, echoes this perspective: 'What grants influence in the European Council is first and foremost the actual power of the country. A Member State's actual power is decided by its economy, demography, geography, political system and diplomatic reach.' Yet also representatives of small states testify to the impact of structural power resources. As Jean-Claude Juncker, long-serving prime minister of Luxemburg, states: 'Greater Member States have a greater say. We never admit it, of course, but one has to acknowledge that geography and demography are playing a role.' Jean-Claude Piris, director general of the Council's Legal Service, is even more blunt: 'The most important factor explaining bargaining power is state size – citizens and GDP.'

The notion of aggregate structural resources suggests that a state's potential for influence will only be as large as the sum of its multiple capabilities. This helps to explain a frequently noted anomaly as regards the influence of

large Member States in European Council negotiations. Often mentioned is the inability of Italy to translate its potential power, grounded in structural resources, into political influence in the European Council. Despite a population and an economic strength at the level of France, Britain and Germany before unification, Italy is broadly seen as having suffered from the instability of its domestic political system. As one foreign minister states: 'Italy has many of the general advantages – economy, demography, geography, founding state, etc. – but one important weakness in its political system: instability.' Another long-term participant, representing a small Member State, offers a similar reflection, circumscribing the category of influential large states to France, Germany and Britain: 'Today, Italy sometimes appears at the margin of a dossier. Italy is not one of the four great Member States. Spain is trying to replace Italy, but it is not successful and Poland will have to admit that it is not part of these great Member States, although being Poland.'

Yet how, exactly, do differences in aggregate structural power impact on European Council negotiations? In the age of great power rivalry, aggregate structural resources allowed the strong to back up negotiation demands with threats of military aggression or economic isolation. In Europe of today, gun-boat diplomacy is not an option and aggregate structural power affects negotiations in considerably more subtle ways. The interviews suggest that resources and capabilities rarely are actively deployed in the bargaining process. Rather, asymmetries in aggregate structural power matter indirectly, by affecting a state's range of alternatives, the resources it can commit to an issue and the legitimacy of its claims to influence. A large home market makes a state more influential in economic negotiations, military capabilities enable a state to exercise leadership in the EU's foreign and security policy and population size grants voice in an EU conceiving of itself as a democratic community.

According to the interviewees, national executives representing structurally advantaged states are allowed greater latitude in the negotiations. Jean-Claude Juncker explains: 'If you are representing a medium-sized country, you can never say "Denmark thinks . . ." You can only say "I would submit to your considerations, if not . . ." Those who are speaking for greater Member States, by opening their mouth and by referring to their national flag, they are immediately indicating that, behind their words, you have to accept size and demography. "La France pense que . . ." and "Deutschland denkt . . ." that is something different.' Göran Persson, former prime minister of Sweden, points to a parallel dynamic: 'If you are the prime minister of a country with five to ten million people, you simply cannot monopolize 20 per cent of the time devoted to the conclusions.' Furthermore, differences in structural power are perceived to affect the legitimacy of wielding the veto. According to one prime minister,

it is a simple reality of politics that 'Luxemburg can issue a veto once in a decade and Britain once per week.' By the same token, the veto of large Member States is perceived to carry more weight than that of the small or medium-sized states, according to David O'Sullivan, former secretary general of the Commission: 'The veto of Cyprus is not the same as the veto of Germany.' Interviewees also testify that large Member States may get away with tactics that otherwise are considered inappropriate, such as exploiting the inadequate preparation of an issue to push through their own proposal, or launching entirely new initiatives at the negotiation table.

As a result, the interests of the larger Member States tend to set the framework for European Council negotiations. Where the interests of France, Germany and the UK conflict, they nevertheless set the terms within which agreements must be sought. Where these states see eye-to-eye on an issue, or even have arrived at pre-agreements, it is extremely difficult to achieve outcomes that diverge from this position. Frequently cited examples in recent years of France, Germany and the UK dominating negotiations and outcomes in the European Council include the provisions on a semi-permanent president of the European Council in the 2004 Constitutional Treaty, the deal in December 2005 on the new financial perspective for 2007–13 and the political agreement in July 2007 on the subsequent Lisbon Treaty.

Whereas the dominant expectation before the eastern enlargement was that the large Member States would suffer in influence, because of the accession of 12 small or medium-sized countries, the testimonies of European Council participants suggest otherwise. Paradoxically, the dominance of the large Member States may instead have been reinforced, as issues that previously were settled in the formal plenary sessions increasingly are resolved in informal and minilateral negotiations, managed by the Presidency and with participation by those parties most essential for reaching an agreement that subsequently can be extended to the broader membership. In practice, those parties have tended to be the EU's large Member States, sometimes joined by small or medium-sized states with particular stakes in the issue. A case in point is the decision in December 2004 to commence membership negotiations with Turkey, which was achieved through the Dutch Presidency rallying the support of France, Germany and the UK in minilateral negotiations behind closed doors. One top-level official in the Council Secretariat observes: 'There is a danger for the small and medium-sized countries in the new development. If you as President want to come to a deal, who will you consult? The main actors – Germany, France, the UK.' Similarly, one small state representative concludes: 'It is obviously the bigger countries [who are benefiting from a move from multilateral to bilateral negotiations]. Their relative weight is always bigger in any bilateral discussion.'

The centrality of aggregate structural power for European Council negotiations is a constant theme in the interviews. Yet so are the exceptions to this pattern. Every single interviewee points to additional dimensions of power and can recite cases that support a more comprehensive picture of bargaining power in the European Council. The remainder of this article will be devoted to these other dimensions of bargaining power, of which the first is a more specified interpretation of when, where and how differences in state properties matter.

Issue-Specific Power

The notion of issue-specific power has developed into the favoured explanation in modern negotiation analysis for patterns of bargaining success that diverge from those predicted by the distribution of aggregate resources. According to this line of argument, resources and capabilities may not be deployed with equal effectiveness on all issues. Rather, it is the power balance in the issue-specific relationship that determines bargaining outcomes (even if aggregate resources may shape the issue-specific power balance). This helps to explain paradoxes of power, such as when structurally disadvantaged states nevertheless prevail in negotiations with structurally advantaged states (Odell, 1980; Bacharach and Lawler, 1981; Habeeb, 1988).

Issue-specific power is defined by a state's resources in a particular issue, its commitment to this issue and its alternatives to a negotiated agreement on this issue. The issue-specific nature of resources entails that a state's bargaining power in economic affairs, for instance, will not be decided by its military capability, territory or population, but by its market power and GDP (Habeeb, 1988). The commitment of a state on a particular issue, sometimes referred to as its preference intensity, willpower, resolve, attention or stake, matters since states that care deeply about an issue will be more willing to devote scarce resources, negotiate with greater care, stay longer at the negotiation table and have higher aspirations, than states that are less committed (Mesquita and Stokman, 1994; Hopmann, 1996; Bailer, 2004). Finally, states with good alternatives to negotiated agreements will be less likely to compromise and more likely to shape the final outcome, than states desperately in need of an agreement (Fisher and Ury, 1981; Lax and Sebenius, 1986; Moravcsik, 1998).

European Council participants testify that issue-specific aspects of power are prominent in negotiations. The relative weight of the Member States shifts as a product of the resources they can deploy, the national commitments to particular causes and the attractiveness of the status quo. However, it should be noted that the empirical establishment of such power is made

difficult by overlaps between issue-specific and aggregate structural power, giving rise to observational equivalence. For instance, it is difficult to determine whether the influence of German, French and British heads of government in negotiations on the internal market or the EU's long-term budget is a product of these countries' superior economic strength alone or their general advantages in terms of aggregate structural power. Still, it is possible to isolate a number of expressions of issue-specific power in European Council negotiations, by focusing on cases where aggregate and issue-specific resources diverge.

A first expression of issue-specific power is the tendency of large Member States not to wield equal power on all issues. European Council participants most frequently point to the restricted role of Germany in the EU's foreign and security policy, compared to France and the UK. As the EU's greatest military powers, in possession of both extensive conventional capabilities and nuclear weapons and with permanent seats on the UN Security Council, France and the UK speak with considerable authority on issues of security policy. Even if Germany in recent years has become more willing to invest resources in military capabilities for international operations, its influence in the European Council on issues of foreign and security policy is not on par with that of France and the UK. Another often mentioned example is Italy's loss of bargaining power on economic issues, despite a sizeable GDP, because of long-running budget deficits and a growing government debt.

A second expression of issue-specific power noted by European Council participants is the tendency of small or medium-sized states to 'punch above their weight' – to exercise more power on specific issues than a mere assessment of their aggregate structural resources would suggest. Small and medium-sized states with specific regional interests often succeed in shaping the EU's policy toward these areas, owing to extensive experience in dealing with the region, as well as great commitment to the development of EU policy *vis-à-vis* the region. Prominent examples are the engagement of Belgium in Central Africa, the Netherlands in Indonesia, Spain in the Mediterranean and the Nordics in the Baltic. European Council participants further testify to specific small state influence on issues where these countries present strong ambitions, extensive knowledge and national policies that may be exported to the European level, for instance, the Nordic states on employment policy and environmental policy. Finally, the combination of a strong commitment and an attractive status quo alternative has strengthened the hand of certain small Member States on specific dossiers, for instance, Greece on issues relating to Turkey and Luxemburg on issues pertaining to financial services and taxation.

II. Institutional Sources of Power

Negotiations in the European Council take place in a specific institutional setting. How and to what extent do the properties of this institutional setting shape bargaining power and outcomes in the European Council? Drawing on a combination of negotiation theory and institutional theory, I identify two institutional factors with implications for bargaining power in the European Council: the veto and the chairmanship. The participation of supranational actors – the Commission and the Council Secretariat – constitutes a third institutional feature of the European Council. However, with the exception of Jacques Delors, supranational officials are not considered to have influenced European Council outcomes on a regular basis and when they have, the impact has not been to favour systematically some states rather than others.

The Power of the Veto

The most central institutional feature of any negotiation is the decision rule governing the adoption of agreements. Unanimity requires that all parties give their consent, or at least do not actively block an agreement. Majority voting entails that only a large subset of all parties needs to be on board for an agreement to be reached. Where decisions are taken through majority voting, as in the EU's general legislative process, differentiation of voting power based on population or GDP grants those states that already enjoy structural power advantages in the formal decision-making system as well. By contrast, where decisions require unanimity, as in the European Council, this works to mediate or offset the impact of structural power differentials, by giving all parties equal formal right to block proposals through the veto.

Studies of international negotiations find that veto provisions strengthen the bargaining position of parties or coalitions that do not enjoy structural power and constitute one of the principal sources of influence for weak states in competition with the strong (Zartman, 1971; Habeeb, 1988; Hampson with Hart, 1995, p. 32). Furthermore, existing research establishes that unanimity tends to generate processes of consensual decision-making, where recalcitrant parties are bought off through side-payments and favours are exchanged through package deals. The states expected to benefit the most from unanimity as decision principle are therefore those most pleased with the status quo, that is, those who would lose the least if an agreement could not be found (Scharpf, 1997; Meunier, 2000).

European Council participants testify that the actual wielding of the veto is a relatively rare occurrence in summit negotiations, but very effective when used. When national executives walk into the European Council, they know

they will have to agree and if a state has strong objections on an issue, it will often prevail. As Erkki Tuomioja, former Finnish minister of foreign affairs, states: 'At the end of the day, you can block. Moving forward at the European Council depends on consensus. In general there is still this kind of understanding, although no one talks about the Luxemburg compromise any longer [. . .] If a country's vital national interests are at stake, this is respected.' One EU ambassador underlines the same point in colourful language: 'If you have the guts, you can use the veto with great effect. You've got everybody by their balls.'

Why, then, is the veto not wielded more frequently? European Council participants point to four reasons. First, the veto is a measure of last resort and skilful negotiators should be able to convey the importance they attach to an issue and secure others' respect, without actually using the weapon. Second, it needs to be generally understood that the issues in question are of truly vital national importance for the state concerned, or else the use of the veto will have reputation repercussions. Third and related, the veto is only effective if it is not wielded too frequently. The use of the veto carries political costs in terms of credibility. As David O'Sullivan notes: 'They cannot threaten to block all the time. Even if they might have three issues they would want to block, they only have one card each to play.' Jean-Claude Juncker explains this logic in greater detail and emphasizes the political gains of abstaining from the veto:

If a prime minister, sitting with his colleagues, is threatening with a veto time after time, he loses all kinds of influence. It is seen as a sign of weakness, because if you give the impression that you do not have free hands at home, you cannot really develop an influence in the European Council. But, if from time to time, you step away from a well-known national position, saying 'OK, I will take it, but I will have great difficulties at home' then you gradually build up a kind of aura that this is not only about words and lip-service, but that you are willing to undergo some difficulties at home.

Finally, the veto does not put an end to the political process. Conflicts must be solved and proposals adopted. As Finland's president, Tarja Halonen, underlines: '[The veto may be used] when you really need it and you have a plan what to do after that. Because saying no, you do not stop the process. You just take time out.'

European Council participants testify that the veto is used more frequently on some issues than on others and more effectively by some Member States than by others. As regards issues, they specifically point to negotiations on the EU's long-term budgets and to bargaining over treaty reform. These are

issues with such general political and economic implications that they bring vital national interests to the fore and legitimate the wielding of the veto. Examples frequently referred to by interviewees include Spain's blocking of new budget agreements in the late 1980s and 1990s until it had secured continued regional funding, as well as the UK's defence of its rebate in consecutive budget negotiations and its opposition to majority voting on issues of taxation and justice and home affairs. As regards Member States, interviewees frequently mention Spain as a country that has been particularly skilful in exploiting the power of the veto, not least in negotiations over the EU's long-term budgets, where Felipe Gonzáles and José Maria Aznar are attributed extensive influence. As one chief executive states: 'Spain is very good at getting results. [They achieve results by] being tough, being very tough. They are not impossible – you always know that there is a price to buy them. You can be impossible, so that the others know that you will say forever no. [But] if you negotiate a good result, [the Spanish] will say yes.'

The Power of the Chair

Research on multilateral bargaining suggests that the chairmanship of international decision bodies constitutes a power platform, enabling the actors in control of this office to shape the outcomes of negotiations (Tallberg, 2006; but also Hampson with Hart, 1995; Odell, 2005). Negotiation chairs are typically granted the responsibility to manage the agenda, broker agreements and represent the decision body vis-à-vis third parties. In these functions, negotiation chairs benefit from privileged access to a set of power resources, notably asymmetric information and procedural control. Bilateral encounters at which governments offer negotiation chairs information about national resistance points provides chairmen with unique information about state preferences. Furthermore, international secretariats at the chairman's special disposal endow negotiation chairs with expert information about the technical subject matter of the negotiations. The procedural power of negotiation chairs consists of control over decisions on the sequence of negotiations, the frequency of negotiation sessions, the format of negotiations and the method of negotiation. Moreover, as managers of individual negotiation sessions, chairmen open and conclude meetings, structure the meeting agenda, allot the right to speak, direct voting procedures and summarize the results. The legitimacy of the office, the trust acquired in previous negotiations and the capacity of chairmen to persuade others through the better argument may constitute additional resources.

With very few exceptions, European Council participants underline the significance of the Presidency as a resource for the incumbent, lending

support to recent qualitative and quantitative research (Tallberg, 2006; Schalk *et al.*, 2007). It is notable that representatives of small and medium-sized states tend to rank access to the Presidency as the most important source of power, particularly for themselves, since they cannot rely on advantages in structural power. As Finland's Erkki Tuomioja asserts: 'The Presidency is always in a strong position. Even small country Presidencies, if they are successful and do their homework, can have a lot of influence. The Presidency is always number one'. Similarly, former Swedish foreign minister Lena Hjelm-Wallén emphasizes: 'The chairmanship is the most important power resource – you are holding the reins', whereas Gunnar Lund, former Swedish EU ambassador, stresses: 'It is obvious. The Presidency grants considerable influence, even for a small country. You are managing the entire process.'

More specifically, European Council participants point to the setting of the agenda and the engineering of compromises as the functions through which Presidencies exert influence. It is the Presidency that carries the responsibility of preparing the agenda of European Council meetings. Part of the agenda tends to be pre-determined, as an effect of the European Council's growing tendency to pre-programme forthcoming meetings in order to achieve greater policy continuity. In addition, the European Council generally devotes part of its meetings to pressing EU or international matters that require its attention. Yet, even within these constraints, the Presidency can exercise influence by contributing its own pet issues to the agenda, attributing varying weight to the items on the agenda and keeping certain issues away from the agenda. It is frequently emphasized by European Council participants that the greatest influence over the agenda is exerted in the preparatory phase, when the Presidency structures and delimits the agenda, rather than in the meetings *per se*. Sweden's Göran Persson offers the following reflection:

As the chairman of a meeting, you are controlling the agenda. It is those who realize the potential to set the agenda that affect the development [of EU policy]. Then you need not dominate the meeting, but it is the issues that you yourself have put up on the agenda that are discussed. If you do not control the agenda as chairman – and there have been such Presidencies – then nothing will come of it. It has to be prepared and this is a truth that applies to local associations and the European Council alike. If you are to have any chance of governing the meeting, then you must decide the contents of the agenda.

Since several issues that require the European Council's attention are difficult issues, where the Member States have been unable to reach agreement at lower levels, brokerage constitutes a central function for Presidencies. Typically, heads of government rely on two institutionalized practices for

sounding out state concerns and devising acceptable compromise agreements – the *tour des capitales* and the confessional. The Presidency either travels to or receives all other heads of government in the weeks preceding the summit. The format of the bilateral encounter enables heads of government to share information about their bottom lines with the Presidency, thus improving the chances of summit agreements on contentious issues. Confessionals serve the same purpose during the course of actual meetings. According to European Council members, both practices grant the Presidency a privileged position in the engineering of agreements. Frequently cited examples of successful Presidency brokerage in recent years include France's finalization of the Nice Treaty in 2000, Denmark's conclusion of the enlargement negotiations in 2002, Ireland's brokerage of an agreement on the Constitutional Treaty in 2004 and the Netherlands' engineering of a deal on accession negotiations with Turkey in 2004.

III. Individual Sources of Power

Negotiations in the European Council are conducted by individuals who represent their states. How and to what extent do differences in individual attributes affect the bargaining power of the national executives? Drawing on theories of negotiation and leadership, I discuss the potential impact of two categories of individual attributes: personal authority and expertise. European Council participants testify that variation within the group in these individual attributes affects the bargaining power of the respective states. A prominent explanation is the format of negotiations in the European Council, where the heads of government largely operate on their own, beyond the immediate control of national civil servants. A third individual source of power is proposed by two-level game theory, which submits that chief executives may benefit internationally from tough domestic political constraints. However, testimonies by European Council participants provide very limited support for this notion, referring instead to how domestically constrained leaders tend to be conceived of as weak and even become marginalized.³

Personal Authority

The importance of individual personality traits, experiences and authority is an issue that has received extensive attention in the study of international negotiations and foreign policy decision-making. One line of inquiry

³ Frequently mentioned examples include UK prime minister John Major after the national elections in 1992, Jan Peter Balkenende after the Dutch 'no' vote to the Constitutional Treaty in 2005 and Jacques Chirac after France's 'no' vote to the same treaty.

specifically addresses how the cognitive structures of leaders affect behaviour in bargaining (Jönsson, 1990), whereas another strand of analysis explores the influence of leadership style on foreign policy decision-making (Hermann *et al.*, 2001). Two-level game theory conceives of heads of government as enjoying a certain level of autonomy, to the effect that personalities and personal preferences may impact on negotiation outcomes (Putnam, 1988; Evans *et al.*, 1993). Finally, students of international negotiation propose that specific individuals may succeed in shaping how other participants perceive problems and solutions through ideas and visions, as well as through authority and trust earned in previous interactions (Young, 1991; Risse, 2000).

The importance of personal relations and personal authority is a recurring theme in the participants' own assessments of influence in the European Council. In particular, they underline the differences between individuals in terms of respect and trust, which are seen as attributes to be won and earned, rather than given by birth or appointment. The most prominent historical examples are Helmut Kohl and Jacques Delors, both of whom commanded great respect and earned considerable trust. One implication of this perspective on personal authority is that seniority in the club and earlier performance are perceived to matter. As Philippe Schoutete, long-serving EU ambassador of Belgium, testifies: 'Because participants are relatively few in number and personal relations important, the balance of power in the European Council is influenced by seniority. Newcomers will not be able to pull their full weight at first meetings. Heads of government of smaller Member States can expect to exert more influence after several years of being present, particularly after leading a successful presidency' (2006, p. 46).

This analysis is shared by leaders of small and medium-sized countries who frequently are mentioned as examples of growing personal influence over time. Jean-Claude Juncker, presently the longest serving head of government, stresses the importance of 'personal experience, personal relations with leaders of other countries [and] the volume of confidence you have worked up. If you are there for a longer time, you become a reference point for others, mainly for the newcomers and they are inspired by what you are saying.' Similarly, Göran Persson, who attended the European Council for a full decade, admits: 'My own position in the European Council is obviously a product of having been there long. I have been able to welcome many, say goodbye to many and still remain myself.' By contrast, several European Council participants testify that a high turn-over rate at the head of government level negatively affected the influence of Italy in the unstable political period after Giulio Andreotti, as well as the voice of the central and east European Member States since joining in 2004.

Inquiries into the importance of personalities invariably lead to comparisons between individual leaders. The observations by European Council participants are remarkably similar with respect to the role of five heads of state or government during the last decade: Jacques Chirac, Gerhard Schröder, Tony Blair, Silvio Berlusconi and Jean-Claude Juncker. Whereas Chirac and Juncker are perceived to have strengthened the bargaining hand of their countries because of their personal qualities, Schröder and Blair neither contributed positively nor negatively, whereas Berlusconi unanimously is presented as having been a liability for his country. Chirac is described as a political animal who was very clever and persistent, somewhat arrogant, capable of instilling fear in others through his temper and almost always very influential. Schröder, by contrast, is portrayed as surprisingly silent, without an interest in the political game, often detached from the debate and therefore dependent on others' automatic respect for German interests, even if he was listened to when he spoke up. Blair's influence is typically seen as less extensive than his spin-doctors made it seem and with the important exceptions of the Lisbon process and transatlantic issues, 'he is not really in the game, although destroying the games of others'. Berlusconi is consistently portrayed as a maverick leader with a limited interest in EU issues, erratic negotiation behaviour and a self-assumed role as the comedian of the club. Juncker, finally, is described as the head of government who by himself commands the greatest respect and authority, because of his long time in the European Council, his extreme experience and competence, his capacity to put European interests before national (of which there are few) and his networking abilities and close relationship with especially German and French leaders. As one head of government put it: 'How many times do you need to multiply Juncker's weight because of his personal and human attributes? Juncker probably weighs more than countries with 12 to 14 million inhabitants.'

Expertise

The advantages of possessing expertise and information in bargaining are widely acknowledged. Multilateral negotiations are characterized by high levels of complexity and uncertainty, because of the large number of parties, proposals and preferences (Winham, 1977; Zartman, 1994; Hampson with Hart, 1995). As a result, negotiators seldom have perfect knowledge of the many technical issues on the agenda, the legal procedures available and the preferences of other actors. However, some may be better informed than others and those parties that possess superior expertise are also better positioned to identify potential agreements and shape outcomes in their own

favour (Young, 1991; Tallberg, 2006). It is common in the literature to distinguish between three alternative forms of expertise: content expertise, process expertise and preference information (Wall and Lynn, 1993; Beach, 2005). Content expertise refers to technical knowledge of the issues under negotiation. Process expertise refers to knowledge of the institutional framework of negotiations, including legal provisions and procedures. Preference information, finally, refers to knowledge of other parties' interests and domestic political constraints.

European Council participants frequently highlight the importance of personal expertise in summit negotiations and testify to varying levels of content, process and preference expertise among the participants. Even if the heads of government ought to be well briefed when they arrive, there are sometimes glaring gaps in knowledge, with implications for the negotiations. One particular feature of European Council meetings merits special attention in this context, namely the deliberate separation of the national executives from the civil servants, in order to create an atmosphere more conducive to concessions and compromises. An important side-effect of this arrangement is that the national executives are largely on their own and that differences in the level of personal expertise therefore matter more than in the Council of Ministers or in other international negotiations, where the chief negotiations generally are accompanied by legions of specialists.

Content expertise is deemed very important, indeed a prerequisite for influence, by European Council participants. Even if all parties profit from mastering the technical details of the dossiers, representatives of small and medium-sized states emphasize that issue expertise is particularly pivotal for them, since they cannot rely on structural power and that they therefore have greater incentives to be well informed. In this vein, Erkki Tuomioja observes: 'Smaller countries tend to do their homework better. They cannot afford not to be knowledgeable about the issues.' Jean-Claude Juncker makes a similar observation: 'The knowledge of dossiers is essential. I have to say that my experience is that those representing smaller and medium-sized countries, they have the better knowledge of the dossier, because they have fewer people to prepare it, they have fewer speaking notes and transport mechanisms than the others. And if you have a broader knowledge than your colleagues, then you can give indications, you are able to introduce nuances, you can draw up broader perspectives, taking pieces from other meetings or other portfolios.' Frequently mentioned examples of European Council participants who have benefited politically from intimate knowledge of the technical details of dossiers include Jacques Delors in budget and treaty negotiations, Jacques Chirac in negotiations on agriculture and Jean-Claude Juncker in negotiations on social, economic and financial

matters. In all three cases, experiences as portfolio ministers constituted a central source of knowledge.

In the European Council, it is the Council Secretariat's specific task to be well-versed in all the procedural and legal aspects of decision-making. Yet the Secretariat's presence does not eliminate differences in process expertise and their implications for bargaining power. Some heads of government have developed considerable knowledge of the EU's institutional system and its procedural idiosyncrasies, whereas others face significant shortages. Philippe de Schotheete (2006, p. 39) notes that not all national executives understand the formal procedures applicable in the European Council. One long-serving head of government confirms these deficits in process expertise and points specifically to the prime ministers from the new Member States, who only recently gained seats in the European Council, suffer from high turn-over rates and seldom have been portfolio ministers. Typical gaps in knowledge include the Commission's monopoly on initiative in the first pillar and the European Parliament's equal status to the Council of Ministers in the co-decision procedure – basic features of the EU political system.

Information about other parties' preferences is a prerequisite for building coalitions and negotiating agreements in the European Council. Generally, national executives perceive themselves to be well-briefed on the positions of the others. Yet there is a difference between knowing what the position is and understanding why this particular position is taken. According to European Council participants, there is sometimes a lack of understanding of the domestic political debate in other Member States that renders it difficult to arrive at compromise agreements acceptable to all parties. As one experienced prime minister concludes: 'The real problem of the European Council is that the majority of the members [. . .] do not have the time or do not take the time to be totally informed in a way that, leaving behind their national interests, they can develop compromise formulas. What people say is seldom unreasonable, it is simply political.'

Conclusion

The central message of this article is that bargaining power in the European Council is polymorphic. Testimonies from a broad sample of European Council participants suggest that bargaining power in this forum cannot be reduced to either a matter of formal equality or a question of great power dominance. Rather, the relative power of national executives is a product of the structural capabilities of the Member States they represent, their access to

institutional resources in the European Council and their own personal qualities as negotiators. Yet not all forms of bargaining power are equally prominent in shaping negotiation outcomes. European Council participants testify that differences in structural power are most fundamental, with the effect that France, Germany and the UK most often set the parameters of summit negotiations. Even if structural capabilities rarely are deployed directly in the negotiation process, they impact indirectly, by defining a state's range of options, the resources it can commit to an issue and the legitimacy of its claim to shape joint decisions. The institutional and individual dimensions of power tend to be of secondary importance and mainly mediate the impact of structural power asymmetry.

This article carries three sets of broader implications for the study of EU politics and international negotiations. First, the empirical results suggest that the European Council offers greater leeway for power politics than any other EU institution. Whereas the impact of structural power differentials in the EU's general legislative process is softened by the involvement of the supranational institutions – the Commission, the Parliament and the Court – the European Council offers more limited institutional protection to small and medium-sized Member States. The formal equality of the Member States, as expressed in the principle of unanimity, is largely a procedural fiction that helps to legitimize the outcomes of European Council bargaining. Paradoxically, the eastern enlargement of the EU appears to have strengthened these qualities of the European Council, by increasingly moving negotiations away from the plenary meetings of the summits and into informal and minilateral sessions dominated by the large Member States. The unusual scope for power politics in the European Council further explains the opposition of the EU's small and medium-sized states to the establishment of a semi-permanent president of the European Council through the Lisbon Treaty – a reform that will strip these states of an important recurring source of influence and further expand the room for power politics in the EU, by strengthening the European Council in relation to other EU institutions, especially the Commission.

Second, this article demonstrates the usefulness of importing generic theories and concepts for purposes of better understanding politics in the European Council, but also suggests ways in which bargaining in this forum speaks to general IR theory. Whereas existing research on the European Council is best described as atheoretical, this article points to the merits of integrating insights from general political science theory. More specifically, it shows that theories on state, institutional and individual sources of power are highly useful in identifying, categorizing and illustrating the many faces of bargaining power in the European Council. At the same time, this article

speaks to ongoing concerns and debates in IR theory. Notably, it points to the limits of presenting dominant IR theories as competing in all instances. Rather, the inventory of bargaining power in the European Council underlines the complementarity of resources privileged by alternative theories of power: structural power (realism), the power of the veto (rational choice institutionalism) and the power of persuasion (constructivism). Generally, this article also answers to calls by IR theorists for more detailed empirical work on the resources that allow states to exercise power and the means through which alternative forms of power are exercised (Baldwin, 2002, p. 186).

Third and most importantly, this article opens up a new area of research on bargaining in the European Council and summit politics generally. As the first focused exploration of bargaining power in the European Council, it constitutes an initial step toward a more advanced understanding, rather than the conclusive analysis. More specifically, it leaves four important issues unaddressed, all of which constitute promising areas for future research. First, while providing an inventory of multiple sources of power in summit negotiations, this article does not establish the conditions under which state, institutional and individual resources are likely to matter most. Carefully designed comparative case studies are likely to be particularly useful for exploring such conditional hypotheses. Second, this article presents a general picture of bargaining power in the European Council and leaves open the question of variation across time and issue areas (with the exception of the eastern enlargement). How have fundamental changes in the negotiation environment, such as the institutionalization of summit preparations and the successive enlargements, affected the relative prominence of alternative sources of bargaining power in the European Council? Third, this article centres on independent sources of bargaining power, but does not offer an analysis of how heads of government subsequently pool power through coalition building. Do national executives seek coalition partners primarily on the basis of power, shared interests, ideological affinities or cultural proximity? Initial research in this area points to the limits of party political mobilization in the European Council and the dominance of issue-specific coalitions driven by interest considerations (Tallberg and Johansson, 2008). Finally, this article invites comparisons between the European Council and summit negotiations in other international contexts, such as the Group of Eight (G-8). To what extent is the pattern of bargaining power observed in the European Council distinct for this forum, or applicable to the broader universe of summit negotiations? Summit politics is a topic that so far has received very limited attention and therefore constitutes a promising field of research (for a rare contribution, see Putnam and Bayne, 1987).

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Appendix: Interview List

The title or function of the interviewee is given as it was held at the time of the interview and in the capacity that he or she is relevant for the project.

Frank Belfrage, former Permanent Representative to the EU, Sweden, 17 November 2005.

Bernard Bot, Minister of Foreign Affairs, the Netherlands, 15 May 2005.

Ingvar Carlsson, former Prime Minister, Sweden, 8 September 2004.

Robert Cooper, Director General of DG E, General Secretariat of the Council, 3 February 2005.

Lars Danielsson, State Secretary, Sweden, 8 September 2004.

Kim Darroch, Head of the European Secretariat, Cabinet Office, United Kingdom, 29 November 2006.

Jacques Delors, former President of the European Commission, 21 December 2006.

David Galloway, Head of the Private Office of the Assistant Secretary General, General Secretariat of the Council, 3 November 2004.

Valéry Giscard d'Estaing, former President, France, 7 December 2005.

Felipe Gonzáles, former Prime Minister, Spain, 17 May 2005.

Tarja Halonen, President, Finland, 27 May 2005.

Lena Hjelm-Wallén, former Minister of Foreign Affairs, Sweden, 28 October 2004.

Jean-Claude Juncker, Prime Minister, Luxembourg, 8 December 2005.

John Kerr, former Permanent Representative to the EU, United Kingdom, 28 November 2006.

Neil Kinnock, former European Commissioner, United Kingdom, 29 November 2006.

Claas D. Knoop, Minister at the Permanent Representation, Germany, 5 November 2004.

Wim Kok, former Prime Minister, the Netherlands, 15 May 2005.

Erkki Liikanen, former European Commissioner, Finland, 27 May 2005.

Gunnar Lund, former Permanent Representative to the EU, Sweden, 7 September 2004.

John Major, former Prime Minister, United Kingdom, 1 December 2006.

Guy Milton, Adviser, General Secretariat of the Council, 3 February 2005.

David O'Sullivan, Secretary General, European Commission, 2 February 2005.

Göran Persson, Prime Minister, Sweden, 25 January 2005.

Sven-Olof Petersson, Permanent Representative to the EU, Sweden, 24 September 2004.

- Michel Petite, Director General of the Legal Service, European Commission, 3 November 2004.
- Jean-Claude Piris, Director General of the Legal Service, General Secretariat of the Council, 3 February 2005.
- Paolo Ponzano, Director of the Task Force on the Future of the EU and Institutional Questions, European Commission, 5 November 2004.
- Poul Nyrup Rasmussen, former Prime Minister, Denmark, 11 November 2005.
- Javier Solana, Secretary General of the General Secretariat of the Council, 12 December 2006.
- Erkki Tuomioja, Minister of Foreign Affairs, Finland, 27 May 2005.
- Hubert Védrine, former Minister of Foreign Affairs, France, 17 November 2005.
- Jérôme Vignon, former Director of the Forward Studies Unit, European Commission, 3 February 2005.
- Stephen Wall, former Permanent Representative to the EU, United Kingdom, 30 November 2006.

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