

The London School of Economics and Political Science



*Essays on Bicameral Coalition Formation:
Dynamics of Legislative Cooperation in the European Union*

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Declaration

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Abstract

The thesis develops a theory of legislative cooperation in bicameral legislatures. At its core is a distinction between two decision-making scenarios leading to a concurrent majority in the two chambers. In an inter-institutional scenario, the chambers oppose each other as unitary actors. In a trans-institutional scenario, the constituent actors enter into cooperation across the boundaries of their chambers. The central argument is that formateurs face a strategic decision on which of these two routes to take. They can stick to their intra-institutional coalition, or they can abandon it and propose a logroll across issues within a bill that is carried by a majority across the chambers.

The thesis comprises three papers, united by the general topic of trans-institutional legislative cooperation, and each demonstrating the crucial role of the formateurs. The empirical analysis focuses on co-decision legislation proposed in the bicameral system of the European Union between 1999 and 2009. In particular, it draws on a new dataset on early-stage and final-stage coalitions in the European Parliament and the Council of the EU. This is based on an extensive analysis of more than 18,000 Council documents and 19,000 amendments in the EP presenting for the first time a systematic insight into early-stage coalitions.

Three central findings emanate from the application of the theoretical framework to the new data. First, formateurs can obtain an outcome closer to their preferences by choosing between inter- and trans-institutional scenarios. Second, the transaction costs of exchanges across institutional boundaries are lower if formateurs' preferences are similar. Third, the decisions of the formateurs potentially produce winners and losers as some actors are included and others are excluded from the coalitions. These findings build on and further develop theories of bicameral coalition formation and legislative organisation. They highlight that the strategic environment in which actors operate surpasses their individual chamber, and explain how this affects the process and outcome of decision-making. This leads to important empirical and theoretical contributions which raise normative implications.

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INTRODUCTION

Trans-institutional cooperation in bicameral systems

This thesis investigates the determinants of bicameral coalition formation. Bicameral legislatures usually have conflict resolution mechanisms in place to facilitate a concurrent majority in the two chambers, which is required to pass legislation (Tsebelis & Money, 1997). The standard view of bicameral decision-making focuses on a sequence of intra-cameral decision-making followed by inter-cameral bargaining that pits the chambers against each other. In line with this, the majority of empirical studies focus on decision-making in one of the chambers or inter-institutional negotiations, in which at least one chamber is conceptualised as a unitary actor. In contrast, this thesis argues that actors can instead enter into cooperation across the boundaries of the chambers. As a consequence, trans-institutional coalitions rather than the chambers oppose each other. Crucially, which scenario comes about is the strategic decision of key actors in the legislature.

Within three papers I develop a theory of trans-institutional legislative cooperation and analyse its implications. The empirical analysis is based on different subsamples of 844 legislative acts proposed between 1999 and 2009 under the European Union's (EU) co-decision procedure. In particular, I draw on an original dataset on early-stage and final-stage coalitions in the Council of the EU and European Parliament

(EP) based on an analysis of more than 18,000 Council documents and 19,000 amendments proposed in the EP.

The first paper lays out the theoretical argument for trans-institutional cooperation and highlights the role of intra-institutional “formateurs”, such as the EU Council presidency and the EP’s rapporteur, who hold agenda-setting power in coalition formation. In a first step, I propose a micro-mechanism of coalition formation that builds on the insight that formateurs choose coalitions strategically. On this basis, I develop a typology of coalition dynamics. The paper provides empirical evidence of the rival inter- and trans-institutional scenarios between the EP and the EU Council as well as of the key role of the two chambers’ formateurs. The paper finds that the presidency and the rapporteur create more compact coalitions and that the rapporteur in particular benefits from this.

The second paper focuses on transaction costs of legislative exchanges in bicameral systems. Its central argument is that similarities between formateurs reduce the transaction costs of exchanges, and hence facilitate legislative cooperation. Therefore, decision-making speed can be modelled as a function of the characteristics of the proposer and negotiators of the two chambers. Event-history analysis provides evidence that the preference alignment of the formateurs is an important predictor of the duration and, therefore, the efficiency of decision-making.

The third paper asks who wins and who loses in the process of bicameral coalition formation, when the fate of amendments is not determined in one chamber alone. After intra-cameral coalition formation, the formateurs may either stick to their

proto-coalition, or shift coalitions by including new members while excluding others. The paper demonstrates that the formateur represents the crucial link in this process of intra- and inter-cameral decision-making.

In a nutshell, the thesis challenges established theories of legislative organisation and models of decision-making by positing a generalisable theory of bicameral coalition formation, which is tested on the basis of a novel dataset on EU decision-making.

The remainder of the introduction is structured as follows. First, I provide a stylised presentation of the bicameral system of the European Union and key debates in the literature on decision-making and legislative organisation. On this basis I develop the argument and define key concepts. Subsequently, I outline the implications of my argument and contribution to the literature. As a common foundation of the following papers, I then explain the empirical strategy devised to identify early and final-stage coalitions, as well as the extensive data collection effort I undertook to this end.

Bicameral decision-making in the EU

Bicameral decision-making in the EU combines features of presidential and parliamentary systems, but generally resembles that of other bicameral systems (Hix & Hoyland, 2011; Tsebelis & Money, 1997). The legislature comprises the European Parliament, a directly elected lower house, and the Council of the European Union, an upper house in which the member states are represented through their ministers. The executive consists of the European Commission—a supranational bureaucracy

elected by the EP upon a proposal by the EU's heads of state and government in the European Council. As in parliamentary systems such as Germany or the United Kingdom, it is the executive, not the legislature that proposes legislation. Unlike these systems however, and more in line with presidential systems such as the United States, the executive does not fall if not supported by the legislature. Hence, coalitions are formed on an issue-by-issue basis, and conflict between the differently composed chambers has to be solved accordingly.

To this end, the ordinary legislative procedure, oftentimes referred to as "co-decision procedure", combines the two standard mechanisms of bicameral conflict resolution (Tsebelis & Money, 1997). In the so-called "navette procedure", a legislative proposal shuttles back and forth between the two chambers. Eventually, a conference committee composed of members of the two chambers can be convoked to propose a compromise.

This proceeds as follows. After submission of the Commission's legislative proposal, a first reading takes place in the Council and the EP. The proposal is adopted as soon as both chambers agree on a common text. In the first reading, the EP amends the text, and if the Council adopts these amendments, the legislative act is adopted. Otherwise, in the second reading, the EP can subsequently adopt the Council's amendments, and failing this, the Council has a second chance to adopt the EP's amendments. If no agreement has been found in this back and forth between the chambers, a conference committee is summoned, called conciliation committee in the EU. This can draw up a proposal on which the chambers decide in a straight up or down vote.

State of the Art

The formal rules of this procedure have been the subject of a large body of literature that seeks to explain decision outcomes in the European Union (Crombez, 2000; Hagemann & Høyland, 2010; Steunenberg, 1997; Thomson, Stokman, Achen, & König, 2006; Thomson, 2011). A first strand focuses on the sequential moves of players, voting thresholds and voting power, and the location of the status quo. In contrast, a second strand has challenged the assumption that these formal rules impose strong constraints on legislative interaction, and emphasises informal bargaining rather than the formal procedure (Achen, 2006; Thomson et al., 2006; Thomson, 2011).

The debate between these camps has put the search for a micro-mechanism of coalition formation at the forefront of the research agenda. The thesis proposes a mechanism that feeds into the debate. It puts emphasis on the key role of formateurs in the two chambers and it is dynamic in that it suggests that formateurs decide which of various possible scenarios of coalition formation emerges.

Legislative organisation is crucial in this context. Standard theories developed with regard to the U.S. Congress explain the emergence of parties and committees (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Shepsle & Weingast, 1987; Weingast & Marshall, 1988). These are often applied to the EU, and in particular the EP (e.g. Kaeding, 2004; Yordanova, 2009). However, the theories are based on unicameral conceptions of the legislature (see e.g. Gailmard & Hammond, 2011). This raises the question of what impact bicameralism has on legislative organisation.

The thesis suggests that bicameralism creates an incentive for delegation beyond party leadership and committees, thus extending standard theories of legislative organisation.

At the same time, the dynamics of bicameral decision-making and legislative organisation represent a burgeoning field in the broader literature on interaction of intra- and inter-cameral decision-making (Diermeier & Myerson, 1999; Gailmard & Hammond, 2011; Hoyland, 2006; Yordanova, 2011a). These studies suggest that the strategic environment of actors extends beyond their own chamber. This has important implications for how legislatures organise, and what institutions they adopt. This goes beyond the standard view that bicameralism matters if chambers are not congruent, and significantly expands our understanding of the effect of bicameralism (see Heller, 2007). The thesis ties in with this literature by zooming in on the strategic decisions of key actors who have to weigh the benefits of different coalition dynamics, as the next section explains in detail.

The argument explained

This thesis argues that key actors in bicameral decision-making, so-called *formateurs*,¹ form a proto-coalition in their chamber, and then face a strategic decision between inter- and trans-institutional decision-making scenarios. As a consequence, legislative exchanges for support can take place across the institutional boundaries of the chambers. The transaction costs of these exchanges influence both

¹ The term *formateur* is French and refers to an individual who literally forms or shapes.

the process and outcome of the negotiations in that they affect their efficiency as well as who wins and who loses.

The process of coalition formation unfolds over two stages: an early, intra-cameral stage at committee level, and a final inter-cameral stage at plenary level. Let us define these terms by breaking down the process into its key components. (Key terms are in bold.)

First, the **formateur** is an agenda setter within the chamber, who can propose a coalition and underlying agreement. In some countries with parliamentary systems, formateurs are tasked with forming a government (Lijphart, 1986). In Belgium and the Netherlands, the head of state chooses an “informateur” who in turn appoints the “formateur” to form a government coalition. But even where this institution does not formally exist, we can identify an informal formateur if for instance after an election all members of parliament accept that the largest party is given the first attempt at constructing a coalition with other parties in order to form a government. Just as formateurs of governments distribute portfolios and hence control over specific policy areas, formateurs in legislative decision-making (see Yoshinaka, McElroy, & Bowler, 2010) can offer certain rewards to those joining their coalition (Laver & Shepsle, 1990; Shepsle, 1979). They do so by accommodating actors’ preferences, i.e. their requests for changes (if any) to a legislative proposal. Each of the papers highlights the key role of these formateurs in the EU’s legislative process.

Second, when accommodating these actors, the formateur proposes a **proto-coalition** of which they become members. A proto-coalition in Robert Axelrod’s (Axelrod,

1970, 1972) original formulation is a coalition of actors that “expands stepwise until it reaches political viability” (Diermeier, 2008). I slightly broaden this definition in that I also allow for the possibility that the proto-coalition “minimises” step by step. Importantly, as the term “proto” suggests, it is a “pre-coalition”, or “working coalition” that may still be in flux. A further difference to Axelrod’s definition is that his proto-coalition can do without a formateur and that coalition formation takes place in an institution-free environment, whereas I argue that formateurs are crucial in this process and form coalitions around themselves. As a consequence, I do not focus on rival coalition formation, such as attempts by coalition outsiders to form a blocking minority. I stress that the formateur brings together a number of actors, and may subsequently include or exclude members. The inclusionary and exclusionary dynamics will be crucial in particular in the first and third papers, which focus on the direction and consequences of these changes.

It is important for my purpose that coalitions are by their very nature unanimous. Therefore actors that do not support the final coalition will be excluded from it, and the formateur will propose a new coalition. I draw on this micro-mechanism of coalition formation—a formateur proposing a proto-coalition and then building the final coalition upon it—because experimental evidence shows that it is a good approximation of how coalition formation works in practice (Diermeier, Swaab, Medvec, & Kern, 2008).

Third, the coalition is cohesive because of issue-linkage resulting in a **logroll** (Tullock, 1959). The basis of a logroll is a **legislative exchange**, by which I mean a trade of political support over issues. For this to be possible, I assume a

multidimensional/ multi-issue policy space. Legislators trade votes and offer to support other actors' demands on issues about which they care less in exchange for support on issues about which they care more. This give-and-take binds together the coalition. The existence of logrolling is well known. In the US context, logrolling often carries a negative connotation, because it is tied to pork-barrel politics that result in omnibus bills and overall inefficient outcomes. In other words, individual legislators are seen to extort excessive prices, such as investment in their constituency, for their support of a piece for legislation. However, generally speaking, logrolling is nothing but a form of reciprocity (Keohane, 1986). There are different levels at which such issue-linkage may take place. For example, Kardasheva (2009a) focuses on package deals across several acts. McKibben (2013) focuses on issue-linkage in one chamber only. Here, in contrast, I focus on issue-linkages within individual proposals and across chambers, which is arguably the most straightforward case.

Fourth, the distinction between two scenarios of bicameral decision-making is at the heart of the thesis. **Inter-institutional decision-making** suggests that the chambers are pitted against each other with at least one conceptualised as a unitary actor. This is the standard story of bicameral negotiations in the literature (e.g. Tsebelis & Garrett, 2000; Tsebelis & Money, 1997), and in line with unicameral theories of legislative organisation (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Shepsle & Weingast, 1987; Weingast & Marshall, 1988). The chambers form their positions, and then engage in inter-cameral bargaining to come to an agreement. **Trans-institutional decision-making** in contrast pits actors in coalitions across institutional

boundaries against each other. This implies that actors cooperate across institutional boundaries, and that what happens in one chamber might affect the other.

Putting these pieces together, we arrive at a causal mechanism that has important implications for our understanding of legislative politics in bicameral systems. The next section expounds this in more detail.

Contribution to the Literature

Engaging with debates in comparative politics and EU politics, the thesis provides compelling evidence for the co-existence of trans- and inter-institutional coalition dynamics, the key role of the formateur in deciding between different decision-making scenarios, and winners and losers in the process. Based on a large new dataset on early and final-stage coalitions that I developed, it distinguishes four types of coalition dynamics and shows that formateurs can strategically choose coalitions that advance their preferences (paper 1). The characteristics of the formateurs influence the duration of the legislative process and highlight their key role as gatekeepers and facilitators of exchanges (paper 2), ultimately producing winners and losers (paper 3). Thus this thesis points at adversarial dynamics in bicameral coordination. Decision-making in the EU is usually described as an inclusive process in which acts are made “yesable” to an increasing number of actors (Hayes-Renshaw & Wallace, 2006). While we find support for this general dynamic, it is only one side of the coin. Inclusionary and exclusionary dynamics co-exist, and the thesis sheds some light on the question why actors lose in the EU.

The existence of trans-institutional coalition formation and the key role of formateurs have important theoretical implications for models of bicameral decision-making. At a general level, the institution of formateurs brings bicameral systems closer to stable outcomes by avoiding “cycling” (Riker, 1962), and it can reduce search costs for agreements. The micro-mechanism suggests that rather than debating whether procedural or bargaining models perform better at explaining outcomes, we need to investigate the scope conditions of which route actors take. The thesis suggests that formateurs are at the heart of this trade-off and thus need to be more prominently included in explanations of decision outcomes.

Likewise, the central role of the formateur has important implications for legislative organisation. The second paper suggests that standard approaches to institutionalising legislative exchanges are impeded by uncertainty regarding their enforceability under bicameralism. This is because the market for legislative exchanges expands across the two chambers. This challenges unicameral theories and empirical studies of bicameral systems. For instance, theories of legislative organisation are based on unicameral reasoning and neglect the lack of certainty regarding the enforceability of the trades they institutionalise. Likewise, exchanges within chambers only capture one part of the story. In inter-chamber negotiations, the thesis argues that the formateur might have an incentive to backtrack on these trades.

These findings also have important normative implications: since constituent actors in the legislature matter they need to be held accountable. The two chambers of the EU have developed different systems to delegate authority. While in the Council, the presidency rotates every six months, rotation in the EP is based on specific

legislative files. In both cases, control mechanisms limit agency drift by the formateur acting on their behalf. In the Council, no legislative file is negotiated by one presidency alone. In the EP, party groups appoint shadow rapporteurs who can keep a close eye on the rapporteur. The thesis highlights the importance of these mechanisms and the need for a better understanding of their workings and effectiveness.

If coalition formation results in winners and losers, this has important implications for the legitimacy of policy and, in the case of the EU, European integration. The thesis suggests that these arguably change over time as preference alignments in the chambers change.

Empirical strategy: identifying coalitions under formal and informal procedural choices

This section presents the empirical strategy devised to create a dataset on early- and final-stage coalitions in the EP and Council. While final-stage decision-making has been the subject of a vast, established literature, our knowledge of early-stage coalitions is much sparser. For the EP, roll-call vote data and its possible shortcomings have been analysed in depth (Carrubba et al., 2006; Hix, Noury, & Roland, 2007). For the Council, contestation in voting behaviour and the lack thereof have been debated (Hayes-Renshaw, van Aken, & Wallace, 2006; Heisenberg, 2005; Mattila & Lane, 2001). In contrast, only few studies exist that scrutinise early-stage decision-making, such as in the committees of the EP and working parties of the Council, and even fewer aim at identifying coalitions at that stage (Finke, 2012;

Fouilleux, Maillard, & Smith, 2005; F. M. Häge, 2007; Frank M. Häge, 2013; Hurka, 2013). A simple explanation for this is data availability, which is generally more limited, as well as the fact that decision-making is less transparent.²

In order to overcome these widely acknowledged challenges, this thesis embarks on a major data collection effort based on novel methods of identifying coalitions. It takes as its starting point 844 co-decision acts proposed under the ordinary legislative procedure between 1999 and 2009. This period was chosen because it provides some continuity in the institutional framework given the reform of co-decision that entered into force in 1999 (co-decision 2) and because it maximises data availability.³

Co-decision 2 is marked by a shift from formal, sequential decision-making to more simultaneous informal bargaining between the co-legislators in trilogues with the European Commission (Farrell & Héritier, 2003, 2004). It includes the possibility to conclude legislation after the first reading of the procedure. When legislation is controversial enough to be amended, actors have a procedural choice between opting for formal sequential or informal, simultaneous decision-making. These choices have important implications for the identification of coalitions. At this point I will explain the different options, and their implications will be highlighted in the following sections when discussing the identification of coalitions in the Council and the EP.

When the European Commission proposes a piece of legislation, and the EP and Council seek to amend it. They can now opt for the formal route, under which the

² This is likely to change as the European Parliament has recently introduced roll-call votes at committee level. A recent ECJ ruling in the field of transparency also safeguards the availability of information on policy positions in Council minutes.

³ This is because access to files still under negotiation is more limited, as is data availability before 1999.

European Parliament adopts its amendments, and the Council adopt its amendments after that. If the Council is in perfect agreement with the EP, they will adopt the amendments of the EP, and the act is adopted at first reading. If the Council prefers an ever-so-small change, at least a second reading in the EP will be required.

In order to avoid a second reading, the EP and Council have a strong incentive to opt for the informal route and coordinate their amendments before the EP adopts its opinion. The EP then already adopts with its first-reading opinion those amendments of the Council that the chamber deems acceptable. With the Council's amendments already included in the EP's opinion, the Council does not need to introduce additional amendments and the act can be adopted at first reading. If agreement is not possible, a reversal to the formal route, and thus a continuation of the negotiations in a second round of readings is possible, so there is a general incentive to try an informal agreement.

When opting for this informal route, the coordination of amendments can take place on the basis of a mandate. The two institutions first independently adopt mandates for their negotiators, then coordinate on a compromise, and adopt this at first reading. Alternatively, negotiators can meet without mandates and present a feasible compromise to their chambers. The implications of this will be discussed below.

In sum, co-decision 2 created an incentive for actors in the two chambers to coordinate their amendments in order to adopt legislation at the first reading. The factors driving such agreements have been discussed in the literature (Rasmussen & Reh, 2013; Rasmussen, 2011; Reh, Heritier, Bressanelli, & Koop, 2013). Under this

procedural choice, any amendments requested in the Council already need to be adopted by the European Parliament prior to their adoption in the Council. Whereas the formal sequence of the procedure stipulates that the EP first adopt its opinion and the Council then react to it, informalisation means that by default the EP and Council each prepare to agree a compromise at first reading.

The following describes in detail the empirical strategy and data sources at the heart of this project. As starting point, I adapted Reh et al.'s (2013) data (including legislation adopted in this period) based on information available in the EP's Legislative Observatory. First, we focus on early-stage coalitions in the Council, and then on those in the EP. Each section starts by answering the question of how coalitions were identified, and then delves into the more technical part on data collection. Second, we discuss the more conventional identification of final-stage coalitions in the two institutions.

Council of the European Union: identifying early-stage coalitions based on reservations

After the Commission has published its legislative proposal, member state delegations reacting to a proposal have different options at hand. First they can make simple suggestions for changes to the text. These can be genuine improvements to the text, but mostly they are low salience proposals based on the preferences of the delegation. Consider the following two examples:

“The AT delegation pointed out that the preamble should include a reference to act XYZ.”

“CZ: would prefer to delete paragraph d”.

These examples are indicative of the normal deliberative negotiating style in the Council. The presidency and other member states may judge these proposals on their merits, and they might be taken on board or not. Either way, these interventions do not usually impede agreement.

A second option is more formal. Member states can enter reservations on specific points or entire proposals (Hayes-Renshaw & Wallace, 2006; Nedergaard, 2007, pp. 162–3; Westlake & Galloway, 2004, p. 226). Westlake and Galloway (2004) differentiate between procedural and substantive reservations. Procedural reservations usually come in the form of scrutiny or parliamentary (scrutiny) reservations. If member state representatives do not have instructions from their capital yet because the inter-ministerial coordination process has not been concluded, they can enter a scrutiny reservation. In essence, this means that a country’s position on a specific clause is still undecided or that a new proposal will have to be discussed with superiors in the national administration. In addition, member states frequently lodge parliamentary (scrutiny) reservations. Here, the justification is that a national parliament has to be consulted on a member state’s position. The rationale in the negotiation is hence similar to a scrutiny reserve: in one case it is the executive that still needs time, in the other the legislature. Nevertheless, procedural reservations

have in common that they “are not considered important, since most will evaporate in due course” (Westlake & Galloway, 2004, p. 226).⁴

Substantive reservations in contrast are high-salience objections to texts and compromises. Westlake and Galloway explain that, “When a member state representative, at whatever level (Council, Coreper or working party) cannot agree to something in a text proposed by the Commission or the presidency, they place what is known as a reservation on it (often referred to in Franglais as a ‘reserve’)”(ibid.). These reservations are costly for member states in that they constitute requests for accommodation. In the give-and-take of Council negotiations, member states have an incentive to only enter a reservation in severe cases so as to save political capital. Hence, “a formal reservation is the sternest and most inflexible variety. It means that a member state cannot accept a provision on substantial rather than procedural grounds” (ibid.). As a consequence, reservations are not the default option for expressing disagreement or requesting changes to texts. Instead, often footnotes with comments by member states co-exist with reservations. While a delegation may hence note that it would prefer Option A over Option B, or may highlight inconsistencies in the text, reservations may be held up at the same time in case of serious disagreement.

In sum we can thus differentiate between ordinary interventions, procedural and substantive reservations. Substantive reservations mean that a country has not been accommodated on an issue of high salience to them, and we infer from this that it is not part of the presidency’s proto-coalition. Interventions in Council meetings are

⁴ Other procedural reservations are “waiting reservations”, which in substance correspond to scrutiny reservations, and “linguistic reservations” pending the translation of a text or clarification by legal-linguistic specialists.

recorded in documents that delegations use in their meetings to come to an agreement. A summary of the state of play and/or footnotes to the draft legislative text can mention substantive reservations. In order to identify coalition membership, we thus need to collect information on reservations. The next section describes the data collection effort in more detail.

Data collection: early-stage coalitions in the Council

Reservations were hand-coded from Council documents with essential support by software. The first challenge was to obtain the documents from the Council website. The second was to code the countries having entered reservations. The third was to identify the correct document containing reservations in terms of timing in order to code valid coalitions. In the following, I go through these steps.

Obtaining the documents and making them machine readable

Documents relating to the different legislative procedures can be downloaded from the Council register of documents in portable document format (PDF) after search for the reference number of the legislative procedure (Council of the European Union, 2014). As downloading these documents manually is extremely time-consuming and prone to error, I used software to extract information about the documents, created a list of all links to documents, and then downloaded them with download management software.

In order to obtain information about the population of documents, I built two “crawlers” in the import.io application (Import.io, 2014). Crawlers are web-scraping tools that extract information from websites and transform the data into machine-readable datasets. The first crawler collected information on the number of documents per legislative procedure, and thus the number of result pages. On this basis I created a list of all websites containing these documents. The second crawler then retrieved from these websites the document number, title, date and accessibility status of each document relating to these procedures. In numerical terms, a total of 21,507 documents matching the 844 procedures were listed in the register. 18,443 of these were fully accessible, 598 only partially (meaning that parts are redacted), and 2,482 were not accessible. The list of 18,443 documents represented the basis for the next step.⁵

From the document numbers, I created a list of links to the documents, which I fed into a download manager in groups of several hundreds. This programme in practice successively opened the websites and downloaded the files into a specified folder. The result of this step was the population of accessible documents in PDF-format.

For the further steps, the PDF-documents had to be converted into computer-readable text files. PDF-files come in two forms. They can have a text file embedded or simply contain an image of the text. As the latter is not searchable, the text has to be extracted through optical character recognition (OCR). I used Adobe Professional software for bulk-conversion of the documents into text files with interposed OCR.

⁵ There are theoretical reasons for using available documents only. Documents containing reservations by member states that are not public might be so at their request. If that is the case, and they wish to keep this information private, they are unlikely to oppose the legislation if not accommodated. This would bias the results. For the procedures eventually selected, I requested non-accessible documents finding only marginal changes to the information in publicly available documents.

In short, the software checked whether OCR was necessary, and then converted the files into text format.

While these steps are straightforward, it should be noted that the sheer extent of the data collection effort means that a seemingly simple step such as downloading the documents or converting them into text files can easily bring a software or computer to its knees. The chosen software is thus also a result of these practical considerations. Despite using powerful hardware and software these are matters of weeks rather than days or hours. Likewise, the management of more than 18,000 files is not feasible manually, but required the use of code. Once this first step was completed, I could, however, draw on a fully searchable database sorted by legislative procedure, including the documents required for the next step.

Identifying reservations

Reservations in Council minutes follow a specific format, making it possible to search the text for specific formulations. The standard procedure in content analysis is the creation of a dictionary that contains these formulations, and that can then be used to search the text (Neuendorf, 2002, pp. 126–130). It is also possible to create more complex search terms that link words to a particular context (key word in context, “KWIC”) and search for concordance (Neuendorf, 2002, p. 131). These searches can be performed in software such as WordStat.

I performed a comparable search routine with GREP software (PowerGREP, 2014). Grepping software globally searches for a regular expression and prints (global regular expression print, hence grep) the results on the screen or in an output file. In

essence, this software performs the same task as content analysis software for keyword-in-context or concordance analysis, but following a more efficient procedure and in a more stable environment. The search term is a regular expression (regex), which in principle allows complex patterns of text to be matched.

As my aim was to identify reservations, I needed search terms (i.e., a “dictionary“ in content analysis terms) that covered the interchangeable nouns *reservation(s)* and *reserve(s)*, as well as the verb *to reserve* in its inflected variants. This boils down to the common denominator ”reserv”. Hence, I used the following search term:

```
(?!parliamentary) (?!scrutiny) [;, :-) ('"!*\?\. ]reserv|[\t\r\n\v\f]reserv
```

In plain English, this means that the software prints all lines in which the term “reserv” is found given certain conditions:

- The term is preceded by a space, standard punctuation mark or it positioned at the start of a line. This means that the search term only returns a result if “reserv” is at the start of the word. Thus, it returns “reservation”, but not “preservation”.
- The term is not preceded by “parliamentary” or “scrutiny”. This means that the search term will not return “scrutiny reservation” or “parliamentary reservation”.
- The term is not case-sensitive. This means that both “Reserve” and “reservation” are returned.

Experts in the use of programming software might well be able to create more efficient search terms, and there are slight variations in regex-codes across programmes, so I was careful to test the search term on training files in the software

that I used (PowerGREP, 2014). The output shows the highlighted matches, allowing easy navigation, and the number of lines of context is easily adjustable. If more context is required, clicking on the line number opens the source document at the specified point. All of this facilitates an efficient analysis of the output.

The output of this step was thus, for each legislative procedure, a list of files containing potential substantive reservations, as well as the actual output of the grep procedure, namely the lines containing reservations. The emphasis here is on *potential* substantive reservations because not all returned results are indeed correct matches. The regex does not distinguish between substantive reservations that member states enter, a flight reservation mentioned in legislation on passenger rights, and a resource reserve that member states have to maintain under energy legislation. It might be possible to filter these out using a more sophisticated search term, but I am not aware of any specification that would not come at the cost of risking missing substantive reservations.⁶ Therefore, I deemed it more sensible to cast the net a little wider and rely on human coding to discard false matches, than missing a reservation in a text because of too restrictive search terms.

The resulting list of reservations was then cross-checked and reservations were hand-coded. This allowed discarding three types of “false” matches. Firstly, this relates to any remaining reservations that are not substantive reservations. This captures reservations not entered by member states as a negotiating device (e.g., flight reservations), non-substantive reservations (e.g., scrutiny reservations) that were

⁶ For instance, it would be possible to search for reservations only if they are in a sentence mentioning a country or nationality. This would mean that we discard instances in which a reservation is entered, but the country is not mentioned. Likewise one could exclude matches in the context of specific words (say, “flight”). But this would also exclude substantive reservations in the proximity of the term. Thus, refinements would only constitute partial solutions, and carry important risks.

returned despite being excluded (e.g. due to spelling mistakes in the document or formatting issues), and mentions of reservations that had been withdrawn. Secondly, any reservations could be discarded that referred not to the compromise text as such but rather to a specific member state proposal. For example, consider a footnote reading “FR suggests postponing deadline to 2017; reservation by NL delegation on this proposal“. In this case the Netherlands is not excluded from the presidency’s coalition, as the proposed change to the deadline was merely floated at the meeting, but not embraced by the presidency and included in the text. Thirdly, it allowed flagging up a document if there were any non-attributable reservations. In some cases the draftspersons use generic language highlighting that “several member states” or “two delegations” entered reservations. In this case, we cannot identify who is actually behind the reservations.

The key question of which member states entered a substantive reservation proved a very straightforward coding exercise based on the handy output of the software.⁷ This facilitated refining the list of Council documents that included information on coalitions, as well as the coalition members as such. However, for many legislative procedures there was more than one document including substantive reservations, and thus potentially different coalitions to choose from. Deciding on which document to use, and thus which coalition, represented the final challenge.

⁷ In line with recommendations by Neuendorf (2002, pp. 158–159) and Krippendorff (2004, pp. 238–241), an inter-coder reliability test on a stratified sample of 376 files including 208 matches was conducted. Krippendorff’s alpha at .96 suggests very high inter-coder reliability (Krippendorff, 2004, pp. 241–243).

Identifying the correct document and valid coalition

If the coalition evolved over time, as the presidency adapted the content of the proposal to include some member states so as to find a majority, while possibly excluding others whose requests became too demanding, it is important to identify rules for the selection of the document on which the coding is based. Let us recall first that we are interested in identifying intra-institutional coalitions based on a presidency compromise text. This implies a specific time window demarcated by two criteria.

The first criterion delimits the start of the time window. After a proposal has been transmitted by the European Commission, working parties in the Council conduct a first analysis of the text. At this stage, the delegations go through the proposal article by article in an exchange of views. As a consequence, reservations initially refer to the Commission proposal rather than a presidency compromise (Nedergaard, 2007, p. 261). Hence, documents at this stage are not suitable for the present research interest. Moreover, many national capitals are still in the process of forming their positions through mechanisms of national inter-ministerial coordination (Gärtner, Hörner, & Obholzer, 2011; Kassim, Menon, Peters, & Wright, 2001; Kassim, Peters, & Wright, 2000), on the basis of which they instruct their representatives in the working parties. During this first analysis, positions are still in flux and coalition formation cannot be discerned. In sum, the first criterion thus excludes early exchanges of views on the Commission proposal from the analysis, because positions refer to the Commission proposal rather than a presidency text and are still subject to change.

The second criterion delimits the end of the time window. Once negotiations with the EP start and a joint compromise text becomes the basis of the discussions in the Council, we are leaving the intra-institutional phase. Usually, the Council Secretariat draws up a so-called “four-column document”, in which one column contains the original Commission proposal, one the EP’s proposed changes, one the Council’s proposed changes, and one a potential compromise. At this point, reservations do not any more refer to the intra-institutional coalition formed by the presidency, but the compromise between the two chambers. In order to assess coalition formation at the final stage, we will look at final-stage voting behaviour. Therefore, we exclude documents in which the basis of discussion is a compromise text between the two institutions.

The time window for identifying the early-stage, intra-institutional coalition is between these two demarcations. If there is more than one document in this time window, the latest one represents the presidency’s final coalition-formation effort, and thus the mandate with which the presidency can go into trilogue negotiations with the EP rapporteur and the Commission. In a nutshell, for any procedure for which reservations were identified in minutes of meetings, we need to identify the latest possible document at the intra-institutional stage that is within the time window. If the documents returned by the search do not meet these criteria, the respective legislative procedure is unfit for our analysis.

In order to assess the risk of selection bias that might arise from the exclusion of these procedures, we need to better understand which files are affected by these criteria. To this end, we can draw on the categorisation of variants of the co-decision

2 procedure developed at the start of the section. Accordingly, we will differentiate between formal and informal procedural choices, and mandate-based and non-mandate based variants of the latter. Files adopted under a purely formal procedure would fall outside the scope of the analysis if the Council waited until after the adoption of the EP's opinion before starting its work on the file. The basis of Council deliberations would then be the EP's opinion rather than the Commission's proposal. Where explicit reference was made to EP amendments in documents, I excluded the document from the analysis because it suggests that the coalition described already targets a compromise with the EP rather than a Council-internal position. In other words, these procedures would not meet the second criterion. However, as discussed at the start of the section, this is a rare phenomenon. The Council usually starts its work on files soon after their adoption by the Commission and works towards a mandate for the presidency, which can then enter into informal negotiations with the rapporteur. This is the standard, and by now default procedural choice.

If Council and Parliament opt for the informal route, we need to distinguish between mandate and non-mandate based variants of the procedure. Under a mandate-based procedure, the presidency enters into negotiations with the EP rapporteur based on a set of amendments agreed by a coalition in the Council and EP committee, respectively. Under a non-mandate based procedure, the Council would not have adopted a mandate when the negotiations start. The former is the by far most likely situation given the hierarchical organisation of the Council. While very technical consultations between experts may take place at expert level, political controversy that we are interested in here is covered by political trilogues, in which the presidency's permanent representative or their deputy negotiates with the EP

rapporteur. At this point, the proposal has travelled up the Council hierarchy and the Council presidency has built a coalition around a compromise proposal. In other words, when the proposal has progressed far enough for informal trilogue negotiations to be on the agenda, the presidency can work on the basis of a compromise proposal, serving as mandate for the negotiations, supported by a coalition that it formed.

This raises the question of whether presidencies have a strategic incentive to enter into non-mandated trilogues. These files would be excluded from the analysis, potentially leading to a selection bias in my sample. I argue that there are only very limited circumstances under which it would be expedient for the presidency to engage in non-mandated trilogues. One reason for this is that presidencies' success is measured in particular by concluding files. It is much easier for presidencies to achieve that once sufficient compromise has been established. Negotiating in a vacuum with rapporteur does seem to do only little to drive the negotiations forward.

There may be strategic advantages to be gained for the Council or the presidency from e.g. adopting a mandate early or particularly late, before the EP adopts the mandate for its negotiator. In both cases, the files would run the risk of being excluded. However, these considerations do not seem to be a reason for concern with regard to potential selection bias. The strongest reason for the Council to adopt its mandate early is to signal to the EP that it is united. But these cases would in any case fall through the roster because there would not be any split in the Council. Recalling that I selected documents based on reservations mentioned in them, I only investigate files causing controversy in the Council. As for adopting mandates late,

the nature of Council deliberations eliminates plausible strategic considerations. Since Council negotiations are not public, the Council has no incentive to delay negotiations in order to, e.g. avoid disclosing splits or policy positions. In other words, strategic considerations might play a role in the timing and sequence of negotiations, but this does not seem to further bias the data beyond the exclusion of non-controversial files in the Council.

The two criteria discussed above thus remain the most important delineation of suitable documents. They raise important decisions for human coders, and which are more difficult than the identification of a reservation discussed above: which of the documents, if any, should be the basis for coding the intra-institutional coalition? Coding instructions were devised that operationalise the criteria in a straightforward manner (see Appendix 1).⁸

Once this document had been identified, all of these steps culminate in a simple variable capturing whether each member state upheld a reservation at this point, and hence, whether it was part of the presidency's proto-coalition or not. Thus we obtained the members of early-stage coalitions in the Council.

⁸ A test for inter-coder reliability was conducted on a stratified sample of 82 legislative files, and thus in line with Neuendorf's (2002, pp. 158–159) and Krippendorff's (2004, pp. 238–241) recommendations supports this with Krippendorff's alpha at .802. This is a satisfactory value (Krippendorff, 2004, pp. 241–243), in particular given that slightly different choices in documents do not necessarily yield different coalitions.

European Parliament: identifying coalitions based on amendments

Having been assigned a report, the rapporteur will draw up a draft report after one or two exchanges of views on the Commission proposal in the committee (Corbett, Jacobs, & Shackleton, 2011, pp. 161–162). This contains a set of amendments that he or she deems desirable or, in rare cases, only a resolution to adopt the Commission proposal without amendments. The draft report is then discussed in committee and a second round of amendments is introduced, this time around by committee members as well as the rapporteur. The full set of amendments is then discussed in committee, and subsequently voted on. This is a more formal, less iterative procedure than in the Council. While the presidency in the chair can propose new changes at any point, the rapporteur and competing party groups are more constrained.

Before the vote, however, the rapporteur can seek to build a coalition in negotiation with shadow rapporteurs and party group coordinators (Corbett et al., 2011, p. 159). The rapporteur can propose compromise and consolidated amendments in this quest. These are usually one to three reformulations of amendments confined to one paragraph or article each. In rare cases, these amendments are formally proposed, in which case they can be treated like ordinary amendments as they will have authors attached to them. However, often compromise amendments are proposed shortly before the meeting, and are, much like oral amendments in committee, not available in written form. This renders it impossible to attribute sponsors.

In this context it is again instructive to draw on the distinction between mandate and non-mandate based informal negotiations under the co-decision 2 procedure. This

has far ranging consequences for EP committee decision-making and transparency. Under classical scenario of a mandate-based informal negotiation, the committee adopts its opinion and before tabling the report in plenary, the rapporteur reaches out the Council in order to see whether a “formal procedure” beyond the first reading can be averted. In contrast, under a non-mandate based scenario the rapporteur would enter into informal negotiations with the Council before the final committee vote rather than between committee vote and plenary vote (Héritier & Reh, 2012; Obholzer & Reh, 2012; Reh, 2014). If the rapporteur forges such an agreement, usually all previously negotiated amendments fall and are replaced by a full new text including all amendments. Under these circumstances it would be impossible to identify whose amendments were included and whose were not, unless one was to comb through the proposed text.

Excluding files negotiated under the non-mandated variant of the informal route under co-decision 2 raises questions as to whether this leads to a selection bias with regard to the sample of acts studied here. Therefore, it is important to note that such non-mandated informal negotiations are strictly discouraged within the EP. As early as 2004, the EP adopted guidelines on negotiations under co-decision, which required rapporteurs to negotiate based on a committee mandate. By now, these rules have been codified in the EP’s rules of procedure. On the one hand, the need for guidelines shows that this has been an issue. MEPs complained that rapporteurs would meet with the presidency without control by e.g. shadow rapporteurs. On the other hand, it demonstrates that this conduct was from early on strongly discouraged, thus limiting its overall impact on the sample.

It also helps to think about the strategic reasons that rapporteurs might have to enter into non-mandated negotiations with the Council. In principle, the rapporteur could pursue this route without a backlash from fellow members of the committee only in case of very technical, non-controversial legislation. This legislation is already excluded from the sample if it did not cause controversy in the Council. This would suggest that the overall impact would be rather small.

If the vote proceeds, committee (substitute) members decide on individual amendments, possible compromises or oral agreements (Corbett et al., 2011, pp. 162–163). Split votes differentiating between different parts of an amendment may be requested. The committee secretariat prepares a voting list indicating the voting order and interdependencies between amendments. For instance, many amendments are mutually exclusive, meaning that if one is adopted the others automatically fall and are not put to vote.

The key insight about the process is that proposing amendments does not seem a coordinated endeavour, while voting is. Party groups usually have the rapporteur or shadow rapporteur following a file on their behalf, so their amendments, as well as those of coordinators, are of particular importance (Corbett et al., 2011, p. 159; Hurka, Kaeding, & Obholzer, 2014; Whitaker, 2001). Nevertheless, the amendment process is genuinely open. Members enter amendments as they deem appropriate. This contrasts with voting, which is largely based on coordinated lists provided by the (shadow) rapporteur in cooperation with party group coordinators on the committee, after party-group internal discussions and negotiations between the rapporteur, shadow rapporteurs and coordinators.

As amendments from a group's MEP may thus be withdrawn or lapse as part of a compromise in the rapporteur's proto-coalition, and as individual MEPs might uphold amendments not supported by the group, the definition of the rapporteur's proto-coalition cannot be fully in line with that in Council, where we looked at those who – translated to the EP setting – saw their amendments rejected. Instead we have to approach the issue not by who is excluded, but who is included in the coalition.

Hence, we can define as part of the rapporteur's proto-coalition all groups who had an amendment adopted. I exclude compromise/consolidated and oral amendments not specifying their sponsors. This is reasonable because we can expect that the groups proposing or endorsing these are exactly those who also see other amendments adopted. For pragmatic reasons, I also exclude any amendments from opinion-giving committees. This would not have been feasible as the entire process would have to be executed for each file and each opinion by a committee. While the amendments contained on these opinions might well be important, I expect that they reflect the same coalition as the main responsible committee.

In sum, we can thus recap this section as follows. After all amendments have been proposed, the rapporteur needs to build a proto-coalition supported by other party groups. By exchanging support over amendments, the rapporteur can build a coalition. As a consequence, amendments proposed by MEPs from groups belonging to the proto-coalition will be accepted in committee. Hence, by identifying which groups successfully proposed amendments, we can identify who belongs to the rapporteur's proto-coalition. This shows that in order to identify coalitions, we

require all amendments proposed in committee, as well as the minutes of the meeting in which they were put to vote.

Data collection: early-stage coalitions in the EP

Amendments were extracted from official EP documents with the help of software. While the sheer amount of data was the major challenge when it came to the Council, locating documents proved hardest in the context of the EP. This is because documents are not systematically filed on the basis of the inter-institutional reference. Given this was the major constraint, data collection was limited to those 162 files for which information had been secured on Council coalitions. This limitation made the largely manual process practically feasible.

Obtaining the documents, extracting information, and identifying successful amendments

The EP's Legislative Observatory (OEIL) (European Parliament, 2014) was the starting point of the data collection, as it provides links to draft reports and amendments (for more recent procedures), as well as the date of the vote in committee. On this basis the meeting list of the respective committee could be accessed, and missing documents (draft reports, amendments, and possible compromise amendments) could be downloaded. By sifting through the agendas and documents for the following meetings, most minutes could be secured when they were put on the agenda for approval by the committee. If the minutes had not been approved in committee two years after the initial meeting, the search was aborted. As

the complexity already suggests, attempts at automation of this part of the data collection did not succeed.

Once the documents had been secured, the data had to be extracted. Amendment numbers and sponsors could be extracted through simple “grepping” of the documents, and given the consecutive numbering of amendments any mistakes could be easily corrected. These could then be matched with information from the meeting’s minutes. The minutes however varied in quality. Some minutes did not include amendment-specific data at all, so they had to be excluded. In most cases, the minutes list all adopted amendments, with a simple addition that all remaining amendments fell or lapsed (because a competing amendment was adopted), were rejected by vote, or withdrawn by the authors. For others, it is specified in detail which of these different options applied to specific amendments. As per the definition of coalitions above, the analysis focused on the common denominator of adopted amendments. Excluding 38 acts for which either the minutes could not be located or which did not contain amendment-specific information, the result of these steps was a list of more than 19,000 amendments proposed on 124 files matched with information on whether they were adopted or not.

We could stop at this point if individual MEPs rather than party groups were the decisive actors in legislative coalition formation. In order to match MEPs with their party group instead, I used data from the EP that was automatically extracted (“crawled”) from MEPs’ web profiles detailing their history of parliamentary service, including their party group affiliation and possible changes thereof. This is in principle an updated version of Hoyland, Sircar and Hix (which is not updated

anymore) (2009).⁹ This allowed matching amendment sponsors with their party group affiliation at the time of the vote.

On this basis it could easily be coded whether an amendment sponsored by an MEP of a specific group was adopted, and thus whether the party group was part of the rapporteur's proto-coalition or not. Recalling that the formateur forms a coalition around him- or herself, it should be noted that the party group of the formateur is part of the proto-coalition by default. Thus we arrived at the EP's early-stage coalitions.

Final-stage coalitions

Analyses of final stage contestation and voting behaviour are much more common, and their coding is more straightforward. We follow procedures that are similar to those deployed to identify early-stage coalitions in the two institutions.

Council of the EU

There is an established literature focusing on contestation in the Council at the final decision-making stage. These studies have focused on the level of contestation as well as dimensions of the policy space and coalitions among member states (Bailer, Mattila, & Schneider, 2014; Hagemann & De Clerck-Sachsse, 2007; Hagemann, 2006; Hayes-Renshaw et al., 2006; Hosli, Mattila, & Uriot, 2011; Mattila & Lane, 2001; Mattila, 2004, 2009; van Aken, 2012). Since Regulation 1049/2001 on transparency and access to documents entered into force, votes are recorded in public

⁹ I use part of this data on parliamentary service in co-authored work on rapporteurship assignment (Hurka et al., 2014) and party group coordinators (Obholzer & Kaeding, 2012).

addendums to Council minutes. In addition, monthly summaries of council acts provide information on voting decisions and statements. For earlier decisions, it is also useful to consider press releases accompanying the decisions. Given the consensual nature of Council decision-making, Hagemann (e.g. 2007) argues that member states express their dissatisfaction through statements rather than votes if they realise that they are in the minority. Member states can enter these into the minutes (and they are reproduced in the monthly summaries). Thereby, they can maintain good relations with the other member states.

For these reasons I coded as members of the final coalition all member states that did not vote against, abstained, or entered a statement voicing their concerns in the minutes.¹⁰ These documents are available through the Commission database PreLex and the Council's Legislative Transparency websites. Under all of these circumstances, the member states did not get what they wanted and can hence be considered as outsiders to the coalition.¹¹

European Parliament

Similar to the Council, we have a good knowledge of plenary decision making in the EP, largely because of roll-call vote analysis (Hix et al., 2007; Hix & Noury, 2009). These studies have shed light on the ever-increasing cohesion of party groups, coalitions and dimensionality of the policy space. However, the default mode of voting in the EP is a simple show of hands and roll-call votes have to be requested

¹⁰ I excluded statements by the UK and Spain maintaining that specific pieces of legislation did not affect their territorial claims to Gibraltar, as I did not consider this conflict to be related to the policy at stake.

¹¹ I do not differentiate between abstentions under qualified majority voting and unanimity. Under the latter procedure, an abstention does not block an agreement. Yet, it clearly shows that the member state abstaining does not fully support the agreement forged by the Presidency.

separately (Carrubba et al., 2006; Carrubba, Gabel, & Hug, 2008). Therefore, we cannot systematically rely on roll-call votes to identify whether the majority of a party group supported a specific amendment and legal act.¹²

Instead we again draw on amendments and their success, in line with the procedure at committee level. The report voted in committee is put to vote in plenary, and the committee, party groups and members (at least 38) can propose amendments. If the committee report is adopted without any amendments, the early-stage coalition equals the final coalition. If the committee report is successfully amended by groups that were part of the early-stage coalition, nothing changes. If any amendments by one of these groups are voted down, the respective group is not considered part of the coalition any more. Successful amendments by groups that were not previously included in the coalition are taken to mean that they are now additional members of the coalition.

If the committee report is voted down or withdrawn, the starting point is not the early-stage coalition that carried it, but instead we start from a clean slate. Those groups whose amendments are adopted are considered as part of the coalition. Hence we arrive at final-stage coalitions in the EP.

Data: the samples

Through these steps, intra-institutional coalitions could be identified in a total of 124 legislative procedures in the population of 844 co-decision files initiated between

¹² This 2009, the first-reading vote on the legislative resolution takes place by roll call.

1999 and 2009. This is not a representative sample, but meaningful selection of controversial files. It is not representative because at a minimum it does not include non-controversial files on which no member state introduced a reservation. Other strategic considerations of actors in the process that might lead to a selection bias in the sample have been discussed above. Overall, there is no clear direction in which these can be expected to affect the data and results in the following papers. Similar to roll-call vote samples in legislatures, the cases studied here are relevant and arguably particularly interesting, because they shed light on contested legislation. Most importantly, the procedure developed here allows original insights into early-stage coalitions and legislative behaviour that can be replicated on more recent legislative files.

The three papers draw on different samples of these 844 legislative acts. The first paper focuses on early- and final-stage decision-making and hence uses the 124 cases for which we have complete information on both Council and EP. The second paper is concerned with the dynamics between the formateurs and their principals, and can as a consequence draw on almost the full population of 844 acts. The third paper focuses on coalition dynamics in the Council and can make use of all 164 cases for which information could be identified for that institution.

Summary and outlook

This introduction has provided a concise overview of the research project at the heart of the thesis. It has first explained the structure of the thesis in three papers and expounded their content. Presenting the main argument and definitions of its building

blocks has served a common foundation for the three papers. Against the backdrop of the state of the art, this has illustrated the contribution of the thesis to the literature. Finally, a technical section has detailed the innovative empirical strategy.

The three papers will introduce the theory of trans-institutional cooperation, the formateurs' impact on efficiency in the market for vote trades and the impact these dealings have on legislative success.

Annex 1: Coding instructions

Identifying reservations

Please code whether a grep (search) result tells you about a substantive reservation by a member state, where 1=yes and 0=no. Member states are identified by the country name, nationality or one of the codes/abbreviations listed in the inter-institutional style guide (<http://publications.europa.eu/code/pdf/370000en.htm>).

Please note that COM and Cion refer to the European Commission.

Please code a search result as 1 under the following condition:

- The result links one or several member states to a substantive reservation. Formulations include e.g. “CZ entered a reservation”, “the NL delegation reserved their position”, “UK: reserve”.

Please code a search result as 0 under the following conditions:

- It refers to reservations or reserves in different contexts than as a negotiating device (e.g. flight reservations, currency reserve).
- It refers to a scrutiny, parliamentary, linguistic, or waiting reservation/reserve.
- It relates to a specific proposal made at a meeting rather than a provision included in the draft legal text/ a presidency compromise (e.g., “NL has a reservation on the F proposal”, “The Commission proposes to extend the deadline. DK has a reservation on this.).
- It relates to a reservation that has been withdrawn at this point.
- It relates to a substantive reservation, but does not immediately specify one. For instance, consider the sentence “The following reservations remain: IT has a reserve on article 1”. The first result would be coded as 0, while the second would be coded as 1. In contrast, consider the sentence “The

following reservations remain: IT, article1.” This would return one result, which would be coded as 1.

Please code all results of a document as 0 under the following condition:

- Any result leaves unspecified which member state entered a reservation (e.g., “Two delegations entered reservations on this article.”)

In some cases, reservations will not be in the footnotes but in a summary at the start of the document. This requires particular care because relevant information may be spread over several lines. If in doubt, please request the full document.

Identifying the correct document

Please consider the following documents by procedure and date. In some cases, more than one document might be assigned to a date. In this case please consider all the documents *en bloc* because they relate to a single meeting.

For each legislative procedure, please study the documents and starting with the most recent, identify whether the text:

- 1) Relates to the first reading under the co-decision procedure.
 - a. YES: proceed with step 2.
 - b. NO: code as 0 and proceed to the *next most recent document*.
- 2) Is a compromise text between the Council and EP.
 - a. NO: proceed with step 3.
 - b. YES: code as 0 and proceed to the *next most recent document*.
- 3) Relates to a working party document and has not been discussed by Coreper or the Council before.

- a. YES: code as 0. Code all remaining documents relating to the procedure as 0. Then proceed to the *next legislative procedure*.
- b. NO: code as 1. Code all remaining documents relating to the procedure as 0. Then proceed to the *next legislative procedure*.

PAPER 1

‘Formateurs’ in bicameral legislative politics: Explaining trans-institutional coalition formation

Abstract

The paper presents a theory of why and how specific coalitions are formed under bicameralism. It suggests that actors can enter into trans-institutional cooperation across institutional boundaries, and proposes a causal mechanism of coalition formation. Formateurs can propose a logroll across issues within a bill that is carried by a majority in the two chambers. They therefore face a strategic decision between two decision-making scenarios, in which either the chambers oppose each other as unitary actors or coalitions within the institutions are pitted against each other. On this basis the paper develops a typology of coalition dynamics. The empirical analysis draws on original data on early and final-stage coalitions on 124 legislative proposals proposed between 1999 and 2009 under the co-decision procedure in the bicameral system of the European Union. It provides evidence of different types of coalition dynamics and the key role of the formateur.

Introduction

In bicameral systems, legislators need to form concurrent majorities in the two chambers in order to adopt legislation in the face of intra- and inter-institutional conflict. This raises the research question of why and how specific winning majority coalitions are built. To this end, this paper investigates the formation of majority coalitions through facilitation of specific logrolls across issues within a legislative proposal. It pursues two objectives: first, it introduces a distinction between different types of legislative coalition dynamics and provides empirical evidence of them in the political system of the European Union; second, it suggests that key actors in the chambers exert control over exchanges causing these dynamics.

Coalition formation takes place in two stages and in line with one of two scenarios, as figure 1 illustrates. After intra-institutional coalitions have been formed in the chambers at a first stage, the chambers can take an inter-institutional or trans-institutional approach to conflict resolution at the second stage: in the first scenario, the intra-institutional coalitions enter into inter-institutional negotiations on behalf of their unitary chamber; in the second scenario, a trans-institutional coalition between individual legislators across institutional boundaries can be formed instead. These scenarios result from exchanges towards a logroll carrying the bill that can take place at an intra-, inter- and trans-institutional level. The crucial point is that they result in distinct types of coalitions that consist of different actors. The paper provides empirical evidence of these dynamics in the European Union.

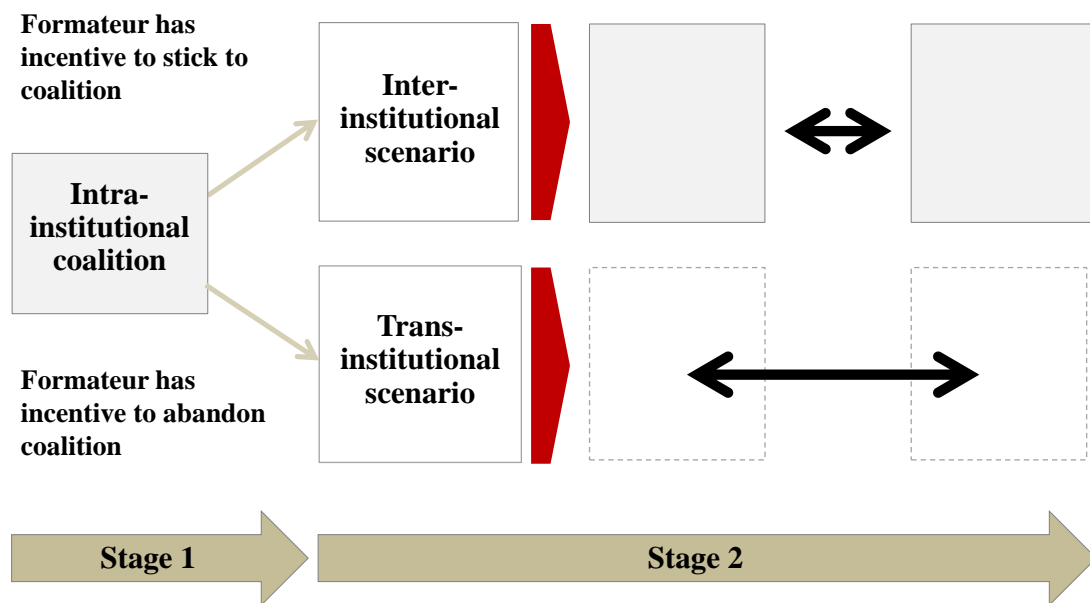


Figure 1: Inter- and trans-institutional scenarios

The central argument in this paper is that specific actors enable and influence the outcome of bicameral decision-making between the chambers by exerting control over the exchanges between actors. In countries such as Belgium or the Netherlands, actors tasked with forming a government are referred to as formateurs. Similar to these, legislative formateurs use their proposal power to put forward an inter- or trans-institutional logroll. In an inter-institutional logroll, the intra-institutional coalitions exchange support on different issues by giving in on issues about which they care less (low salience), while gaining concessions on issues about which they care a lot (high salience). In a trans-institutional logroll, constituent actors of the institutions exchange support. I assume a multi-issue and arguably multi-dimensional policy space, which creates vast opportunity for such logrolls within bills (Tullock, 1959, 1981), creating demand for formateurs to enable coalitions.¹³ Out of the vast

¹³ Logrolls can take three forms, each of which has been argued to be present in the EU: internal logrolls within a bill (Aksoy, 2012; McKibben, 2008), external logrolls across bills ('package deals') (Kardasheva, 2009a), and logrolls over time through diffuse reciprocity (Heisenberg, 2005; Keohane, 1986). Here, we focus on the most immediate of trades in support, that is internal logrolls, and highlight the key role of formateurs linking a coalition to specific policy substance by choosing one

range of such feasible tradeoffs (hence, potential outcomes) in a zone of agreement, formateurs pick one substantive compromise and supporting coalition, and thereby decide if a trans- or inter-institutional route should be taken. In other words, formateurs determine which of the multiple equilibria is chosen and are, therefore, at the core of the micro-mechanism of coalition formation.

Studies of government formation, from which the concept and role of formateurs originates, suggest that formateurs and other institutions have a key impact on coalition formation and stability (Diermeier, 2008). Extrapolated to legislative decision-making, they should also have a crucial impact on the nature of coalitions and be able to mould coalitions to further their interests (Finke, 2012).

The paper focuses on the political system of the European Union to investigate the influence of formateurs on coalition dynamics. It scrutinises the agenda-setting power of the rapporteur in the EP and of the rotating presidency in the Council of the European Union in intra- and inter-institutional decision-making, and presents a typology of coalition dynamics arising from the strategic decision that formateurs face.

The paper draws on a novel dataset on early and final-stage coalitions in the European Parliament and Council of the EU. It is based on an original data collection and analysis of more than 18,000 Council documents and more than 19,000 EP amendments relating to 124 legislative proposals initiated between 1999 and 2009 under the co-decision procedure. For the first time, this allows systematic insights

out of several possible options through provision of focal points (Ringe, 2005) for tradeoffs and eventual agenda setting.

into early-stage coalition formation in the two chambers. On this basis, it provides empirical evidence for the occurrence of four types of bicameral coalitions. Comparing coalitions across the two chambers and two stages, it focuses on two dependent variables: coalition size and the formateurs' distance to the status quo. On this basis, we find some support for the influence of the formateurs as linchpins of a causal mechanism underlying bicameral coalition formation.

The paper proceeds as follows. It starts off by providing a theoretical framework that suggests a rationale of formateur influence in bicameral legislative politics and discusses the role of formateurs and the institutional context in which they operate in the European Union. On this basis it presents the strategic decision that the formateurs face between two scenarios, and develops a typology and hypotheses. These are finally explored and tested using the case of the EU. A discussion of the results concludes the paper.

The role of the formateur in bicameral coalition formation

Legislative exchanges of political support over issues within a proposal are the key to coalition formation. Such issue-linkage results in logrolls (Tullock, 1959), in which legislators support issues about which they care less in exchange for support on issues which are salient to them. In parliamentary systems, these exchanges take place after elections when a government is formed and portfolios are allocated (Laver & Shepsle, 1990). As a result, the executive subsequently controls a legislative majority. In presidential systems, the legislature can usually propose legislation and has to find mutually agreeable compromises. If bicameral approval is

needed (Diermeier, Merlo, & Eraslan, 2007), this changes the composition of coalitions and incentivises exchanges across institutional boundaries. This creates a bicameral market for exchanges and demand for the institution of a formateur to mitigate transaction costs (see paper 2). This is because formateurs can propose coalitions supported by a logroll across the two chambers. Accommodating requests of actors, they become architects of the coalitions in the chambers. In the following, we first discuss the role of the formateur, and then illustrate it by the example of the EU.

The formateur: market maker for legislative exchanges

Exchanges of political support come with transaction costs emanating from search, negotiation and enforcement (Dixit, 1998; Furubotn & Richter, 1997; North, 1990). Parties and committee structures can institutionalise these exchanges at the intra- and bicameral level in order to reduce transaction costs of decision-making. First, parties may internalise some of the intra- and inter-chamber coordination. In particular, the party leadership can exert agenda control and reward as well as punish members in order to push through an intra-party compromise (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Rohde, 1991). Second, committee structures can likewise institutionalise exchanges in legislatures. Distributive theory suggests that the committee structure formalises exchanges within the chamber, as legislators self-select into committees of their choice and can control legislation in the committee's jurisdiction (Shepsle & Weingast, 1987; Weingast & Marshall, 1988).

However, both parties and committees face considerable challenges in bicameral systems classified as “strong” by Lijphart (1986) because the two chambers are

differently composed and have veto power. This exacerbates bicameral coordination (Tsebelis & Money, 1997). Strong parties might facilitate exchanges of support between their delegates in the lower and upper houses. König (2001) tested how party politics alters bicameral decision-making. As parties present in both chambers can coordinate their positions and act concertedly, they provide building blocks for a concurrent majority in the two chambers, and eventually for the absorption of the veto player that the chamber represents. However, different majorities and different incentives of factions in the two houses render this more unlikely. In a similar vein, a lack of perfect committee parallelism between the chambers hampers committees' ability to institutionalise exchanges given uncertainty about the enforceability of exchanges (Larocca, 2010). The bicameral market for exchanges is hence susceptible to market imperfections and, at a maximum, market failure.

Market imperfections are the result of excessive search, negotiation and enforcement costs. In addition to standard information costs relating to the substantive issues at stake (Gilligan & Krehbiel, 1990; Krehbiel, 1991), the sheer size of the market and number of actors increases actors' search costs when identifying possible trading partners, agreeing on a "price" for mutual support and enforcing this in a sequential legislative procedure (Stigler, 1961).

Formateurs can reduce these costs by providing "focal points" for negotiations. As Ringe explains, "focal points influence policy makers' perceptions of the relevance and salience of the dominant ideology dimensions. Hence, their introduction structures the political context by affecting the dimensional location of political deliberation and contestation" (2005, p. 733).

While focal points alleviate search costs and negotiation costs, they do not address enforcement issues. The institution of the formateur represents a solution to this issue because they can take on the role of a “market maker” in the market for votes. This means that they enable trades by considering how to set off demands against each other. Out of the multitude of offers and demands, they choose which trades to realise, and hence which coalitions will be formed. Eventually, they construct a logroll of these trades, so that any renegeing actor invalidates the entire deal.

Thereby formateurs can also mitigate the threat of market failure in absence of a stable majority (Riker, 1962). When granted agenda-setting power, formateurs can propose specific logrolls and supporting coalitions, whereby they choose one of multiple equilibria. By sanctioning some exchanges, while blocking others, the formateur decides who is included and who is excluded from the coalition. This institution can facilitate a stable outcome by creating a ‘structure-induced equilibrium’ (Shepsle, 1979) with a stable coalition that might never materialise without the institution of a formateur (Tallberg, 2006).

Formateurs, then, at a minimum, limit market imperfection through the reduction of search costs, and at a maximum prevent market failure by providing a focal point (Ringe, 2005) in intra- and bicameral negotiations. We can define formateurs as agenda-setters who propose compromise texts that are supported by coalitions that they formed.

Bicameral legislatures have an incentive to create the institution of the formateur. In most legislatures actors with ties to the majority party or coalition execute this role. As argued in paper 2, majority parties can engage in internal logrolling. In many systems, actors with ties to the majority party or coalition accordingly hold comparable positions. Yoshinaka, McElroy, and Bowler (2010) distinguish between continental Europe and Anglo-American systems. They argue that in the Anglo-American world, “bills are usually managed by a minister, sponsor, or private member; committee chairs may also play a critical role in the management of legislation” (p.460). In continental Europe, which they deem in general less “majoritarian” in the sense that legislatures are not characterised by equally strong divides between parties, the institution of the rapporteur (i.e. the person reporting) is commonplace in order to form a winning majority or consensus between multiple parties.

In Congress, representatives sponsoring legislation have to form a majority in their chamber while ensuring that there is a concurrent majority in the Senate. Before placing a bill on the floor agenda, committee chairs will likewise want to ascertain that a piece of legislation has sufficient support. Who acts as formateur might here depend on partisan dynamics and seniority in specific committees. In European parliaments such as those in Italy, Spain, France, or Germany, rapporteurs are employed to manage legislation (Yoshinaka et al., 2010). While there is variation in the degree to which they can actively shape legislation to their own benefit, we thus find that formateurs come in different shapes and forms, but that there is general demand for actors who set the agenda by proposing compromise texts and building majorities that support these.

Formateurs in the European Union: appointment and constraints

The political system of the European Union (EU) shares characteristics of parliamentary and (semi-) presidential systems (Hix & Hoyland, 2011), making it susceptible to the pitfalls of bicameralism developed above. In its bicameral legislature consisting of the Council of Ministers and the European Parliament (EP), there is no government that would fall if not supported, and hence no stable government majority and opposition minority that consistently vote *en bloc*. In addition, partisan links between the chambers are weak. Whilst in legislatures with strong parties, these might take on inter-chamber coordination, the prospect of this is unlikely in the EU (Lindberg, Rasmussen, & Warntjen, 2008). As one chamber is directly elected, while in the other member state governments are represented, congruence of the chambers is unlikely (Reif & Schmitt, 1980). As a consequence, the formation of majority coalitions between the EP and the Council of the EU has to take place on an issue-by-issue basis. The market for vote trades is in principle prone to imperfections and failure.

However, in the bicameral legislature of the EU, formateurs work within the committee structure of the two chambers to overcome these challenges (Corbett et al., 2011; Hayes-Renshaw & Wallace, 2006). For the EP, the rapporteur is the formateur; for the Council, the presidency assumes this role. In contrast, I do not consider the Commission as a formateur because it has a low-profile role in the negotiations. The fact that the EP and Council amend legislation demonstrates that the Commission does not successfully target the proposal at a specific winning

majority in the two chambers. In order to build these coalitions, and to pass legislation, the rapporteur and the presidency are essential.

Rapporteurs are appointed to lead negotiations on a specific file. Most research on rapporteurs investigates the aggregate distribution of rapporteurships by drawing on organisational theories developed in the context of the US Congress (Kaeding, 2004; Mamadouh & Raunio, 2003; Yoshinaka et al., 2010). Here, we will in contrast discuss why a specific file is assigned to an MEP.

The corresponding question of which Presidencies take up which legislative files has been relatively neglected. Since the presidency rotates every six months, a presidency is not assigned to a specific file that it would see through to the final adoption. However, it has been argued that prospective presidencies lobby the Commission to push forward work on files salient to them (Warntjen, 2007). Discussing the allocation of files to formateurs, we can also address the question of whether formateurs are chosen independent of coalitions that they form later on in the process, or whether it is coalitions that hand-pick specific formateurs.

This section then focuses on the appointment of formateurs, the ‘matchmaking’ between a specific legislative proposal and a formateur, the constraints in which they work, and the solution they represent to overcome risks of market imperfection and market failure. In analysing this, we will discuss the opportunities and constraints that formateurs are faced with in coordinating vote trades.

European Parliament: the rapporteur as formateur

Legislative work in the EP takes place in its committees. The EP leadership assigns proposals to committees, and these select a rapporteur whose task it is to form a majority. Drawing on principal-agent theory, we can see that there are two principals, the committee and the party, who choose their agent, the formateur, in two steps. This shows that the institution of the rapporteur is a suitable response to the threats of imperfections and failure in the market for legislative exchanges.

The committee is the primary principal of the formateur. Party group coordinators are the agents of the party leadership in each committee, and spokespersons on the subject matter (Obholzer & Kaeding, 2012; Whitaker, 2001). Rapporteurships are distributed through a bidding process among coordinators, who receive points according to their party's strength. Larger party groups thus have a relative advantage on more important, and hence more expensive, co-decision reports (e.g. Yordanova, 2013, p. 64). However, the bidding process allows savvy coordinators from smaller parties to save points in order to bid for reports that are salient to them. In principle, collusion in this process is possible. But since rapporteurships are allocated immediately after the transmission by the Commission and thus before the committee has examined the proposal in detail, any coalition of groups acting concertedly would have to be based on clearly identifiable alignments on the subject of the file. More generally, mainstream parties might try to prevent fringe or extreme groups from winning rapporteurships on important co-decision files. The more likely scenario is that if there are specific MEPs who are considered experts on a particular topic, for instance due to work experience or drafting of related legislation, agreement among coordinators may be consensual rather than competitive. However,

the more salient a report, the more relevant the competitive bidding process becomes. As a consequence, the evidence seems to suggest that party groups as opposed to set coalitions bid for and win reports rather than the other way around. It is thus safe to argue that the rapporteur will be the formateur of the coalition in the chamber. The committee thereby chooses an agent representing the committee as a whole, but tightly controlled by shadow rapporteurs from competing groups.

Rapporteurships are coveted prizes for party groups, who are the secondary principals. Once a coordinator has secured a report, they can delegate the rapporteurship to one of the committee members of their group (Obholzer & Kaeding, 2012). While they are usually free in their choice, functional imperatives suggest that workload ought to be evenly divided, which is a challenge for smaller groups in particular. Likewise, there are arguably pressures on the coordinator to consider the different national delegations. In addition, despite the perks of rapporteurships, MEPs might be active on different committees, in the party leadership or other roles that limit their availability and the pool from which coordinators can choose (Corbett et al., 2011; Neuhold, 2001). Notwithstanding these constraints, coordinators have room for manoeuvre in formulating specific demands and picking distinct MEPs. Choosing an MEP close to the party line minimises the risk that the formateur deviates from it. Coordinators can thus strategically deploy rapporteurs by taking their likely positions into account.

Despite the importance of the committee and party, there are good reasons for considering the rapporteur are than these principals as formateurs. Rapporteurs are the “primary legislator on the committee” (Yordanova, 2011a, p. 100). In different

political systems, other actors might be more suitable as formateurs. EP committees are politically divided and while committee chairs are powerful, in the EP they are not involved in the details of each file negotiated by the committee. Parties likewise do not act as formateurs themselves. As the existence of shadow rapporteurs demonstrates, intra-party delegation is essential to closely follow files and explore compromises. In the EP, the rapporteur executes this role for the chamber as a whole.

Nevertheless, the rapporteur is constrained by the two principals, the party group and the committee. This requires them to reconcile competing demands to advance the interests of the committee and their party group. Horizontal and vertical control mechanisms are supposed to keep the rapporteur in check. Horizontally, shadow rapporteurs follow the legislative file on behalf of the remaining groups. By taking part in inter-institutional meetings, they gain access to privileged information that the rapporteur might otherwise use to exceed his or her mandate. Party coordinators constitute a vertical check on the rapporteur's enforcement of the party line. Coordinators can bring the rapporteur in line as they eventually pass the voting recommendations of the rapporteur on to the group, and can thus interfere if necessary (Whitaker, 2001). In sum, the rapporteur is therefore an extension both of the committee and the party structure of the EP. In order to further reduce transaction costs, both committees and parties thus have an incentive to delegate.

Once an MEP has been assigned a rapporteurship, they will draw up a draft report after one or two exchanges of views on the Commission proposal in the committee. This contains a set of amendments that are deemed desirable or, in rare cases, only a resolution to adopt the Commission proposal without amendments. When presenting

the proposal and draft report in committee, the formateur can provide focal points for the negotiation by setting specific provisions in context or proposing particular trade-offs (Benedetto, 2005; Ringe, 2005, 2010). The draft report is then discussed in committee and a second round of amendments is introduced, this time by committee members as well as the rapporteur. For some proposals this is a manageable amount, for others these comprise hundreds of pages and thousands of amendments. Committees and party groups thus rely on the formateur to carve out possible trade-offs and to suggest an overall logroll, when the full set of amendments is discussed in committee, and subsequently voted on. Before the vote the rapporteur therefore seeks to build a coalition in negotiation with shadow rapporteurs and party group coordinators. The rapporteur can propose compromise and consolidated amendments in this pursuit in order to trade off actors' support over different issues so as to achieve a logroll across different issues in the proposal. This demonstrates that the rapporteur really is the formateur in the EP. In line with our definition of formateurs, the rapporteur is thus the agenda-setter with regard to specific compromise texts that are supported by a coalition that he or she formed.

The crucial role of the rapporteur also becomes evident in negotiations with the Commission and Council, as well as at the final decision-making stage. In these informal meetings - referred to as "trilogues" - the rapporteur acts as a "relais actor" linking the two chambers (Crozier & Friedberg, 1977; Farrell & Héritier, 2004). Again the institution of the rapporteur facilitates more efficient decision-making, reducing information, negotiation and enforcement costs. As lead negotiator the rapporteur can subsequently construct a majority in the plenary by again proposing

trades of votes over different issues resulting in a logroll supported by the required majority.

Empirical evidence underscores the influence of the rapporteur over outcomes. Costello and Thomson (2010) show that EP opinions tend to be biased towards the rapporteur's national interest (Finke, 2012; Hurka, 2013). Likewise, they provide evidence of the impact of the rapporteur on the final decision outcome (Costello & Thomson, 2011). The choice of the rapporteur can thus bear on the winning majority and, consequently, the content of legislation, as they are the architects of the coalition supporting an agreement.

Council of the EU: Council presidency as formateur

While the rapporteur is appointed on a continuous basis until the adoption of the legislation, the Council presidency rotates every six months among member states according to a schedule that is fixed many years in advance (Hayes-Renshaw & Wallace, 2006). The delegation to the presidency creates a formateur who is granted authority to chair all meetings and lead negotiations on legislative proposals throughout the different sectoral working parties, the ambassador-level Committee of Permanent Representatives (COREPER) and the ministerial-level Council. This presents the chambers' solution to the threats of market imperfection and failure in the bicameral system.

Presidencies have some influence on the legislative files that they negotiate during their presidency (Warntjen, 2007). The agenda is partly pre-determined through advanced files at second reading or conciliation that require agreement within short

timeframes in line with treaty rules or through functional necessities that require urgent action. Nevertheless, there is a menu of pending proposals at first reading that presidencies can choose from. This suggests that presidencies can choose files and thus coalitions on them instead of coalitions choosing specific presidencies. If there were pre-existing proto-coalitions, these could not select a formateur as their sequence cannot be influenced in the short-run. However, after the adoption of the EP opinion at first reading, the Council does not need to pick up a proposal. There are strong strategic imperatives as to which files a presidency should select. Kleine (2012) argues that presidencies, acting in line with the Council norm to accommodate governments under strong domestic pressure, privilege files that they wish to adopt largely unchanged. This is because other governments cannot trust the presidency's claim that the accommodation of outliers and their inclusion in a broad coalition serves the common rather than their narrow interests. The principal thus controls the agent by withdrawing support if they suspect excessive agency drift. Within this constraint, which would arguably result in the inability of the formateur to propose a coalition, the presidency has important agenda-shaping powers that Tallberg (2003) highlights in providing evidence of agenda-setting, agenda-structuring and agenda exclusion.

In line with our definition of formateurs, the presidency is thus the agenda-setter with regard to specific compromise texts that are supported by a coalition it formed. The presidency chairs meetings and thus can provide focal points in the negotiations on legislative proposals (Tallberg, 2004, 2006). In addition, they can individually or in working party meetings gather member states requests for changes, in particular any serious substantive reservations that they have, and link issues by trading member

states' support over different issues in order to arrive at a logroll. On a rolling basis, they can rewrite the legislative text discussed in the Council and suggest presidency compromises that are acceptable to specific states (Hayes-Renshaw & Wallace, 2006, p. 150). Thereby the institution of the presidency in the Council, just as that of the rapporteur in the EP, addresses the imperfections and risk of failure in the market for legislative exchanges.

In a similar vein, this holds in inter-cameral negotiations when the two formateurs of the Council and the EP meet. The presidency can then negotiate on behalf of the Council, and has privileged information about the preferences of the different actors. Through this coordinating role as a "relais actor" (Crozier & Friedberg, 1977), there is a reduction in information, negotiation and enforcement costs. As a result, the presidency can propose a logroll supported in the two chambers.

Tallberg (2004) suggests that their role leaves presidencies with influence over which agreement to choose out of several options in a "contract zone". In line with these arguments, empirical evidence suggests that outcomes are usually biased towards the position of the presidency (Aksoy, 2010; Schalk, Torenvlied, Weesie, & Stokman, 2007; Thomson, 2008; Warntjen, 2008).

In summary, this section has highlighted that the political system of the EU serves as an example for bicameral systems in which transaction costs might hamper efficient decision-making. The two chambers have delegated authority to formateurs in order to mitigate these risks, but how exactly they have devised this institution differs. Whereas the EP appoints a formateur for one piece of legislation for the full

decision-making procedure, the Council's formateur is selected for all ongoing procedures but for a limited time only. The two institutions thus seek to attain representativeness by different means, limitations in scope or time. One important criticism of the argument made thus far is that the choice of formateurs may be endogenous to the coalition. Rather than reducing transaction costs by choosing a proto-coalition, a pre-existent proto-coalition may choose a formateur. This is a plausible line of argumentation which suggests that the formateurs are not central to the causal process but might only execute the will of the coalition that chose them as their agents. While possible, I have highlighted evidence which points in a different direction. In fact, there are strong theoretical and empirical cases to be made for formateur influence in coalition formation, but the mechanism of how they can exert influence and which limitations apply is unclear. The next sections seek to shed light on this.

Coalition dynamics: the formateurs' strategic decision in a two-level game

Formateurs build coalitions in two stages. First, they build an intra-institutional coalition, and, second, they enter into bicameral negotiations on this basis. We can take as a starting point a simple spatial model. Standard spatial models assume Euclidean preferences and, in essence, "sincere voting", as actors' decisions are based on an evaluation of a policy outcome against the status quo. This implies a *closed amendment rule*. The agenda-setter thus makes a take it or leave it offer, which leads the actors to evaluate the offer against the status quo rather than alternative policy options. In most legislative settings, however, the agenda-setter

makes a proposal that can be amended. This has important implications that I will illustrate below.

In general, such “sincere voting” is not a given. Tsebelis (1990) provides ample evidence of nested games, in which actors make apparently suboptimal choices, which prove strategic rather than based on miscalculations. Dewan and Spirling (2011) show that strategic opposition, that is voting against a policy change even though it moves the outcome towards one’s own ideal point, can indeed result in outcomes closer to the opposition’s preferences (even without taking longer term issues such as signalling to voters into account). Considering strategic voting rather than sincere voting then means that it makes sense for actors to vote for outcomes that at face value, i.e. when evaluated against the status quo, make them worse off. In other words, if there are different options from which actors can to choose, being worse off can mean preventing being worst off.

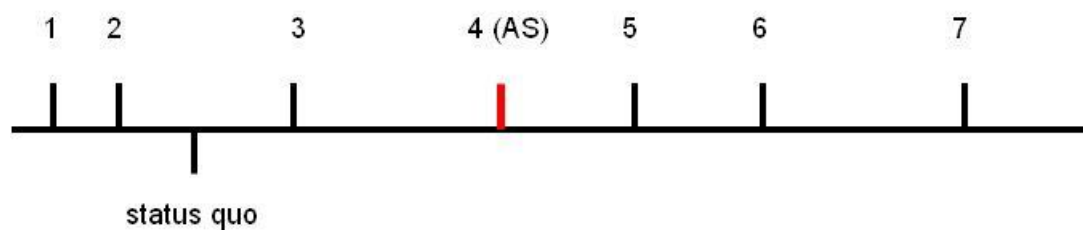


Figure 2: Spatial model with status quo

Consider the example in figure 2, which presents a simple spatial model with seven actors, four of which are required to pass legislation. With the formateur/ agenda-setter located to the right of the status quo, the standard spatial model suggests, in broad terms, that the agenda-setter will propose an outcome right of the status quo, and that all actors on the left of the status quo would vote against it, all actors right of

the agenda-setter would vote in favour, and the agenda setter then has to make the pivotal actor (located between the status quo and the agenda setter) better off compared to the status quo. Therefore, the agenda-setter proposes a policy at its ideal point, which is supported by actors 4, 5, 6, and 7. But that need not be the case.

“Strategic opposition” teaches us that not all actors on the right of the agenda-setter will necessarily support the agenda-setter, even though the outcome would improve on the status quo. Actor 7 may not be willing to support policy at actor 4’s ideal point if it is “sensitive” to its ideal point. In many parliaments and international organisations, actors take a stand against policies that they consider weak compromise and thus no real solution to an issue. Strategic voting also suggests that actors located between the agenda-setter and the status quo (and even left of the status quo) might vote in favour of outcomes that make them worse off when compared to the status quo. If actor 7 is willing to support the agenda-setter at a policy located at, say, actor 5’s ideal point, actor 3 is better off supporting the agenda-setter with its original offer, even though a policy located at 4 makes it worse off when compared to the status quo. However, *it makes it better off when compared to the alternative of an outcome at five*. Taking these dynamics seriously means that the status quo loses relevance, as its influence is highly contingent on the actor and preference alignment.

In order to formalise these expectations, we can assume an open amendment rule, under which the agenda-setter has to accommodate the requests of those that join the coalition. The agenda-setter would thus look to those actors that are located closest to him or her. Naturally, these are actors three and four. With an open amendment rule,

the coalition can coordinate on the amendments that it will jointly carry. Actor three would be expected to support a deal because the alternative is the agenda-setter expanding the coalition away from actor 3's ideal point so as to include actor six. In order to form a winning majority though, a fourth coalition member is required. The agenda-setter's calculation will depend on whose accommodation results in an outcome closest to its ideal point, in this case actor 6.

All of this means that it helps to understand legislative politics as a distributive process, in which coalition formation is a process of allocating goods (accommodation of requests for changes, amendments). This means that we can draw inspiration from coalition theory, which focuses on the allocation of portfolios to specific parties while considering voting power and/or policy distances rather than status quo locations as alternatives. This can be likened to deals under log-rolling, in which benefits (amendments) regarding specific issues are allocated to members of the coalition as their requests are accommodated.

In line with this, then, we assume actors to be policy-seekers. They are interested in obtaining their preferred legislative outcome and thus place a premium on entering coalitions with like-minded (i.e. connected) actors. Therefore, Robert Axelrod (1970) argued that in a one-dimensional political space, politicians who are interested in implementing certain policies form so-called "minimum-connected" winning coalitions.

In order to explain how formateurs go about forming a coalition, we draw on Axelrod's concept of proto-coalitions (Axelrod, 1970, 1972; Diermeier et al., 2008).

In contrast to Axelrod, we assume that formateurs are the linchpins of coalition formation that build coalitions around themselves. They can achieve this by either successively expanding a coalition around them, or by starting with a surplus majority and then minimising it. At the heart of the coalition is a logroll that the formateur proposes.¹⁴ By accommodating requests of actors, the formateur can expand the coalition. This only works as long as the coalition members unanimously agree to the new logroll. If agreement fails, the proto-coalition breaks down and the formateur selects another coalition excluding those who opposed the agreement. By adapting the logroll on which the coalition is based to accommodate or refuse requests of actors, the formateur can thus dynamically develop the coalition by including and excluding actors. Proto-coalitions are thus “working coalitions” around the formateur that can be shifted.

We can derive two propositions from this framework which combines policy-seeking and veto players in the proto-coalition (Tsebelis & Ha, 2013). These propositions are based on the gains the formateur expects to reap. If the range of a coalition is smaller, preferences of its members are more compact, leading to an outcome closer to their preferences.

Proposition 1: The formateur seeks to minimise the range of the proto-coalition.

Given preference heterogeneity in the coalition, we expect that those members closest to the mean will be closest to the outcome.

Proposition 2: The formateur seeks to minimise their distance from the mean of the proto-coalition.

¹⁴ This means that I only focus on coalitions available to the formateur, thus excluding attempts by coalition outsiders to form a blocking minority.

In government formation, there is evidence in support of these propositions (Martin & Stevenson, 2001; Warwick, 1998), suggesting that they should equally hold in legislative decision-making.

It should be noted that the two propositions are observationally equivalent under two possible scenarios: first, when deciding on one issue (i.e. in one dimension); second, when deciding on several issues along the same dimension with all actors ascribing equal salience to all issues. Then the only reduction of a coalition will take place at its margins. For instance, the most left-leaning or most right-leaning members might be excluded. In all other scenarios, the propositions are potentially distinct.

Consider two examples. The first focuses on a one-dimensional policy space with decisions on several issues. If actors attach varying levels of salience to individual issues, it is well conceivable that e.g. a left-wing member of a proto-coalition can agree to a centrist outcome of a coalition, while an only moderately left-wing member of the proto-coalition cannot, *if the latter attaches a relatively higher salience to the issue at stake*. As a consequence, the moderately left leaning member might be excluded, resulting in a change in the formateur's distance to the mean, but not in a change in the range of the coalition.

The second example concerns a two-dimensional policy space, in which the exclusion of the most left-wing member on a left-right dimension would affect the range of the left-right dimension *and* the coalition policy on a second dimension, such as integration. Since the actor would be placed elsewhere on the integration dimension it would affect formateurs' distance from the mean, but not the range on

that dimension. In other words, Proposition 2 is sensitive to changes in the coalition because of considerations on different issues or along other dimensions which nevertheless have repercussions. In sum, assuming varying levels of salience or multiple dimensions means that the two propositions are different.

I make this assumption by arguing that actors engage in log-rolling, which is based on exchanges across different issues (dimensions) based on varying levels of salience. In legislative decision-making, these assumptions are arguably met. Negotiations revolve around various articles of a piece of legislation, and actors are likely to feel more strongly about some issues than about others. While I thus focus on one dimension at a time, the propositions capture the multidimensionality of the policy space, and the fact that coalition members may be accommodated on more than one dimension.

While this has presented the key considerations in any one chamber, the propositions also hold in the formation of a bicameral coalition. However, we can nuance our expectations when focusing again on the role of the status quo and the amendment rule.

As we will see in more detail below, the formateur can act as a veto player on behalf of the coalition at the bicameral level. If the coalition remains united, or if the formateur can block amendments, this equals a conditional *closed amendment rule*. This leads to dynamics that are different from those at the intra-institutional level. Proximity to the status quo becomes a bargaining advantage. The formateur of the coalition located closer to the status quo will be less likely to shift the coalition. In

contrast, the formateur located farther away from the status quo can be expected to shift the coalition in order to still ascertain policy change. In other words, here it can credibly be claimed that the choice is between the status quo and the policy offer rather than an alternative policy obtained by further amendments. The location of the status quo thus influences coalition dynamics at the bicameral stage, since it indicates who will budge.

In sum, reliance on proto-coalitions suggests a micro-mechanism for coalition formation, according to which the formateurs construct a logroll tying together a coalition in their chamber and possibly beyond. This creates different options for the formateurs to strategically select coalitions, as the following expounds.

Inter- and trans-institutional dynamics in bicameral coalition formation: a typology

We differentiate between two scenarios at the bicameral stage. In an inter-institutional scenario the chambers are pitted against each other as unitary actors. The formateurs stick to their proto-coalition, and then engage in inter-cameral bargaining to come to an agreement. This is the standard story of bicameral negotiations in the literature, and in line with unicameral theories of legislative organisation. In a trans-institutional scenario actors in coalitions across institutional boundaries are pitted against each other. The formateurs abandon their intra-institutional coalition and seek a new logroll across institutional boundaries. Thus they shift the coalitions. In a nutshell, the formateurs' strategic decision after the formation of a proto-coalition at the intra-cameral stage is to decide whether to take an inter-institutional or trans-institutional route.

Each of these two scenarios can be subdivided into two types of coalitions, resulting in a total of four types of coalition dynamics. These are summarised in figure 3. Below we illustrate the four types and discuss the formateurs' strategic considerations.

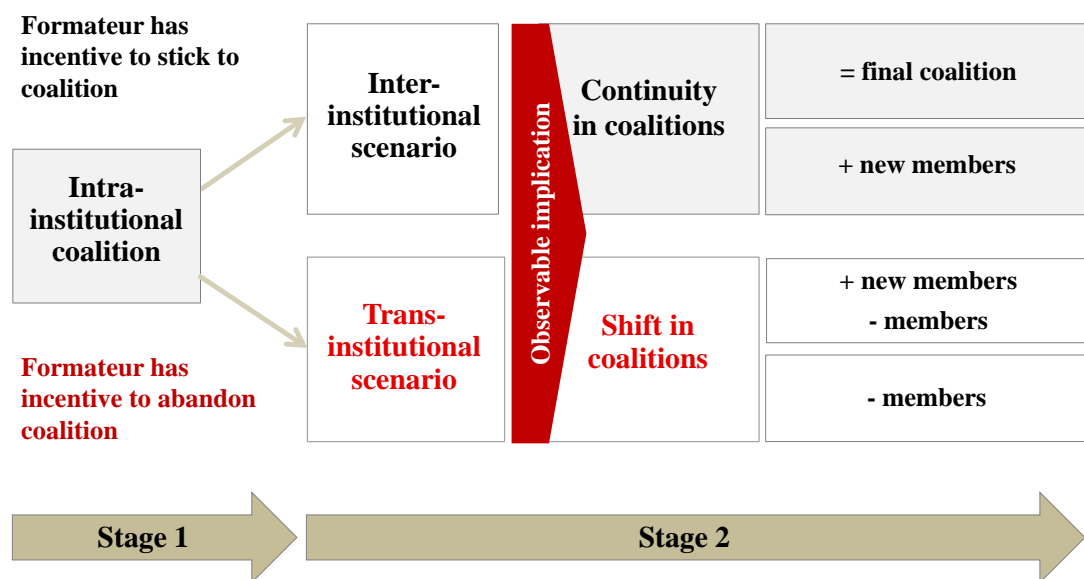


Figure 3: An overview of coalition dynamics

In order to focus on the key dynamics and to present them concisely, we assume that actors are uncertain about the preferences of their counterparts in the other chamber. These preferences are only revealed during the negotiations. When discussing the results, we will come back to this assumption, relax it and analyse its consequences for coalition dynamics.

First, let us consider the inter-institutional scenario as the default scenario. Formateurs stick to the intra-institutional coalition, which pits the chambers against each other. Under these circumstances, the formateur can take on the role of a veto player on behalf of the majority coalition, and can point to the mandate tying their

hands. In line with this, Diermeier and Myerson (Diermeier & Myerson, 1999) have highlighted that internal veto players can improve the chambers' bargaining situation in bicameralism. This however entails a strategic choice on the part of the formateur to act as veto player and to not abandon the coalition.

We can illustrate the coalition dynamics in one-dimensional depictions of the two chambers with five actors each, of which a coalition of three is required to pass legislation. Figure 4 illustrates the first type of coalition dynamics we can encounter. Uppercase letters A-E refer to the actors in the upper house, lowercase letters a-e refer to those in the lower house. Formateurs in the two houses of the legislature, here actors C and d, form intra-institutional coalitions. Sticking to these coalitions results in the pure case of inter-institutional interaction, as the intra-institutional and final coalitions are the same in the two chambers. This is the first type of coalition dynamic (perfect continuity).

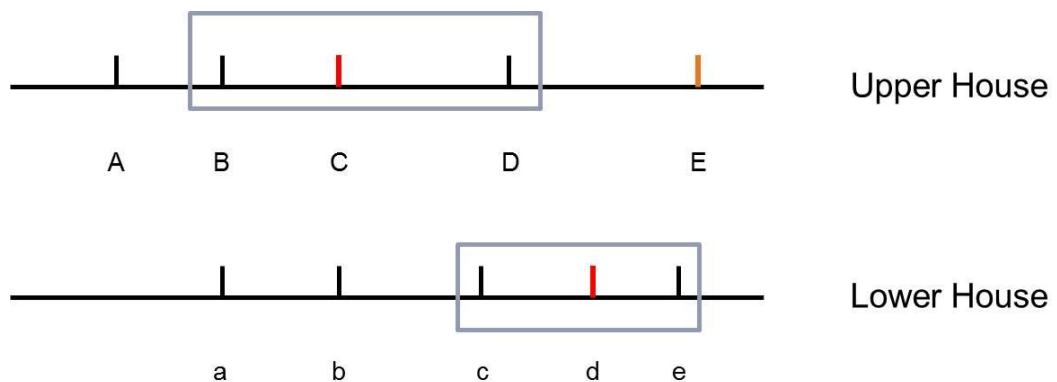


Figure 4: Inter-institutional scenario: continuity in coalitions

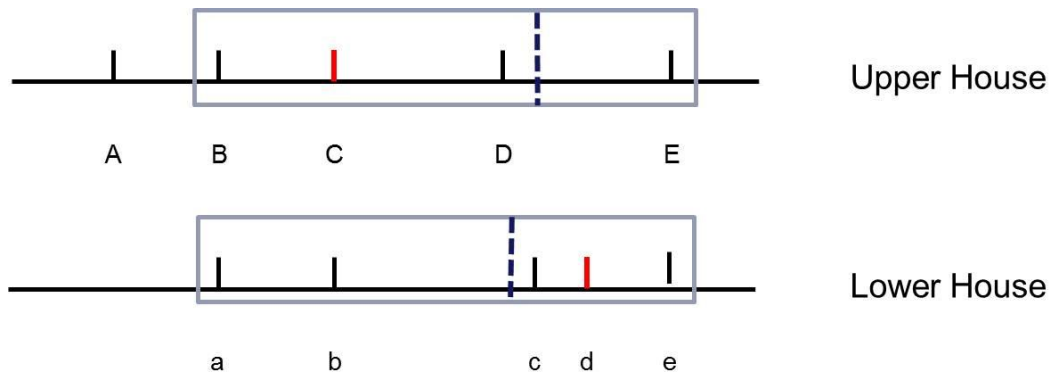


Figure 5: Inter-institutional scenario: inclusion of coalition members

Alternatively, even if formateurs stick to their intra-institutional coalitions, the resulting compromise can be appealing enough for other actors to join the coalition. Starting from the same intra-institutional coalitions ($B+C+D$, $c+d+e$), other actors' demands may be met. This leaves the intra-institutional coalitions intact. Figure 5 shows that actors E in the upper house as well as actors a and b in the lower house join the original coalitions $B+C+D$ and $c+d+e$, as their preferences are covered by the two intra-institutional coalitions. This represents the second type of coalition dynamics (inclusionary dynamics).

Now we consider the implications of trans-institutional coalition formation, where the formateur does *not* act as veto player on behalf of the initial majority coalition in their chamber. Formateurs have an incentive to strategically seek coalition partners in the other chamber in order to ascertain a concurrent majority by aligning the chambers. In line with the propositions developed above, we expect that formateurs abandon their proto-coalition only if this allows them to reduce the range of the bicameral coalition and/or if they reduce their distance to the bicameral coalition mean. From this follow two hypotheses:

H1: If formateurs abandon their proto-coalition, they choose coalitions that are overall smaller in range.

H2: If formateurs abandon their proto-coalition, they choose coalitions that reduce their distance to the mean.

Thus, they will pursue a “minimisation” of the coalition across institutional boundaries by maximising the overlap of the preferences of the coalition members. The more compact the coalitions are in terms of preferences, the fewer concessions the formateurs need to make. The closer they are to the coalition mean, the more likely they are to get what they want.

We can again illustrate the resulting trans-institutional coalition dynamics. Figure 6 shows that in order to reduce the range of the coalition, formateurs may shift the coalitions in the two houses. Based on the same initial intra-institutional coalitions (B+C+D, c+d+e), formateur C in the upper house may exclude actor B, and include actor E instead. Likewise, formateur d in the lower house may exclude actor e and include actor b instead. These shifts have in common that the formateurs abandon the intra-institutional coalition as they exclude a member. This results in a more compact coalition and constitutes the third type of coalition dynamics (inclusionary and exclusionary dynamics).

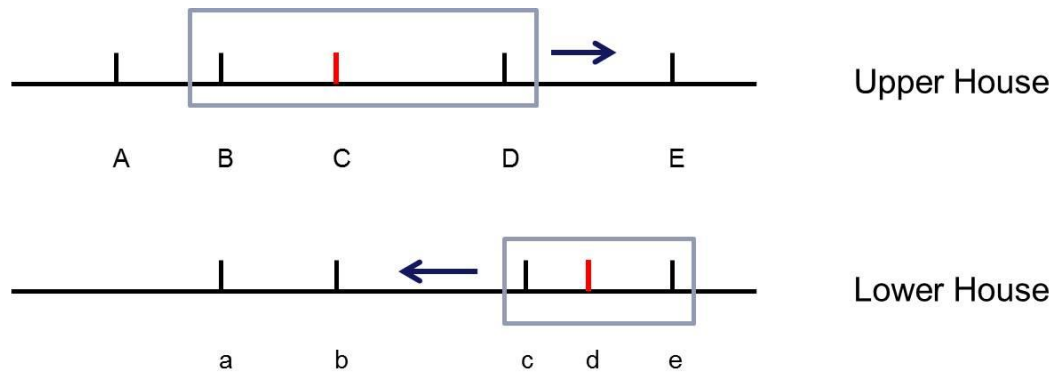


Figure 6: Trans-institutional scenario: inclusion and exclusion of coalition members

This also holds for the purest trans-institutional scenario. Figure seven illustrates this case, in which an initial oversized majority of actors $b+c+d+e$ is reduced in size as actor e is excluded at the final stage. No new members are added. This is the final coalition type (exclusionary dynamics).

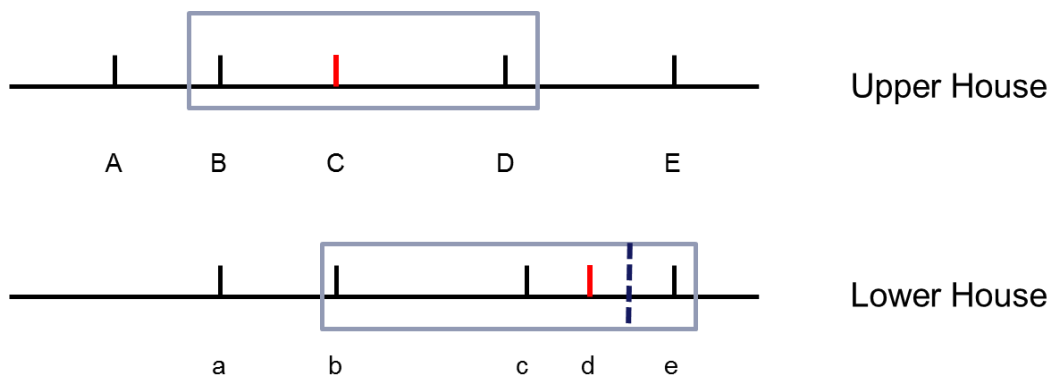


Figure 7: Trans-institutional scenario: exclusion of coalition members

In sum, this shows that formateurs have various options at hand to obtain an outcome as close as possible to their preference. On the one hand, they can achieve this by minimising the range of the coalition. On the other, they can position themselves at the centre of the coalition. The following section explains the research design devised to analyse these dynamics.

Data and research design

These coalition dynamics and hypotheses are investigated based on a comprehensive dataset including information on early and final-stage coalitions on co-decision acts proposed between 1999 and 2009. The co-decision procedure, now labelled the “ordinary legislative procedure”, includes the EP and Council as co-equal chambers in a bicameral procedure. As intra-institutional negotiations take place before the chambers enter into inter-institutional negotiations, we can compare the consistency of initial intra-institutional coalitions and those supporting the final outcome. To this end, novel means of identifying early-stage coalitions were devised (these are set out in detail in the introduction). Information on early-stage coalition membership is drawn from an analysis of more than 18,000 Council documents and 19,000 amendments proposed in the EP, which provide insights into which actors were accommodated by the formateurs and which were not. Likewise, final coalitions are based on legislative behaviour in terms of amendments, votes and statements (for the Council only) at the time of adoption.

In sum, this provides us with two points of measurement for the two chambers: the early intra-institutional coalitions and final coalitions in each chamber. This allows a comparison of whether, and if so how, the coalitions changed between intra-institutional and final agreements. The sample consists of all 124 out of 844 legislative proposals on which early-stage coalitions could be identified in both the Council and the EP. The Council is the major constraint, because often reservations are not specified in the minutes.

This sample allows us for the first time to gain systematic insights into early-stage coalitions and the dynamics of bicameral coalition formation. While committee level activity in the Council has been studied (Cross, 2012, 2013a; F. M. Häge, 2007), coalitions have not been identified. In addition, arguably the best datasets on EU decision-making focus on member state preferences and outcomes rather than coalitions (Thomson et al., 2012, 2006). In the EP, we likewise have very limited knowledge of coalitions at committee-level (Whitaker, 2011; Yordanova, 2013). The strategy devised to identify coalitions is presented in the following.

Early-stage coalitions

Early-stage coalitions in the Council were identified from Council documents. Member states can enter reservations (Nedergaard, 2007, pp. 162–3; Westlake & Galloway, 2004, p. 226) in order to request changes to a draft text. Those who are part of the presidency’s proto-coalition will have been accommodated and hence do not need to enter reservations. Based on an analysis of more than 18,000 Council documents relating to 844 legislative acts initiated between 1999 and 2009, it was possible to determine early-stage coalitions in the Council for 162 legislative acts.

Coalitions in the EP were likewise identified based on requests for changes in the 162 legislative acts on which information was available in the Council. For 124 of these information was available, so that more than 19,000 amendments proposed at the committee stage could be analysed. These were cross-referenced with vote results

in minutes of committee meetings. Those party groups that saw amendments adopted by the committee were considered members of the rapporteur's proto-coalition.

Final-stage coalitions

Information on final-stage legislative behaviour is more easily accessible. For the Council, I used votes and statements voicing dissatisfaction to demarcate who was not included in the final coalition (Hagemann, 2007, 2008). Member states voting against, abstaining, or entering statements into the minutes of the Council were considered as excluded from the coalition.

In the EP, I coded coalition membership on the basis of the text and amendments proposed by party groups and interpreted these as changes to the initial proto-coalition. By default, the rapporteur's report (or joint text in case of third-reading agreements) is put to vote, and if accepted this was considered a continuation of the proto-coalition. However, if groups submit amendments at plenary stage that are rejected, this means that they are not (or not any more) members of the coalition. Likewise, if groups propose amendments that are accepted, they are (then) part of the coalition.

Preferences

Actor preferences are taken from the consecutive waves (1999, 2002, 2006, 2010) of the Chapel Hill Expert Survey (Bakker et al., 2012; Hooghe et al., 2010), because it focuses on the EU in particular. The dataset includes expert opinions on national party positions on two key dimensions of the EU policy space. I draw on national

parties' general left-right ideological position (on a 0-10 scale) and their position on integration (1-7 scale). In the two institutions, these are the two dimensions that have over time been shown to structure the policy space in the two chambers (Hagemann & Høyland, 2010; Hix et al., 2007; Hix & Noury, 2009; Hosli et al., 2011; Mattila & Lane, 2001; Mattila, 2009).

Using national party positions as a proxy for MEPs' positions is instructive because national parties select MEPs and have a strong influence on their behaviour in parliament (Hix, 2002). I calculated the position of party groups in the EP and coalition governments in the Council by weighting the positions of their constituent national parties in accordance with the number of seats they held in the EP/national parliament.¹⁵

Intra-cameral and bicameral coalition dynamics: overview

The data on early and final-stage coalitions provides intriguing insights into the dynamics of bicameral decision-making. We can first look at the two chambers individually, before shifting to the bicameral level. This allows us to identify which of the four types of coalition dynamics materialise in EU decision-making. Do formateurs stick to their coalition, or do they abandon it? Do exclusionary or inclusionary dynamics prevail? In order to assess these questions, we focus on the party groups supporting a coalition in the EP, and member states doing so in the Council.

¹⁵ The data is interpolated between different waves. Missing values for rapporteurs were replaced by the party group's average position; missing values for presidencies were replaced by the rescaled value of Döring & Manow's index.

Considering the size of coalitions in terms of the number of actors, figure 7 reveals that in 69 per cent of cases, the formateur’s coalition remained unchanged between the intra-institutional and final bicameral stage in the EP. In a further 15 per cent, additional party groups were added to the early-stage coalition, resulting in an overall larger coalition in the EP. In contrast, in a total of 16 per cent of cases, at least one group that had supported the intra-institutional coalition was subsequently excluded. While in six per cent of cases the coalition shifted, meaning that groups were replaced as some were added and some excluded, in 10 per cent of cases the coalition became smaller as members were excluded.

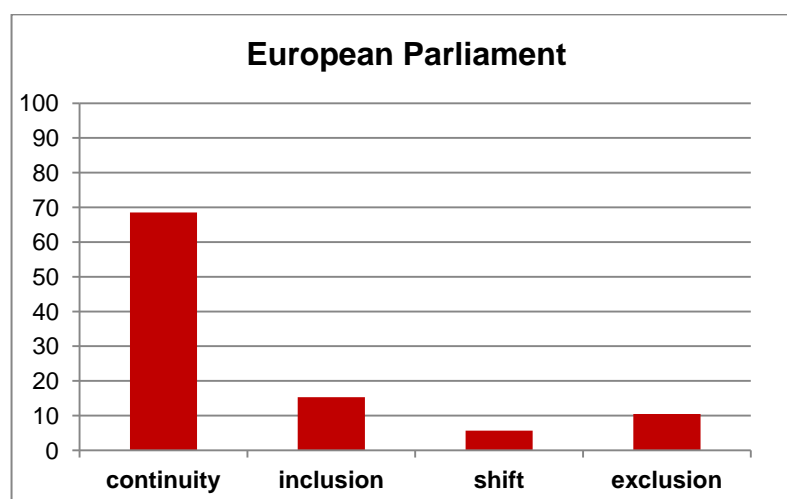


Figure 8: Coalition dynamics in the EP.

In the Council there is much more fluctuation given the higher number of actors and hence larger pool of potential coalition members. Nevertheless, the broad patterns are similar. In 69 per cent of cases, the intra-institutional coalition remains intact. However, there is perfect continuity in only four per cent of cases, while 65 per cent cover cases in which additional member states supported the coalition in the end. In five per cent of cases, the size of the coalition was reduced as member states were

excluded, while in a further 27 per cent of cases a shift occurred as members were excluded and included at the same time.

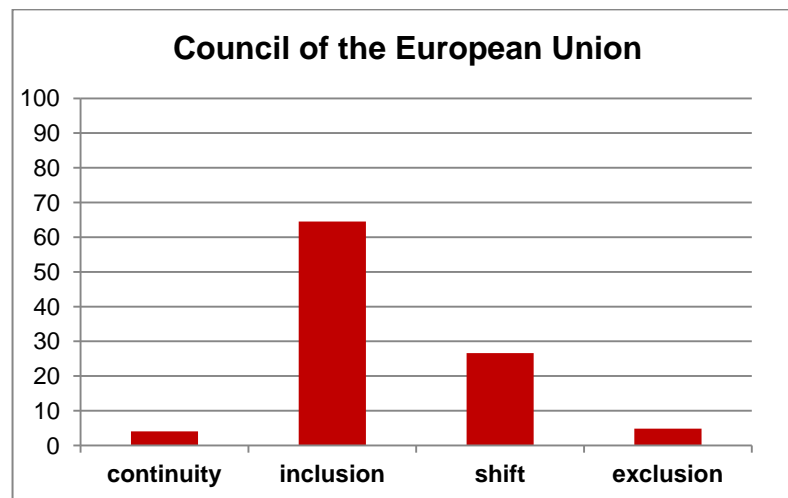


Figure 9: Coalition dynamics in the Council of the EU

Shifting the focus to the bicameral level, we can compare the combined intra-institutional coalitions to the final coalitions in the two chambers. Continuity between intra- and final-stage coalitions in the two chambers only occurs in two per cent of cases. In 70 per cent, in at least one of the chambers, members are added if a compromise is struck between the institutions. However, in ten per cent of cases the bicameral coalition is reduced in size, while in seventeen per cent of cases it shifts as one chamber increases its coalition size, while the other reduces in size.

The dynamics of changes in coalition size show the scope of manoeuvre between the intra- and bicameral coalition stages. In more than one quarter of cases, trans-institutional dynamics prevail. This means that in at least one chamber, actors were excluded from the coalition. In sum, this provides evidence of the empirical relevance of accounting for the difference between inter- and trans-institutional

dynamics. The next section sheds light on the extent to which this variation in coalition dynamics can be explained by the formateur's preference.

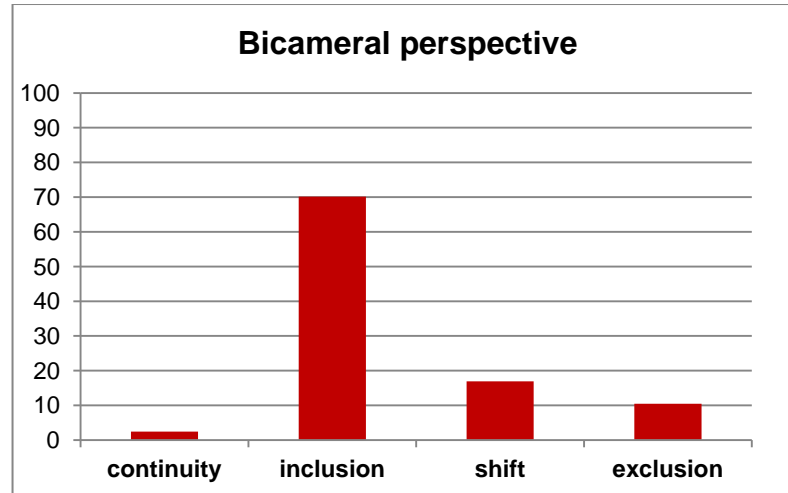


Figure 10: Bicameral coalition dynamics in the EU

Exploring the causal mechanism

The first hypothesis suggested that formateurs choose coalitions that are more compact in range. In order to test this, we can compare the mean total range of early-stage coalitions in the Council and EP, and compare that to the mean total range of the final coalitions in the institutions. We focus on the two dominant dimensions in the EU policy space. First, the left-right ideological dimension; and second the pro-anti integration dimension. We conduct a Wilcoxon signed rank test to investigate these hypotheses. We find that the ranges of the coalitions are indeed different on the on the integration dimension at the final stage. Early-stage coalitions are larger at a 10 per cent level of significance. In contrast, this does not hold for the left-right dimension, where the mean range even increases slightly, albeit the difference is not significant.

	Early stage	Final stage	Z score
Range: Left-right dimension	Mean: 6.84	Mean: 6.88	-0.831
Range: Integration dimension	Mean: 5.55	Mean: 5.44	1.713*

Note: * $p \leq 0.1$

Table 1: Changes in the range of the coalition

The second hypothesis posited that rapporteurs change coalitions so as to move towards the centre of the coalition. This suggests that they are more likely to obtain what they want. Again we use Wilcoxon signed rank tests to establish whether rapporteur and presidency change coalitions so as to move closer to the mean of the coalition on the two central dimensions of interest. We find that the rapporteur and the formateur choose coalitions that on average place them closer to the mean on the integration dimension. However, the difference between early and final-stage coalitions is only significantly different for the rapporteur. On the left-right dimension, there is no significant difference between the distances between the formateurs and the respective mean at the early and final stages for the rapporteur.

	Early stage	Final stage	Z score
Presidency: distance to mean on left-right dimension	1.641421	1.648453	-0.412
Presidency: distance to mean on integration dimension	1.821562	1.666467	1.306
Rapporteur: distance to mean on left-right dimension	1.562463	1.539225	-0.306
Rapporteur: distance to mean on integration dimension	1.818432	1.77067	1.678*

Note: * $p \leq 0.1$

Table 2: Formateurs' distance to the coalition mean

In sum, these results suggest that formateurs in bicameral systems can use the powers vested in them to shape the final coalition to their benefit. Support for the first hypothesis suggests that the rapporteur can strategically exclude preference outliers on the integration dimension, thus reducing the overall range. A smaller range of the coalition denotes that formateurs opt for a trans-institutional scenario, and accordingly exclude members in order to achieve more compact coalitions. The members of the coalition benefit from this as it means that they are more likely to obtain an outcome in line with their preferences. This effect is particularly interesting when considering the frequency of different coalition types. Above we have seen that inclusion is the prevalent coalition dynamic, and that exclusionary dynamics only account for a quarter of coalitions. Those actors that are included thus do not seem to have a strong effect on coalition ranges, or else we would find that coalition ranges are larger at the final stage. Instead this suggests that actors who are included are not specifically accommodated but rather support the proposal as a consequence of the agreement between the two chambers, or that they are in fact accommodated on different dimensions or on specific issues. On balance, formateurs only seem to include actors if this does not increase the range of the coalition on these two key dimensions.

The fact that the change can be ascribed to the EP suggests that coalitions are overall more stable in the Council, and that the reduction in range is due to actors in the EP being excluded. One plausible explanation for why it is on balance the EP rather than the Council that budges when it matters suggests that the Council might benefit from its location closer to status quo in the bicameral negotiations (Costello & Thomson,

2013; Thomson et al., 2006). Thereby, the presidency has the stronger hand in negotiations with the rapporteurs, who by default seem to construct coalitions that are more inclusive on the integration dimension.

Taken together, this lends support to the pivotal role of the formateur in the causal mechanism of coalition formation.

Discussion

This paper has proposed a micro-mechanism of bicameral coalition formation, which puts formateurs in a crucial role. On this basis it has investigated the presence of trans-institutional cooperation in bicameral decision-making. An inter-institutional scenario suggests that the same actors will be part of the coalition throughout the legislative process. The coalition in the chamber will thus be cohesive, even though they might need to jointly compromise. A trans-institutional scenario in contrast suggests that formation of a concurrent majority is crucial for legislative success. This is achieved through a logroll across institutional boundaries. The analysis gives credence to the argument that formateurs build trans-institutional coalitions based on exchanges of support over issues.

Two pieces of empirical evidence support the argument. First, empirical evidence from early- and final-stage coalitions on 124 legislative acts adopted by the EP and Council of the EU reveals a distinction between four coalition dynamics. Perfect continuity in line with the inter-institutional scenario is very rare. Most often, members are added to the existing coalitions. This result is due to the Council, in

which final coalitions are usually very large. Accordingly, this strengthens inclusive dynamics in the bicameral arena. In contrast, formateurs choose trans-institutional coalitions and abandon the previous intra-institutional coalition in 27 per cent of cases. This underscores the importance of differentiating between coalition dynamics.

Even though in the vast majority of cases members are added to the coalitions, we find that the range of the final coalition is on average smaller on the pro-anti-integration dimension. While this does not hold for the left-right dimension, it lends some support to the first hypothesis, suggesting that formateurs choose more compact coalitions. The bigger the range, the broader is the ideological spectrum of the members of the coalitions who have to be accommodated. A smaller range thus suggests that the formateur also benefits.

Second, we find evidence for the central role of the formateurs in this process. Indeed, the rapporteur is able to move closer to the coalition's mean at the final stage when considering the pro-anti-integration dimension. Formateurs manage already at committee stage to choose coalitions in which they are in a relatively central position on a left-right dimension, as the relatively small distances to the mean suggest.

At this point we can return to the assumption introduced above that actors at the intra-institutional stage face uncertainty about the preferences of actors in the second chamber. Relaxing this assumption means that formateurs can already strategically choose the intra-institutional coalition. This would create a bias against my

argument, and would suggest that trans-institutional cooperation might be more pervasive. Accordingly, the results might underestimate its effect.

The empirical reality of the sequential co-decision procedure in the EU means that the EP as first mover faces more uncertainty than the Council, which in principle can wait until the adoption of the EP opinion before adopting its position. This would go some way to explaining why the presidency does not seem to be able to shift the coalition so that it is closer to the mean. In fact, the presidency might thus already strategically choose the intra-institutional coalition.

Ironically, this suggests that the Council might be more of a unitary actor than the EP, which contradicts the standard assumption in procedural models of EU decision-making. These assume the EP to be represented by the median voter based on a simple majority rule in the chamber. In contrast, the paper suggests that the preference distribution in the EP matters. The shift in coalitions in the EP could likewise explain why empirical studies often find the Council to have the upper hand. While the EP shifts its position, and thus might be seen to lose, we now know that the rapporteur might well be able to exploit this situation, casting doubt on the usefulness of comparing the relative power of the institutions rather than actors within them.

At a theoretical level, the micro-mechanism of coalition formation presented here builds on and develops the literature on legislative politics in four respects. First, it conceptualises decision-making as a cooperative endeavour, in which trades among actors are enforceable, albeit at a cost. This creates a demand for the logroll proposed

by the formateur through which exchanges across issues lead to the formation of a winning coalition. For the EU, researchers have sought to explain decision outcomes drawing on procedural models which are based on the formal rules of the procedure or bargaining models disregarding these rules (Thomson et al., 2006; Tsebelis & Garrett, 2000). I provide a theoretical foundation and specific causal mechanism of how agreement is reached. At the core of the path towards agreement are exchanges across several issues rather than single issue-specific deals in a legislative market.

Second, the boundaries of the market in which exchanges take place are not confined to a single chamber, but extend to the two houses. Theories of legislative choice usually focus on a single chamber only. For instance, distributive theory suggests that exchanges are institutionalised in the committee system of a chamber (Weingast & Marshall, 1988). Likewise, many empirical studies confine their research to single chambers only. McKibben (2008, 2013) and Aksoy (2012) focus on exchanges between member states in the Council of the EU. However, in a bicameral setting, the enforceability of exchanges in a chamber is highly uncertain as they are subject to the agreement of the second chamber. Exchanges that do not take the second chamber into account thus face the risk of imminent failure. Therefore, I argue that the boundaries of the market in which legislators exchange support on issues encompasses the two chambers so as to facilitate stable exchanges.

Third, exchanges might predominantly be conducted within an individual bill rather than across bills. This is due to a lack of credible commitment if agreements are not implemented simultaneously. Consequently, within-bill trades enjoy a higher enforceability. The literature focusing on exchanges across chambers often focuses

on trades across bills (e.g. Kardasheva, 2009a). These “package deals”, even when agreed simultaneously rather than building on diffuse reciprocity (i.e. promises of future cooperation), are however hard to enforce (McKibben & Western, 2014). Given a lack of credibility of commitments and hence uncertainty regarding enforceability, I argue that the scope of exchanges is mostly limited to a single legislative act.

Fourth, the main actors in the *bicameral* market are not the chambers as unitary actors, but instead their constituent actors. Specific privileged actors hold a crucial, market-making role. Distributive theory implies that a chamber is organised as a firm rather than a market (Weingast & Marshall, 1988), which implies that it can be considered a unitary actor in bicameral decision-making. Informational theory (Krehbiel, 1991) considers individual legislators and partisan theory parties as the most important actors (Cox & McCubbins, 1993, 2004), without however specifying the path towards an agreement. Thus, exchanges in bicameral decision-making are often presented as interactions between the chambers in an inter-institutional process. This also holds for empirical studies. For instance, Kardasheva (2009a) draws on distributive theory and organisation theory to analyze package deals between EP and Council. In contrast, I consider the constituent actors of the chambers as participants in the market, and take the privileged position of specific powerful actors into account (see also Finke, 2012).

In sum, the paper has put forward the theoretical argument that formateurs build a trans-institutional coalition by proposing a logroll across issues within a legislative proposal. This sheds new light on decision-making dynamics in bicameral systems. It

has been shown that formateurs can make a strategic decision for one of four types of coalitions in line with the inter- and trans-institutional scenarios. These decisions change winning coalitions' size, composition, and compactness, affecting bicameral decision outcomes. In particular, the paper provides evidence that formateurs can exploit the powers that they are delegated to achieve coalitions that are more compact and in which they are more central on an integration dimension.

This has normative implications in that it highlights two co-existing dynamics. First, formateurs seem to pursue inclusionary strategies, accommodating actors where this is not costly (i.e., does not increase the range of the coalition). Second, they manage to reduce the range of the coalitions, pointing to more polarised decision-making. Inclusionary dynamics arguably increase the legitimacy of policy output, and balancing the two dynamics is an important responsibility of the formateur. Given that they reap benefits in this process as they can shift the coalition so as to be located closer to the mean underscores that control of these agents is essential. Future research will have to investigate the extent of agency gains that formateurs reap, and how the principals can rein these in.

PAPER 2

Transaction Costs and Trans-Institutional Cooperation in Bicameral Legislative Politics: Formateurs' Impact on Efficiency

Abstract

Parties and committees mitigate transaction costs of legislative decision-making by institutionalizing exchanges. However, in bicameral systems with weak parties and/or diverging majorities in the two houses, uncertainty regarding the enforceability of exchanges in any one chamber exists. Therefore, the chambers have an incentive to endow specific actors with agenda-setting power. This paper focuses on the institution of the chambers' key negotiators, who jointly act as 'formateurs' of a coalition. Drawing on homophily (the tendency to bond based on commonalities), it argues that similarities between these actors reduce the transaction costs of exchanges, and hence facilitate legislative cooperation. Therefore, decision-making speed can be modelled as a function of the characteristics of the proposer, negotiators, and their principals in the two houses. The resulting hypotheses are tested on a dataset comprising more than 750 pieces of legislation initiated during a ten-year period (1999-2009) in the political system of the European Union. Event-history analysis provides evidence that formateurs have a strong impact on decision-making efficiency. Similarity along the left-right dimension fosters cooperation, while matching nationalities slow down decision-making. This sheds light on the important role of institutions' agents in bicameral politics, and has important implications for theories of legislative organisation.

Introduction

Transaction costs are a key factor in legislative decision-making. Legislatures have institutions in place to mitigate costs of collective decision-making. First, parties can implement division of labour arrangements and agenda control (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Rohde, 1991). Second, a committee system can help achieve stable outcomes by institutionalizing exchanges between legislators in a chamber (Shepsle & Weingast, 1987; Weingast & Marshall, 1988). Yet in “strong” bicameral political systems (Lijphart, 1986), chambers are differently composed and have veto power which triggers uncertainty regarding the enforceability of intra-institutional agreements in bicameral negotiations. This creates demand for inter-cameral coordination in order to form coalitions across the divide of the chambers. To this end, chambers can endow formateurs with agenda-setting powers to facilitate trans-institutional cooperation through vote trading across issues within a bill (logrolling).

This paper sheds light on the importance of the institution of the formateur in the two chambers, and adopts a transaction cost framework in order to analyse its impact. It argues that the political similarity of the formateurs influences the transaction costs of exchanges and hence the likelihood and extent of cooperation. Consequently, it investigates the dependent variable of legislative cooperation between the two formateurs. Based on sociological and organisation studies of networks, homophily (the phenomenon that more similar actors are more likely to bond) implies lower transaction costs of exchanges between similar actors, which allow more comprehensive and swifter exchanges. Formateurs and their similarity thus make

decision-making more efficient. Therefore, the dependent variable is operationalised as decision-making duration. I model decision-making speed as a function of the characteristics of the intra-institutional formateurs in two chambers of a bicameral legislature. In so doing, the paper takes issue with the limited conception of the legislative market in distributive (Shepsle & Weingast, 1987; Weingast & Marshall, 1988) and partisan theory (Aldrich, 1995; Rohde, 1991), which focus on single chambers only and thus neglect the demand for cooperation across institutional boundaries. In contrast, I argue that delegation beyond a committee system and party leadership is necessary to mitigate transaction costs and to overcome uncertainty regarding the enforcement of exchanges. Explaining legislative politics and organisation thus requires conceiving the legislative market for exchanges beyond a single chamber. This suggests an extension to standard theories of legislative organisation.

The paper tests these claims using the case of European Union decision-making under the ordinary legislative procedure (“co-decision”), under which both chambers have veto power. This combines the two standard bicameral conflict resolution methods, a “navette procedure” during which the proposal shuttles back and forth between the chambers, and a conciliation committee comprising members of the two chambers (Tsebelis & Money, 1997). In the European Parliament (EP) (the lower house), the formateur is the “rapporteur” who seeks to gain support for their report and can choose a coalition carrying the proposal in committee and, eventually, the plenary. In the Council of the EU (the upper house), the rotating presidency can make a proposal supported by the required majority.

The dimensions of the EU policy space and the impact of actor alignment on outcomes have been subject of a significant body of scholarship (e.g. Hix et al., 2007; Hooghe, Marks, & Wilson, 2002; Kaeding & Selck, 2005; Marks & Steenbergen, 2002; Thomson, Boerefijn, & Stokman, 2004; Thomson, 2009). Here I test the effect of similarity in nationality and positions on a left-right and integration dimension based on expert surveys (Bakker et al., 2012; Hooghe et al., 2010). I draw on a comprehensive dataset on more than 800 acts proposed during the 1999-2004 (EP5) and 2004-2009 (EP6) legislative terms in order to investigate these questions.

I apply event-history analysis ('survival analysis') to investigate the effect of the actor constellation on efficiency. Event-history analysis has been applied to the agenda-setting, decision-making and implementation stages of EU legislation (Rasmussen & Toshkov, 2013; Steunenbeg & Kaeding, 2009; Thomson, 2007). Previous studies on decision-making were largely interested in institutional questions of gridlock in the Council, enlargement and the impact on integration (Golub, 2008b; Hertz & Leuffen, 2011; Schulz & König, 2000). More recently, Klüver and Sagarzazu (2013) have found that the ideological congruency of the institutions speeds up the legislative process. The more the Commission (the proposer), Council, and EP differ in their ideological preferences, the longer the duration of decision-making. In contrast, I pursue a micro-level analysis explaining decision-making speed based on the characteristics of the key negotiators in the process, while controlling for the preferences of the proposer and the negotiators' principals.

The findings give credence to an impact of the key negotiators on cooperation among the institutions. We find very strong and significant effects for the link between the

Council presidency and the rapporteur of the EP. The analysis shows that the larger the ideological distance between these actors, the longer it takes to form a coalition across the two chambers, while controlling for intra-institutional and inter-branch preference dynamics, the nature of the legislative act and the institutional environment. In contrast, matching nationality slows down decision-making. In sum, the findings provide support to the importance ascribed to formateurs and the transaction costs of their exchanges, and hence support the underlying theoretical argument for trans-institutional cooperation. From this follows an extension of standard distributive and partisan theories of legislative organisation.

The paper proceeds as follows. The first section discusses the relevance of transaction costs in legislatures. It identifies the reasons for the delegation to formateurs in bicameral systems, and explains the higher likelihood of homophilic exchanges because they incur lower transaction costs. On this basis, the main hypotheses are formulated. The second section presents the EU political system, and expounds the role of key negotiators in EU bicameral decision-making. The third section outlines the research design and the fourth presents the results.

Transaction costs and cooperation in legislatures

Exchanges and their transaction costs are crucial for explaining decision-making. In order to pass legislation, legislators exchange support over salient issues within legislative proposals in order to build a stable majority. Hence, legislatures can be likened to a political market in which vote trades take place. These come with transaction costs arising from difficulties in “the specification, monitoring, or

enforcement” of an exchange (Dixit, 1998). They entail “search and information costs”, “bargaining and decision costs” as well as “supervision and enforcement costs” (Furubotn & Richter, 1997, pp. 44–5) and differ depending on the institutional framework and actor constellation involved. What exchanges take place hence depends on the participants in the market and the transaction costs of the exchanges. Eventually, the exchanges effectuated between the actors in the legislative market determine coalition formation dynamics (see paper 1) and outcomes (see paper 3).

Intra-institutional solutions to mitigate transaction costs do not suffice

Different institutions help mitigate transaction costs of collective decision-making (North, 1990). In particular, this holds for parties and committee systems. Parties and committee systems can reduce transaction costs by pre-structuring the exchanges necessary to pass legislation (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Shepsle & Weingast, 1987; Weingast & Marshall, 1988). They grant agenda-setting powers to specific individuals, thus facilitating collective decision-making. However, if parties/committees are weak, or if a second chamber represents a veto player (Tsebelis & Money, 1997; Tsebelis, 2002) the enforcement of trades is not credible, and coalition formation has to take place on an issue by issue basis.

First, distributive theory of legislative organisation posits that legislative chambers internalise exchanges, and may hence be organised like firms (Weingast & Marshall, 1988). Legislative institutions (a committee system) are created that enforce exchanges within a chamber, thus reducing transaction costs. But when two chambers have veto power, the internal organisation cannot guarantee enforcement of the exchanges which depend on the second chamber (Larocca, 2010). This holds

in particular for strong bicameral systems which are based on differential representation resulting in different preference alignments (Lijphart, 1986). Under these circumstances, intra-institutional exchanges potentially become insufficient as the size of the political market in which votes are traded has to be expanded beyond any one single chamber.

Second, parties may form in legislatures to reduce the transaction costs of collective decision-making, and may bridge the two chambers. They internalise exchanges, and can vote cohesively, based on specialisation gains and agenda-setting power of the leadership (Aldrich, 1995; Cox & McCubbins, 1993, 2004; Rohde, 1991). In bicameral systems, parties can act together across institutional boundaries (König, 2001), if issues at stake do not divide the party. Yet, not all political systems benefit from strong parties within legislatures, and not always are majorities in the two chambers aligned. If no party or coalition enjoys a stable majority in the two chambers, coalitions have to be formed on an issue-by-issue basis.

In order to coordinate exchanges across the two chambers, the floor can then endow formateurs with agenda-setting power. They can facilitate exchanges across issues within a legislative proposal in a market for votes now comprising two chambers, and give credibility to trades that are negotiated. Distributive and partisan theories in contrast imply that an institutionalisation of exchanges within parties or committee systems suffices, which renders exchanges across institutional boundaries costly, and possibly prohibitively so. Formateurs in contrast enable trans-institutional cooperation between actors in the two chambers, because they can propose a trans-institutional logroll linking issues and thus trading support in the two chambers.

Delegating to formateurs, chambers can hence reduce search, information, negotiation, and enforcement costs of trans-institutional exchanges, making bicameral decision-making more efficient.

Homophily: Transaction costs of exchanges depend on actor constellation

Organisation studies suggest that these formateurs amount to “relais actors” linking the two chambers (Crozier & Friedberg, 1977; Farrell & Héritier, 2003). As a corollary, the constellation of the formateurs determines transaction costs by affecting information, negotiation and enforcement costs of exchanges. In general, transaction costs approaches analyse the transaction costs associated with different governance structures (Epstein & O’Halloran, 1999). Likewise, in our case of political exchanges in a bicameral legislature, we ask how legislators’ constellations affect transaction costs when confronted with uncertain enforceability in the inter-institutional arena. When legislators have to decide on how to weigh up mutual support for different issues, the characteristics of the actors involved will impact on the effort required to come to an agreement. Therefore, similar to the institutional environment, we expect the actor constellation to influence the level of transaction costs arising from exchanges.

Based on studies of social networks that have identified homophily as a strong organizing principle of social relations (McPherson, Smith-Lovin, & Cook, 2001), we argue that similar actors incur lower transaction costs when entering into cooperation by exchanging support over issues. Podolny (1990, p. 359) argues “that ideological dissimilarity impedes formation of exchange relations because it creates a lack of trust and a fear of harmful externalities”. In a similar vein Kanter (1977)

shows that homophily breeds trust. More generally, this strand of the literature suggests that homophily facilitates exchanges of different types (McPherson et al., 2001). Explicitly linking homophily and transaction costs of cooperation, Gerber, Henry and Lubell conclude that “political similarity affects the political calculus of collaboration, in particular by decreasing the search costs of discovering and bargaining over the distribution of costs and benefits from joint initiatives” (2013, p. 600). In Podolny’s (1990) words, the risk of unintended consequences from exchanges with similar actors is lower, which makes it rational for actors to factor similarity into their strategic decisions. Hence, similarity makes counterparts mutually more predictable, affecting exchanges through minimising transaction costs. Homophily thus structures exchanges, raising the question of which dimensions of similarity matter.

The ideological left-right dimension is commonly regarded the central organizing principle in politics. It encapsulates positions on many different socio-economic issues collapsed into a single dimension. Lipset & Rokkan (1967) suggest that the left-right division is based on class, religion and centre vs. periphery as societal cleavages. More recently, Kitschelt (1994) argues the distinction between left and right captures an interventionism - free market continuum as well as a liberal - authoritarian continuum. Its significance is due to the fact that “Political actors have an incentive to interpret new issues in light of existing cleavages such as the Left/Right ideological dimension” (Marks & Steenbergen, 2002, p. 881). In line with this, there is strong evidence that the left-right dimension is meaningful in the EU policy space. It is the dominant dimension in the EP (Hix et al., 2007; Hix & Noury,

2009), and there is consistent evidence that it affects Council decision-making (Hosli et al., 2011; Mattila, 2004, 2009).

Therefore, we expect perceived left-right positions of actors to influence the degree of cooperation they will engage in. Actors with similar preferences incur lower transaction costs when exchanging support over issues and thus facilitate cooperation, leading us to expect earlier conclusion of the legislative process.

***H1:** An increase in ideological distance on the left-right dimension between the formateurs diminishes legislative cooperation and slows down the legislative process.*

The integration dimension is commonly regarded as a second key dimension of the EU policy space (Tsebelis & Garrett, 2000). Traditionally, conflict is understood to centre on the extent to which competencies should be transferred to the European level. This a conflict dimension that is prevalent in many federal systems that need to decide on the allocation of authority across different levels. In the EU we can however link this to international relations theories (Marks & Steenbergen, 2002, p. 883). There is strong evidence of the integration dimension structuring coalition formation in the EP (Hix et al., 2007; Hix & Noury, 2009), as well as in the Council (Hosli et al., 2011; Mattila, 2004, 2009). As a consequence, we expect that perceived integration preferences of actors influence the degree of cooperation they will engage in.

H2: An increase in ideological distance on the integration dimension between the formateurs diminishes legislative cooperation and slows down the legislative process.

A final important factor in a multinational organisation such as the European Union is that of origin. Matching nationality can be considered a factor driving cooperation. Shared origin and representation of the same (or overlapping) constituencies can explain shared preferences. Accordingly, we expect that formateurs from the same member state will be more likely to cooperate.

H3: A match in nationality between the formateurs increases legislative cooperation and accelerates the legislative process.

The next section presents the institutional framework in which these exchanges take place and the key actors involved.

The political system of the European Union

The political system of the European Union shares characteristics of parliamentary and (semi-) presidential systems (Hix & Hoyland, 2011). As in parliamentary systems, the executive in the form of the European Commission proposes legislation. Yet in contrast to parliamentary and in line with presidential, separated-powers systems, the executive does not command a majority in the bicameral legislature consisting of the Council of Ministers and the European Parliament (EP). The Commission does not fall if its proposals are not supported, and hence there is no

stable government majority and opposition minority that consistently votes *en bloc*. In addition, partisan links between the chambers are weak (Lindberg et al., 2008). Whilst in legislatures with strong parties, these might take on inter-chamber coordination, the prospect of this is unlikely in the EU. As a consequence, the formation of majority coalitions between the EP and the Council of the EU has to take place on an issue-by-issue basis unless the chambers are perfectly congruent. This is unlikely in strong bicameral systems in which the chambers represent different constituencies, and makes the EU an ideal laboratory to investigate the dynamics between formateurs.

The ordinary legislative procedure includes up to three readings. The proposal first shuttles back and forth between the EP and the Council. From the first reading, the proposal can be adopted at any time if one chamber acquiesces to the other's proposal. The third reading is prepared by a conciliation committee comprising representatives of the two chambers (Franchino & Mariotto, 2012; Rasmussen, 2008). Previous research provides valuable insight into the cooperation of legislators across institutional boundaries and its impact on outcomes and the legislative process. Rasmussen (2011) and Reh et al. (2013) have investigated the reasons for "early agreement", i.e. adoption of a legislative act at the first or early second reading, analyzing the interplay of intra- and inter-institutional factors. But Toshkov and Rasmussen (2012) have highlighted that early agreement must not be confused with fast agreement. They demonstrate that 'early' agreements take longer to conclude than some comparable acts adopted at later stages.

Formateurs work within the committee structure of the two chambers (Corbett et al., 2011; Hayes-Renshaw & Wallace, 2006). Empirical evidence underscores the influence of the formateurs. Costello and Thomson (2010) show that EP opinions tend to be biased towards the rapporteur's national interest. Likewise, they provide evidence of the impact of the rapporteur on the final decision outcome (Costello & Thomson, 2011). The choice of the rapporteur can thus bear on the winning majority and, consequently, the content of legislation, as they are the architects of the coalition supporting an agreement (Finke, 2012; Hurka, 2013)(cf. paper 1). Likewise, in the Council, outcomes are usually biased towards the position of the presidency (Aksoy, 2010; Schalk et al., 2007; Thomson, 2008; Warntjen, 2008). In the following, we will discuss each chamber in turn.

European Parliament: the rapporteur as formateur

Legislative work in the EP takes place in its committees (Neuhold, 2001; Yordanova, 2013). The EP leadership assigns proposals to committees, and these select a rapporteur who acts as formateur, i.e. as proposer of a coalition. The committee is the primary principal. Rapporteurships are distributed through a bidding process among the party groups in each committee, based on points that are allocated in line with group size (Kaeding, 2004). The committee thereby chooses an agent representing the committee as a whole. Rapporteurships are however coveted prizes for party groups, who are the secondary principal of the formateur (Corbett et al., 2011; Obholzer & Kaeding, 2012). Once a party group has secured a report, they can delegate the rapporteurship to one of the committee members of their group. The rapporteur is thus constrained by two principals, the party group and committee. This requires them to reconcile competing demands to advance the interests of the

committee and their party group. ‘Shadow rapporteurs’ follow the legislative file on behalf of the remaining groups and seek to keep the rapporteur in check (Ringe, 2010, p. 22). Taking part in inter-institutional meetings and thus having access to privileged information, they can sound alarm when they feel the rapporteur has exceeded their mandate. Likewise, party group coordinators fulfil a comparable role for party groups (Obholzer & Kaeding, 2012). These control mechanisms ascertain that the rapporteur will not drift too far off the committee or party line.

Council of the EU: Council presidency as formateur

While the rapporteur is appointed on a continuous basis until the adoption of the act, the Council presidency rotates every six months among member states according to a schedule that is fixed many years in advance (Hayes-Renshaw & Wallace, 2006). The presidency is the agent of the Council both in intra-institutional negotiations in the sectoral working groups and committees, as well as in inter-institutional negotiations.

Presidencies have some influence on the legislative files that they negotiate during their presidency (Warntjen, 2007). The agenda is partly pre-determined through advanced files at second reading or conciliation that require agreement within short timeframes in line with treaty rules. Nevertheless, there is a menu of pending proposals at first reading that presidencies can choose from. Kleine (2012) argues that presidencies privilege files that they wish to adopt largely unchanged. This is because other governments cannot trust the presidency’s claim that its own domestic interests are strong enough to require accommodation. Nevertheless, Tallberg (2004) suggests that their role still leaves presidencies with influence over which agreement

to choose out of several options in a “contract zone”, for instance when proposing a “presidency compromise” (Hayes-Renshaw & Wallace, 2006, p. 150). As a consequence, they will choose files that matter to them.

Research Design: data, operationalisation and methodology

In this section I will explain the research design for testing the hypotheses developed above. Legislative cooperation is the dependent variable and operationalised as decision-making duration. This study focuses on legislation introduced during the 1999-2004 and 2004-2009 legislative terms, and analyses co-decision files only. Co-decision has by now become the most important legislative procedure in the EU and is particularly interesting, given that EP and Council are co-equal legislators.

The data covers the period from mid-June 1999 to mid-October 2012, and is split into 172 episodes, which accounts for the rotating presidency of the Council and the variation in the composition of the institutions due to national and European elections as well as EU enlargements. In other words, splitting the period into different episodes captures the varying preference alignment in the institutions. The longest episode covers half a year (the term of the presidency), the shortest only a day. The statistical method chosen allows us to draw lessons from right-censored cases, i.e. legislative acts which were not yet adopted in 2012.

The starting point in the construction of the dataset used for this paper is Reh et al. (2013) data on co-decision. This was adapted so as to comprise all binding co-decision acts initiated during the Prodi and Barroso I commissions (1999-2009). This

results in 844 acts, of which we have to exclude 37 due to missing data. The excluded acts were classed as secondary to the research objective, as they are non-binding recommendations or have been subject to a change of legal basis resulting in a different legislative procedure. The data was further supplemented from the Legislative Observatory and PreLex databases of the EU institutions and data on national party and party group affiliation of MEPs based on their histories of parliamentary service. I added the identities of the rapporteur in the EP and the Council presidency in charge. This dataset provides the basis for the analysis.

In a second step, I collected information on the national party affiliation of the key actors and the composition of the three institutions. Döring and Manow (Döring & Manow, 2012; Döring, 2012) detail the national party delegations represented in the EP, allowing insight into its composition of party groups. Likewise, they provide information on national governments, from which the presidency and the composition of the Council could be coded. Döring (2007) provides information on the composition of the European Commission and the party affiliation of the commissioners.

The dataset that was thus created links individual legislative acts with information on the actors involved regarding their individual party affiliation and preferences, as well as putting this into comparative perspective by coding the distance on the dimension scrutinised here. Splitting the 807 acts into the different episodes leads to a large dataset of 17,416 observations reflecting a time series of the preference alignment of the institutions and key negotiators.

Dependent variable

The dependent variable captures the legislative cooperation between the actors. We posit that similarity on the left-right dimension among the legislative actors will speed up the decision-making process by reducing transaction costs, while divergence will lead to delay. Hence we operationalise legislative cooperation as duration in days between the adoption the Commission proposal and the final adoption of the act (signature).

There are two reasons why legislative cooperation leads to shorter decision-making duration. Firstly, diverging opinions denote higher transaction costs for decision-making which prolongs its duration. Hammering out the details of a compromise acceptable to the respective required majorities within the institutions is thus costly in terms of resources. Secondly, delay can be used as an explicit signalling device and power instrument by the institutions (see Kardasheva, 2009b, p. 388). The EP has been argued to benefit from a longer time horizon than the Council, where the rotating presidency determines the pulse. Thus, delay is the observable implication of a lack of cooperation.

Nevertheless, there are conceivable objections to the use of the duration as proxy for cooperation. Firstly, slow decision-making may occur with very salient acts that require special consideration. Secondly, duration may be a result of complexity of an issue rather than conflict. Long durations could thus be explained by the sheer length of an act and legislative actors taking their responsibilities seriously by taking time to comb through the text. I therefore constructed control variables capturing these

concerns. Whilst decision-making duration is a proxy and not a direct measurement, it promises to be a valuable, valid indicator.

Finally, we should note that there is not an effective limit to the duration of the negotiations as time limits apply only at later stages. Both under article 251 of the Treaty Establishing the European Communities (TEC) at the time analysed in this paper and under article 294 of the Treaty Establishing the Functioning of the European Union (TFEU) since 2009, the temporal provisions regarding co-decision/ the ordinary legislative procedure have remained the same. The first reading is not subject to time limits. Only after the Council has adopted its ‘Common Position’ at first reading time limits start to kick in. This shows that despite the limits to duration in the second and third reading, decision-making duration is not limited.

Independent variables

Distance on a left-right and integration dimension was assessed by the location of the actor’s national party as a proxy for their own preferences. We can expect the actors’ preferences to be in line with the national party position both if they are policy-seeking and office seeking (as they depend on the national party’s support for re-nomination). This implies an expectation that the positioning of a national party of a legislative actor is representative of their personal preferences, and in particular that formateurs read their counterpart’s national party affiliation as a label based on which they adapt their behaviour.

I draw on Chapel Hill Expert Survey (CHES) data regarding the position of national political parties (Bakker et al., 2012; Hooghe et al., 2010), because this specifically

focuses on EU issues. It is based on surveys asking experts to locate parties on a number of dimensions, of which I use the general left-right (scale 0-10) and integration position dimension (scale 1-7). Interpolating the positions established in four waves of the survey (1999, 2002, 2006, 2010), the party positions underlying formateurs' preferences and institutions' positions dynamically reflect the evolution of national party preferences over time. However, parties from small countries such as Luxembourg, Malta, and Cyprus are missing in this data set, so where necessary I took recourse to Döring & Manow's composite index averaging different sources (Döring & Manow, 2012).

Control variables

I draw on a number of control variables, which can be broadly divided into three camps. The first relates to the relation between the institution's agent and the principal as well as the two principals. The second relates to the institutional environment, and the third to legislation-specific characteristics.

Firstly, I control for the distance between the formateurs and the weighted mean of their institution. I use this as a proxy intended to capture the degree of likely intra-institutional conflict and scrutiny that the agent will be faced with. As the distance increases, we would expect more scrutiny, leading to longer decision-making duration. Further, a control for the distance between the principals ascertains that any effect is not due to the macro-dynamics of broader inter-cameral alignment (Klüver & Sagarzazu, 2013). In addition, I include a dummy variable indicating whether the Commission was "absorbed" by Council and EP (Tsebelis, 2002), i.e. whether the Commission mean was located between the EP and Council. When this is the case,

we expect swifter decision-making. Each of these controls is included for both the left-right and integration dimension. It can be argued that this does not hold if the Commission is farther away from the status quo than the two chambers in a one-dimensional setting. This is because any agreement by the chambers moves the outcome towards the Commission's ideal point and thus constitutes an improvement on the status quo. As the argument goes, the Commission would then gladly accept the move, as any agreement left it better off. In contrast, if it was located outside the range of the chambers and closer to the status quo, it would indeed endeavour to block any moves that make it worse off (i.e. if the distance between the new outcome and its ideal point is larger than the distance between its ideal point and the status quo).

There is a theoretical and empirical justification for focusing on absorption rather than the relative locations vis-à-vis the status quo. At a theoretical level, I consider the Commission sensitive to deviations from its ideal point. As a consequence, I do not expect it to accept without a fight any outcome that represents an improvement on the status quo, but that is not located at its ideal point. Accordingly, I expect the Commission to engage in strategic opposition to achieve an outcome that is closer to its ideal point. At an empirical level, this means that the Commission would refrain from including amendments by the EP and Council in its proposal. Commission gate-keeping power (Rasmussen, 2003) means that at a minimum higher thresholds are required in the Council (unanimity instead of QMV), and at a maximum additional readings are required. Therefore, Commission absorption is a theoretically and empirically sound proxy for the impact of the Commission on conflict and decision-making speed.

In so doing I use the mean rather than the median of the Commission, even though the College of Commissioners formally decides by simple majority. Given the norm of consensual decision-making in the College of Commissioners, the mean is an appropriate measure (Caplin & Nalebuff, 1991; Grofman, Koetzle, Merrill, & Brunell, 2001) that is an accepted indicator of Commission preferences (Warntjen, Hix, & Crombez, 2008).

Secondly, I control for the complexity and salience of the file under negotiation. I draw on the number of recitals of an act as an indicator of their complexity, as practiced in the implementation literature (Kaeding, 2006). Very salient acts might require more attention and hence a longer negotiation phase. I draw on Reh et al.'s (2013, p. 18) measure of salience based on media mention in major outlets across several EU countries. The more complex and salient an act, the longer we expect decision-making to take.

Thirdly, the institutional environment matters. The time span covered includes two enlargement rounds that I account for. In 2004, ten new member states joined the Union, and in 2007 two further followed. It had long been anticipated that this “big-bang” enlargement would slow down decision-making. Yet, previous studies of decision-making duration provide mixed evidence (Hertz & Leuffen, 2011). I control for the negotiations in the enlarged EU through a dummy variable (equalling 1 in EU25/27). In addition, legislators may wish to see legislative acts adopted before the end of term of the EP/Commission. Therefore, I control for the days left in the EP term at the time the proposal is launched (Klüver & Sagarzazu, 2013; Kovats, 2009).

Finally, the Amsterdam treaty revised the rules for co-decision by allowing early adoption of legislative acts after the first reading. This has been increasingly used by legislators, and is controlled for by the number of days the Amsterdam Treaty was in effect.

Method

In order to analyse the effect of the independent variables on the questions of when and whether an act was adopted, we draw on event history analysis (Box-Steffensmeier & Jones, 2004). As there are no particular theoretical expectations regarding the baseline hazard of adoption of the legislative act, I use a semi-parametric Cox regression (pp.21-68) (Golub, 2008a). The Cox model makes a proportional hazard assumption, which was tested for each variable in the models (Grambsch & Therneau, 1994). Where non-proportional hazard could not be excluded, I transformed the variables into time-varying covariates by using the interaction with the natural log of the duration (Golub, 2008a). Another critical issue is ties (i.e. events with the same duration). These were handled by the Breslow method, which alleviates the problem (Box-Steffensmeier & Jones, 2004, pp.55-59). In sum, while a Cox model in medical research would e.g. examine the effect of environmental factors on survival of a patient (hence survival analysis), we will here estimate the impact of a covariate on the hazard rate (the ‘risk’) of the adoption of an act (the event). This results in the hazard ratio which is the change in the hazard rate associated with a one-unit change in the covariate when holding the other covariates constant.

Empirical analysis

Overall, we find evidence that the alignment of key negotiators indeed influences legislative cooperation. Models testing only hypotheses 1 and 2 separately are shown in annex 1. We discuss a model based on a slightly smaller sample (787 acts, 16338 observations) in order to include salience. A full model without salience confirms these results (see annex 2). In the following, we will go through the model step by step.

We find that an increase in the distance between the institutions' agents strongly affects decision-making speed. This lends support to the importance ascribed to the role of the formateurs in building a concurrent majority. The effect of an increase of ideological similarity between the rapporteur and presidency, i.e. the legislature's formateurs, is strong and in the anticipated direction. The more dissimilar the two actors are, the longer it takes to agree on a compromise. The odds of an adoption of a legislative act are 6.5 per cent lower for any one point of distance on the ten-point left-right dimension. This corroborates the first hypothesis developed above. In contrast, distance on an integration dimension does not influence the odds of adoption of a legislative act. In contrast to our expectations, matching nationality has an adverse effect on efficiency. First, we need to qualify this by pointing to the relative scarcity of such matches. Nevertheless, the finding raises interesting questions. It might suggest that principals actively prevent matching pairs from negotiation to avoid national collusion between actors with possibly similar national preferences. The difference between the effects of ideological similarity and nationality suggests that national collusion is deemed more harmful to other actors'

preferences than apparently acceptable ideology-based cooperation. This might be because the latter type of cooperation is familiar from domestic politics, whereas member states holding the rotating presidency might have to pass on files negotiated by MEPs from their country to avoid the impression of bias (Kleine, 2012).

These results control for a series of factors at the level of preference dynamics, legislative acts, and the institutional environment. Focusing on preference dynamics between the principals and the agents at the intra-cameral level, we find that only the relation between the presidency and the Council mean has a significant bearing on decision-making duration. If the rotating presidency is an outlier, this markedly slows down decision-making. A one unit increase in distance on the left-right dimension reduces the odds of adoption by some 12 per cent, while a one unit increase on the integration dimension has even a slightly stronger effect at 14.5 per cent. This suggests an effective control by the principal in the Council. However, it does not suggest that the EP cannot control their agents. It is more plausible to expect the EP selects the rapporteur, who will usually be responsible from start to finish for the proposal, with considerations of agency drift in mind. The pre-set rotation in the Council does not allow a similar type of control through selection of the agent.

Turning to inter-cameral dynamics, we find a very strong and significant effect for the distance between the means of the institutions on a left-right dimension. This is in line with the findings of Klüver and Sagarzazu (2013). The further the institutions' means are apart, the longer the process.

	Variables	Hazard ratio (Std. deviation)
Main IVs	Formateurs: left-right	0.935** (0.0255)
	Formateurs: integration	0.982 (0.0437)
	Formateurs: nationality match	0.686** (0.129)
Controls	<i>Intra-cameral</i> Council - presidency: left-right	0.877** (0.0577)
	EP mean - rapporteur: left-right	0.960 (0.0495)
	Council - presidency: integration	0.855** (0.0524)
	EP mean - rapporteur: integration	1.036 (0.0649)
<i>Inter-cameral</i>	Council - EP means: left-right	0.263*** (0.0540)
	Council - EP means: integration	7.497*** (1.637)
<i>Inter-branch</i>	Commission absorbed: left-right	1.095 (0.219)
	Commission absorbed: integration	0.330*** (0.109)
<i>Proposal</i>	Recitals	0.749*** (0.03369)
	Recitals *ln(t)	1.043*** (0.00724)
	Saliency	1.000 (0.00219)
<i>Context</i>	Days left in term	1.000*** (8.12e-05)
	EU25/27	0.147*** (0.0526)
	Amsterdam	1.001*** (0.000111)
	Observations	16,338
	Subjects	788
	Failures	768
	Log likelihood	-4173.043

Note: Table displays hazard ratios.
*** p<0.01, ** p<0.05, * p<0.1

Table 3: Cox regression

The effect of distance between means on an integration dimension is large and not in the expected direction. This is puzzling, but a simple explanation is that the small range of similarity of the distance in means over time inflates the effect. It should

also be noted that the variable only barely passes the Grambsch and Therneau test, suggesting that we should interpret the estimate with great caution.

At the inter-branch level, we focus on the effect of the location of the executive vis-à-vis the legislature. The reasoning was that if the Commission as a veto player who might withdraw the proposal is absorbed, i.e. located between the EP and Council means, this would accelerate the legislative process. We find a strong, significant effect opposite the theorised direction. In other words, if the Commission is a preference outlier, EP and Council come to an agreement more swiftly. This suggests that the Commission's threat to withdraw its proposal at the legislative stage is not viable as it commonly prefers any agreement to the status quo. Actors in the two chambers might instead cooperate to avoid the emergence of strong domestic opposition against the law under discussion (Kleine, 2013).

In addition to these preference dynamics, we further controlled for the nature of the legislative act under discussion by including measures of their salience and complexity. The weak and not significant finding for salience might be due to the two directions in which salience might affect speed: on the one hand, it might lead to focussing resources on such acts, on the other hand these issues might exacerbate polarisation. In sum, there is no systematic effect. This also holds for the complexity of legislative acts as measured by the number of recitals, for which the effect varies over time.

Moreover the institutional environment has not been stable over the 13 years covered by the analysis, which warrants control for three factors. First, we control for the

point in time in the legislative term. The variable is significant and suggests that towards the end of term, it takes longer to come to agreement (note that the effect is strong considering that the variable is measured in days). This may be because most legislation is adopted within one term. Second and third, we controlled for the effect of enlargement, finding that it has slowed down decision-making, and the time since the entry into effect of the Amsterdam Treaty, finding that it has accelerated decision-making.

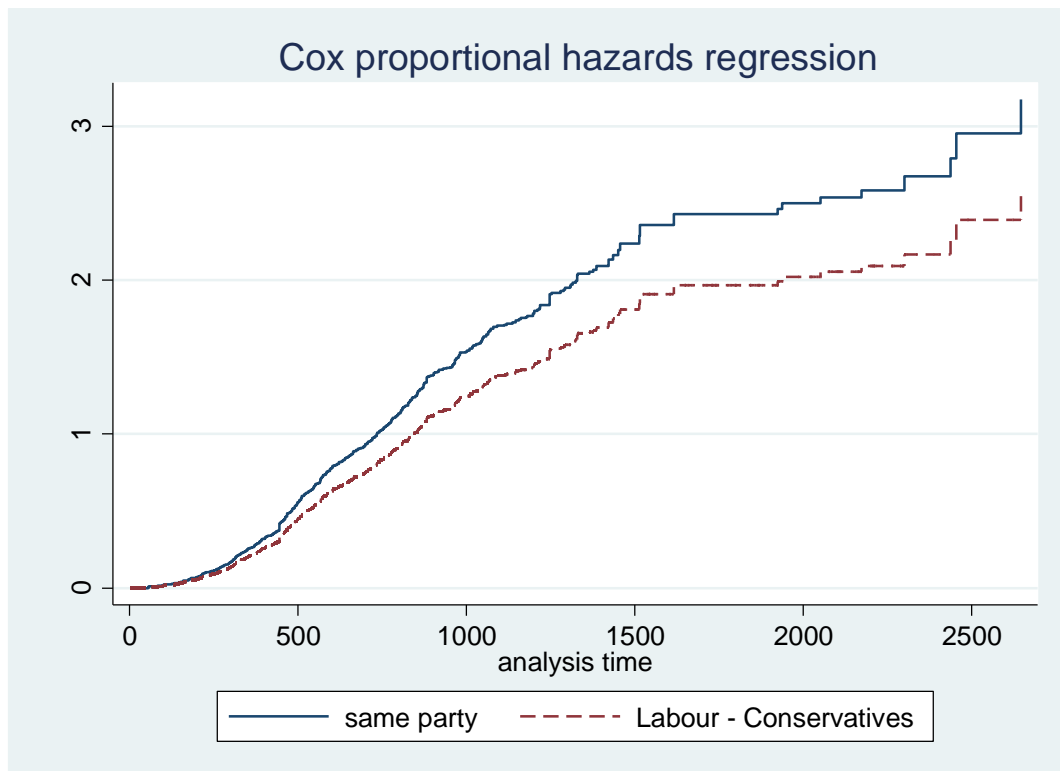


Figure 11: Cumulative hazard – ideological preferences

The insights can be illustrated by an example. In the second half of 2005, the United Kingdom held the rotating Council presidency. At the time, Labour was in government. The Labour party was considered to be moderately left by country experts in the Chapel Hill Expert Survey, who on average placed Labour at 4 on an eleven-point left-right scale. In the model, this represents the position of the Council

presidency at the time. The Council presidency was in negotiations with the EP on a number of pieces of legislation. Suppose the rapporteurs for two comparable pieces of legislation were a Labour MEP and a Conservative MEP.¹⁶ Under these circumstances, and controlling for intervening factors captured by the control variables, we can compare the cumulative hazard ratios for these two scenarios.

The solid line in figure 11 illustrates the case of any presidency and rapporteur at the same position on a left-right spectrum. Here, this represents the case of a Labour government and Labour rapporteur. In contrast, the Conservatives were deemed to be located at the centre-right (7.13) by country experts. If the rapporteurs were separated by a distance of 3.13 points, such as here in the example of a Labour government and Conservative rapporteur, the cumulative hazard rate is markedly lower at any point in the negotiations. This scenario is represented by the dashed line in the graph above. The graph shows within one legislative term (approx. 1800 days), the ideological difference would imply that the same party combination would have adopted approx. 2.5 acts, while the dissimilar combination would have come to agreement on two acts. This example shows that the odds of coming to an agreement are higher in the case of ideologically similar as opposed to dissimilar rapporteurs. This reflects the importance of the rapporteurs' ideological similarity for the transaction costs of bicameral decision-making.

Likewise, we can illustrate the opposite effect for nationality. Holding the other variables in the model constant, we can compare a scenario in which presidency and rapporteur have the same nationality to one in which they do not. Figure 12 displays

¹⁶ We disregard nationality in the example.

the cumulative hazard for the two cases. The distance between the lines reflects that in one legislative term, formateurs with matching nationalities would only adopt 1.5 legislative acts, whereas those from different member states would adopt more than two.

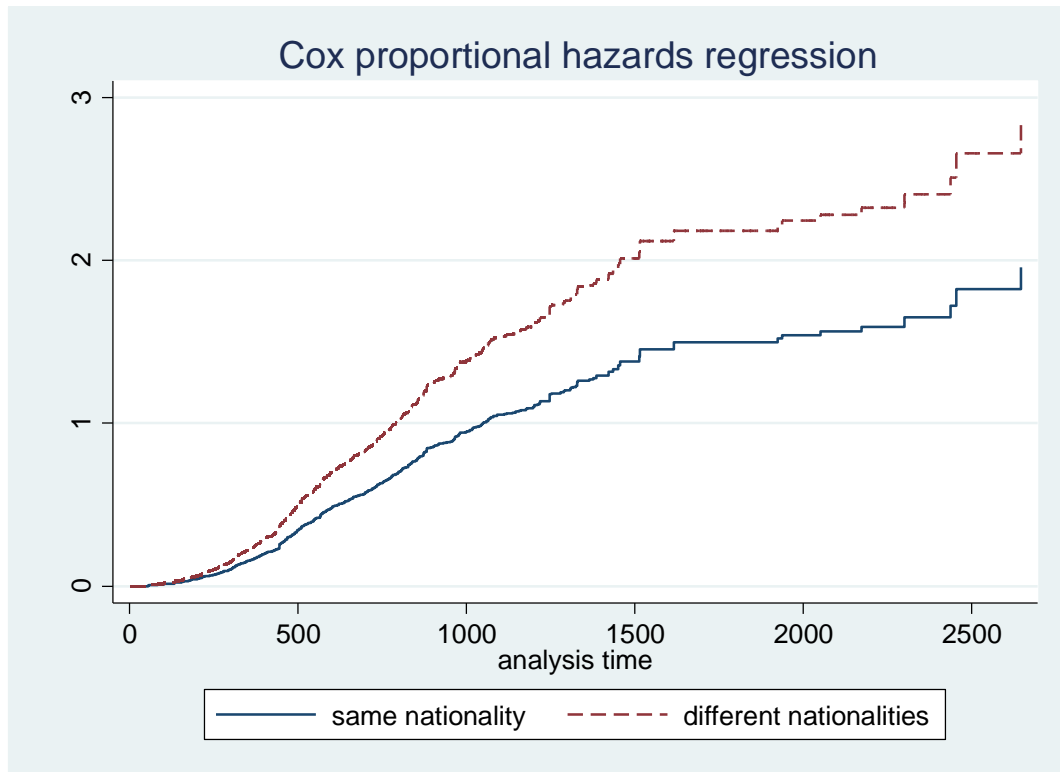


Figure 12: Cumulative hazard – nationality

Conclusion

This paper has modelled the duration of decision-making as a proxy for legislative cooperation resulting from preference alignments of key negotiators in a bicameral system. It has argued that the negotiation process and intra-institutional dynamics privilege the formateurs in bicameral decision-making, here the Council presidency and the EP's rapporteur. A transaction costs framework has been developed which

suggests that cooperation is more likely for similar actors given lower transaction costs of exchanges. The output of the 1999-2009 legislative terms was then used to test whether these actors substantially influence cooperation.

The empirical findings support the impact of the key negotiators on inter-cameral bargaining and the efficiency of the legislative process. We find a very strong and significant effect for the impact of ideological similarity between the Council presidency and the rapporteur of the EP on legislative cooperation, and consequently the legislative process. The larger the political distance between these actors, the longer it takes to form a coalition across the two chambers when controlling for the overall institutional environment, preference alignment in and across the chambers, and the nature of the legislative act. Two actors thus single-handedly transform the legislative process.

The paper suggests that the formateurs' similarity affects their calculus of legislative cooperation by affecting the transaction costs of exchanges between them and by extension, the two chambers. Studies of homophily show that more comprehensive exchanges are feasible between more similar actors. This is because search, negotiation and enforcement costs are lower as similarity increases. Here we have focused on one implication of the lowered transaction costs, namely decision-making speed. Future research will have to investigate whether there is also a qualitative difference between the agreements facilitated by the formateurs. Nevertheless, the findings lend support to the importance ascribed to formateurs and the underlying theoretical argument putting them at the core of a causal mechanism explaining bicameral coalition formation.

This has important implications for the study of legislative organisation and bicameral decision-making. Distributive and partisan theories are unicameral, and they do not necessarily hold in bicameral systems (Gailmard & Hammond, 2011; Tsebelis & Money, 1997). In bicameral political systems in which the two chambers are differently composed, actors are faced with uncertainty as to the preferences of the other chamber when seeking to implement intra-institutional solutions to mitigate transaction costs of decision-making. This hampers the institutionalisation of intra-cameral exchanges in parties or in the form of committee systems. While distributive theory suggests that the committee system reduces transaction costs by institutionalizing an exchange, this does not yet guarantee that committee members can implement their preferences, and that transaction costs are minimised. Likewise, division of labour within parties has only limited impact on transaction costs unless these control majorities and exert authority in the two chambers. In a nutshell, this is because in a bicameral system the market for legislative exchanges extends beyond any one chamber. Recognising this, the chambers can create a rotating post for an agent who wields proposal power in the formation of a winning majority across the chambers. The institution of the *formateur* addresses these shortcomings and hence invites extension of these standard theories to include delegation to a *formateur*.

Research on EU legislative politics has long applied theories of legislative organisation developed in the context of the US Congress to the institution of the EP rapporteur. These studies show how the theories go a long way towards explaining rapporteurship assignment, but have left largely under-theorised the role of the rapporteur in intra- and inter-cameral decision-making (Yordanova, 2011b). In sum,

this paper contributes to linking the different pieces in this puzzle by proposing to extend theories of legislative organisation to include the institution of the formateur who reduces transaction costs of legislative cooperation and hence makes decision-making more efficient.

Annex 1: Single dimensions

		(1)	(2)
Variables		Left-Right	Integration
Main IVs			
	Formateurs: left-right	0.942** (0.0257)	
	Formateurs: integration		0.930* (0.0371)
	Formateurs: nationality match	0.686** (0.125)	0.630** (0.117)
Controls			
<i>Intra-cameral</i>	Council mean - presidency: left-right	0.943 (0.0544)	
	EP mean - rapporteur: left-right	0.950 (0.0451)	
	Council mean - presidency: integration		0.979 (0.0512)
	EP mean - rapporteur: integration		1.052 (0.0647)
<i>Inter-cameral</i>	Council - EP means: left-right	1.162 (0.136)	
	Council - EP means: integration		2.436*** (0.329)
<i>Inter-branch</i>	Commission absorbed: left-right	0.413*** (0.0682)	
	Commission absorbed: integration		0.317*** (0.100)
<i>Proposal</i>	Saliency	1.000 (0.00223)	1.000 (0.00220)
	Recitals	0.751*** (0.033058)	0.748*** (.0334)
	Recitals *ln(t)	1.043*** (0.00708)	1.043*** (0.00717)
<i>Context</i>	EU25/27	0.0923*** (0.0270)	0.363*** (0.118)
	Amsterdam	1.001*** (9.28e-05)	1.001*** (7.88e-05)
	Days left in term	1.000* (7.76e-05)	1.002** (0.000814)
	Days left in term *ln(t)		1.000 (0.000129)
	Observations	17,354	16,338
	Subjects	788	788
	Failures	782	768
	Log likelihood	-4329.6305	-4208.229

Note: Table displays hazard ratios.
*** p<0.01, ** p<0.05, * p<0.1

Table 4: Cox regression – single dimensions

Annex 2: Full model without salience

		(1)
		Without salience
	Variables	
Main IVs		
	Formateurs: left-right	0.944** (0.0259)
	Formateurs: integration	0.998 (0.0442)
	Formateurs: nationality match	0.665** (0.124)
Controls		
<i>Intra-cameral</i>	Council - presidency: left-right	0.886* (0.0579)
	EP mean - rapporteur: left-right	0.983 (0.0507)
	Council - presidency: integration	0.855** (0.0527)
	EP mean - rapporteur: integration	1.020 (0.0634)
<i>Inter-cameral</i>	Council - EP means: left-right	0.236*** (0.0485)
	Council - EP means: integration	9.707*** (2.079)
<i>Inter-branch</i>	Commission absorbed: left-right	0.948 (0.189)
	Commission absorbed: integration	0.258*** (0.0839)
<i>Proposal</i>	Recitals	0.743*** (0.033682)
	Recitals *ln(t)	1.044*** (0.00731)
<i>Context</i>	Days left in term	1.000* (8.21e-05)
	EU25/27	0.187*** (0.0663)
	Amsterdam	1.001*** (0.000108)
	Observations	17,416
	Subjects	807
	Failures	770
	Log likelihood	-4233.9102

Note: Table displays hazard ratios.
*** p<0.01, ** p<0.05, * p<0.1

Table 5: Cox regression – excluding salience

PAPER 3

Coalition dynamics in bicameral systems: Explaining Legislative Success in the European Union

Abstract

This paper analyses the success of legislators seeking to become part of the winning majority in a bicameral system, where the fate of amendments is not determined in one chamber alone. After intra-cameral coalition formation, formateurs in the two chambers face a strategic decision. They can either stick to the original coalition, or shift the coalition by including new members, and excluding others. As a consequence, inter-cameral coordination and the formation of a concurrent majority can produce winners and losers. This paper argues that actors' inclusion and exclusion at the bicameral stage depend on their proximity to the formateur and the distance of the formateur and mean member of the second chamber. It draws on original data on early- and final-stage coalitions in the Council of the European Union under the co-decision procedure between 1999 and 2009. The findings include changing patterns of exclusion and inclusion, in which the formateur represents the crucial link between intra- and inter-cameral decision-making. This sheds light on the impact of bicameral coordination on final outcomes, and gives credence to the theoretical argument for trans-institutional cooperation as well as a broader literature linking intra-cameral organisation to bicameral decision-making.

Introduction

A rich theoretical literature has discussed the relative power of the Commission, Council and European Parliament (EP) in the European Union (Crombez, 2000; Scully, 1997; Steunenberg, 1997; Tsebelis & Garrett, 2000), and an empirical literature has sought to test these theories drawing on expert interviews (König, Lindberg, Lechner, & Pohlmeier, 2007; Thomson, 2011; Thomson et al., 2012, 2006), amendment analysis (Kasack, 2004; Kreppel, 1999, 2002; Tsebelis, Jensen, Kalandrakis, & Kreppel, 2001; Tsebelis & Kalandrakis, 1999), or text analysis (Cross & Hermansson, 2013; Franchino & Mariotto, 2012). In this paper, I shift the focus away from the power of the institutions and the premise that EU decision-making pits the Council against the EP. Instead I argue that coalitions inside the two chambers of the legislature take on each other.

The paper argues that bicameral decision-making proceeds in two stages and in line with one of two scenarios. At a first stage, intra-institutional proto-coalitions (Axelrod, 1970, 1972) are formed by formateurs in the two chambers of the bicameral system; at a second one, in order to come to a concurrent majority, two modes of bicameral coalition formation can be pursued. Formateurs face a strategic decision between engaging in trans-institutional coalition-formation, leading to a more compact coalition, and inter-institutional bargaining pitting the chambers against each other as (quasi-) unitary actors. The argument is intuitive in matching the institutional infrastructure of the European Union, where a rapporteur in the EP and the presidency in the Council carve out proposals in the form of reports or presidency compromises. They can tailor these to a specific proto-coalition, and may subsequently shift the coalition in order to form a concurrent majority in the two

chambers. As a corollary, some actors can be excluded from the original proto-coalition, while others may be included. The dependent variable contrasts three possible outcomes when moving from early intra-institutional to final bicameral coalitions: who becomes included in the coalition, who becomes excluded from it, and who remains unaffected?

I investigate this question using the case of the Council of the European Union. The empirical analysis focuses on all 162 of 844 co-decision acts proposed between 1999 and 2009 for which information on early-stage coalitions was available. It identifies coalitions by tracing who is excluded from coalitions carrying the proposals at the early intra-institutional and final bicameral stages based on requests for changes by delegations and “revealed preferences” in voting and statements. From this starting point, we can analyse if and to what effect the bicameral stage changes coalition outcomes. This allows original insights into the dynamics of Council and EU bicameral decision-making. For the first time, we gain systematic insight into early-stage coalitions in the Council, bringing our knowledge on par with that on the EP (Finke, 2012).

The paper finds variation in the coalition membership of actors at the intra-institutional and bicameral levels. Most importantly, it finds variation in the extent to which actors are affected by bicameral coordination. Interestingly, inclusion and exclusion when moving from early to final stage coalitions are not driven in parallel by the same determinants. They are conditional on the relation to the formateur at the intra-cameral level, and the formateur’s position vis-à-vis the other chamber. The specific dynamics implied in these results support a literature linking intra-cameral

organisation to inter-cameral outcomes (Diermeier & Myerson, 1999; Gailmard & Hammond, 2011) and have important implications for the legitimacy of EU decision-making (Golub, 2012b; Kleine, 2013).

The paper proceeds as follows. First, we develop the theoretical argument and a series of hypotheses on inclusion and exclusion. Second, the paper presents the empirical strategy, including a procedure to identify early-stage coalitions. Third, we discuss early stage as well as final stage contestation in the Council, and derive the dependent variable of legislative success and failure. The subsequent section estimates a statistical model explaining success and failure, the results of which are scrutinised in the concluding discussion.

Legislative success in bicameral systems

Winners and losers in legislative decision-making as well as their strategies have attracted a fair amount of attention in the literature. Legislative success, legislative effectiveness and efficiency are often used interchangeably to describe actors' capacity to achieve policy outcomes in line with their preferences. Not surprisingly, the variation in political systems and the different focuses of studies lead to a somewhat blurry picture.

A first strand focuses on inter-branch conflict and the success of the executive across different political systems (Cheibub, Przeworski, & Saiegh, 2004; Diermeier & Vlaicu, 2011). Others zoom in on the United States, where the power of the President over Congress has been the subject of debates on effectiveness and gridlock (Binder,

1999; Mayhew, 2005; Saiegh, 2009). We have a good understanding of comparable dynamics in the EU, as the power of the institutions has been vividly debated (Costello & Thomson, 2013; Thomson & Hosli, 2006; see introduction to thesis).

A second strand however centres on the legislature. Studies usually focus on success of amendments, seeing a bill out of committee, or final adoption (Anderson, Box-Steffensmeier, & Sinclair-Chapman, 2003; Frantzich, 1979; Wilson & Young, 1997). Our knowledge of the success of different constituent actors in the legislature of the EU in contrast is sparse. As a result, we have only little insight into who comes out on top in the negotiations, and who reaps the spoils of legislation.

The literature: are there winners and losers?

We know comparatively little about winners and losers in EU decision-making. The most plausible explanation for this is that most work suggests that there are none. For instance, there is no clear government and opposition. Instead, EU decision-making is presented as Pareto-improving (Majone, 1993, 1994), consensual (Heisenberg, 2005; Lewis, 1998), or subject to diffuse reciprocity, suggesting that actors “win some, and lose some”, but that these gains and losses balance out in the long-run (Arregui & Thomson, 2009; Thomson, 2011). A further reason is the difficulty in obtaining measures of success. Here we will focus on success by member state delegations in the Council, the questions of whether there are winners and losers, and what the determinants of success and failure might be.

Two approaches provide insight into the question of who wins and who loses in EU decision-making in the Council.¹⁷ The first focuses on “revealed preferences” in legislative behaviour, and analyses Council votes and statements. Variation in how often member states voice dissatisfaction through votes against a proposal, abstentions or formal statements in the minutes of meetings might provide an objective measure of how often states lose, because it shows that they are isolated and signal distance from the winning majority (Hayes-Renshaw et al., 2006). Van Aken (2012, p. 43) presents such an overview focusing on votes in the 1995-2010 period. Hagemann (e.g. 2007) goes beyond mere votes by including formal statements into the analysis. These statements allow member states “to express public dissatisfaction with a measure but also maintain good relations with the presidency and the Commission” (Hagemann & De Clerck-Sachsse, 2007). For up-to-date information, VoteWatch (2014) provides a tool to follow these statistics processed from Council documents.

Unfortunately, studies seeking to explain voting behaviour are usually based on aggregate data on the Council only, neglecting the process of coalition formation, differences across procedures, as well as bicameral dynamics (for an exception, see Hagemann & Høyland, 2010). The common lesson from these studies is that there is substantial variation in how often member states contest decisions, *prima facie* suggesting that there might be winners and losers, because some are excluded more often than others (Hayes-Renshaw et al., 2006).

¹⁷ A third approach mentioned in the introduction draws on quantitative text analysis, essentially comparing draft legislative texts to the final text adopted (Cross & Hermansson, 2013; Franchino & Mariotto, 2012). This is a promising way forward for studies focusing on the success of institutions, or groups in the European Parliament, where amendments are routinely proposed and voted on. For our purpose however, this is not apposite as we do not have full draft acts that correspond to member states’ positions. Only then could we compare the similarity of their ideal texts with the final act.

However, these figures also show that the majority of decisions are adopted unanimously – or with but one to three dissenters. This gives credence to approaches highlighting the consensual nature of Council decision-making. Heisenberg (2005) ascribes this to a “culture of consensus”, rooted in a “history of negotiations among the same partners and the acculturation of new members to those norms”. In contrast to this constructivist account, Kleine (2012, 2013) argues that important concerns are accommodated by member states in order to maintain the deep level of integration of the EU in the face of excessive domestic opposition against it. This points to the normative implications of winners and losers: if some consistently benefit more than others, this might undermine the legitimacy of EU policy and European integration. The overall high levels of consensus thus reinforce the importance of the question as to why some states still deem it necessary to contest decisions.

However, the view that we can consider those voting in favour of a proposal as part of a winning majority, and those voting against as part of a losing minority can be challenged as well. This argument suggests that in the EU outvoted countries might drop their objections without obtaining concessions. This suggests that there may not only be few winners and losers, but that that we cannot apply the category of ‘winners’ at all.

A second approach draws on the Decision-Making in the European Union (DEU) datasets (based on expert interviews) giving a quantitative assessment of actor positions (Thomson et al., 2012, 2006). These studies measure success as the distance between a country’s position and the final outcome. The results from these

studies are mixed. Some find no meaningful differences between states, whilst others do. Arregui & Thomson (2009) as well as Thomson (2011, Chapter 9) find that there are no overall winners and losers (Thomson et al., 2004; Thomson, 2009). Comparing distances between states' positions and final outcomes, Thomson (2011) concludes that before enlargement, there was only a significant difference between France and Sweden (the latter being more successful), but that even this has disappeared after enlargement (pp.242-4). The other member states success rates were indistinguishable.

In contrast, a number of studies drawing on DEUI data (i.e. pre-enlargement only) indeed identify relative winners and losers. Selck and Kaeding (2004) and Selck & Kuipers (2005) focus on a subset of countries only and find that the UK is more successful than Germany, France, and Italy, while Sweden and Finland outperform Denmark. Golub (2012b) weighs the losses states incur by the salience they attach to them. He concludes that "states differ far more significantly in their respective levels of bargaining success than previously recognised, [and] some of the smaller states are the ones that do especially well" (p.1294). This is supported by Cross (2013), who likewise uses salience-weighted measures of success and finds significant differences across member states, again with big states doing worse than small states such as Cyprus.

In sum, the literature provides a mixed picture, highlighting on the one hand the inclusive nature of coalition formation, while nevertheless identifying winners and losers. This paper contributes to the literature by focusing on inclusion and exclusion at the intersection of intra- and inter-cameral decision-making, when the two

chambers have to form a concurrent majority. This could be interpreted as winning and losing, but there are doubts as to what extent these labels might indeed be valid in the context of the EU. We will return to this issue in the discussion of the results.

The argument: inclusion and exclusion in bicameral decision-making

The paper suggests that bicameral decision-making proceeds in two stages in line with a micro-mechanism which puts formateurs in the two chambers at its core (see paper 1). In order to form a concurrent majority, legislators have to exchange support over issues in the proposal. By gaining support on issues about which they care more, while giving in on issues about which they care less, a stable majority can emerge. Formateurs are delegated agenda-setting powers in order to facilitate such a logroll. Thereby, the chamber can mitigate risks of market imperfection and market failure in the bicameral market for vote trades (see paper 2), thus leading to efficiency gains. In order to explain how formateurs construct a coalition, we draw on Axelrod's concept of proto-coalitions. Proto-coalitions are "working coalitions" which the formateurs form around themselves by proposing a logroll. Accommodating the requests of actors, formateurs can expand the coalition; adapting the logroll, they can exclude members.

At a first stage, formateurs form intra-institutional coalitions. At a second stage, they face a strategic decision between engaging in trans-institutional coalition-formation, leading to a more compact coalition, and inter-institutional bargaining pitting the chambers against each other as (quasi-) unitary actors. Changes to the proto-

coalitions then result in winners and losers in the coalition formation process at the bicameral level.

Figure 13 depicts a hypothetical case illustrating this process. The chambers comprise of actors labelled by uppercase letters A-E in the Upper House, and by lowercase letters a-e in the Lower House. In order to pass legislation, a simple majority is required in the two chambers. At the first stage, the formateurs – here actors C and d – build proto-coalitions B+C+D and c+d+e around themselves. At a second stage, the formateurs can follow an inter-institutional scenario and stick to their coalitions, or they can engage in trans-institutional cooperation shifting the coalitions. This can reduce the range of the overall coalition. Accordingly, they can accommodate actor E, thus including them in the coalition, while excluding actor B.

As a consequence, the formateurs' decisions at the intersection between intra- and inter-cameral decision-making result in winners and losers.

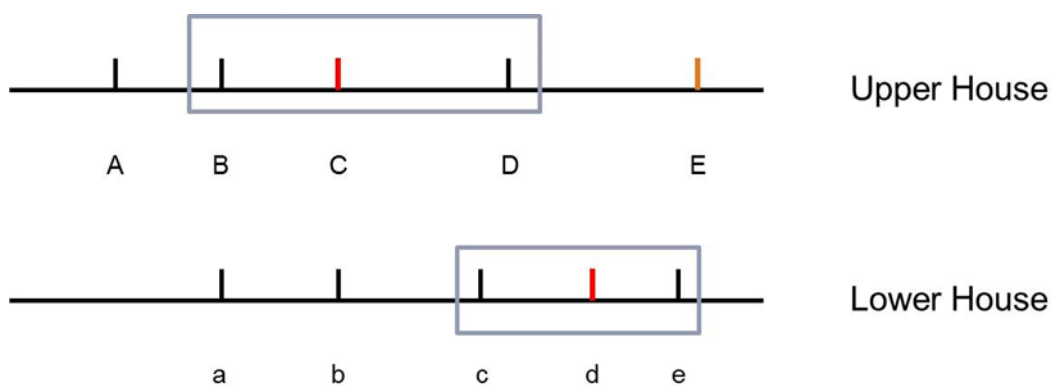


Figure 13: An illustration of coalitions in two chambers of a bicameral system

The resulting dependent variable of the analysis differentiates between changes or continuity in the status of a member state as a member of the early-stage proto-

coalition or the opposition. More precisely, we are interested in those who are included in and excluded from the coalition when comparing intra-institutional and final coalitions. Figure 14 illustrates this. At both stages we can differentiate between the members of the coalition (i.e., those included) and the opposition to that coalition (i.e., those excluded).

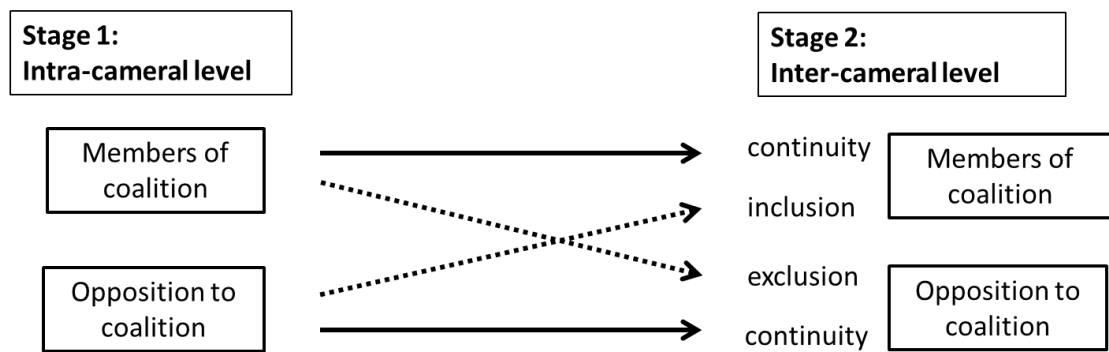


Figure 14: The dependent variable – continuity, inclusion, and exclusion

Moving from the early intra-cameral stage to the final inter-cameral stage, different coalition dynamics are conceivable. Both members of the coalition and members of the opposition can remain part of their respective group. This is reflected in the two arrows labelled “continuity”. In contrast, if the formateur decides to shift the coalition, additional members can be included in the coalition (“inclusion”) and/or previous members can be excluded from the final coalition (“exclusion”).

Inclusion implies that a country wins as its concerns are accommodated allowing it to support the compromise. Hence it leaves the opposition and joins the ranks of the coalition. In contrast, exclusion means that the coalition does no longer reflect the preferences of a country, which therefore opposes the piece of legislation. Hence it leaves the coalition and defects to the opposition. In a nutshell, the dependent

variable thus reflects whether inter-cameral coordination and the decision taken by the presidency leave the member state unaffected (continuity), and if not, whether this is to its benefit (inclusion) or detriment (exclusion). Therefore, we will seek to explain the likelihood of inclusion and exclusion with reference to continuity as a baseline scenario.

Hypotheses on inclusion and exclusion

The formateur is the linchpin of bicameral coalition formation. Not surprisingly, studies have found that Presidencies are more likely to be included in coalitions (Hosli et al., 2011; Mattila, 2004), and are winners of the process (Golub, 2012b). In order to explain legislative coalition formation and legislative success at the intersection of intra- and final-stage decision-making in the Council, we therefore focus on member states' relation to the formateur and the formateur's relation to the second chamber (Cross, 2013a) along different preference dimensions that have been found to influence legislative success and voting behaviour in the EU political system and in the Council in particular.¹⁸

Preferences along the left-right ideological spectrum and a pro-anti integration dimension have been found to shape Council decision-making at different times. The policy space of the Council is thus different from that of the EP with a consistent left-right dimension and weaker pro-anti integration dimension both before and after enlargement (Hix et al., 2007; Hix & Noury, 2009). For the pre-enlargement phase, Mattila (2004) draws on data for the 1995-2000 period, while Hagemann zooms in

¹⁸ It should be noted that the findings discussed below result from the application of different methods, which are reviewed elsewhere in more depth (Hagemann, 2007, 2008; Mattila, 2009, p. 847).

on 1999-2004. Both find that ideological positions of governments influence their voting behaviour, with left-wing governments less likely to be excluded and hence voting against the majority (Mattila, 2004). Whilst early studies after enlargement only pointed out geographical clusters (Hagemann, 2008), later studies showed that these correlate with governments' ideological positions (Hosli et al., 2011; Mattila, 2009). The balance of the Council majority had changed, and right wing governments were on the side of the majority more often than left governments (Hosli et al., 2011). This suggests that ideological proximity might explain whether member states are included or excluded when the bicameral coalition is formed.

From this follow the first two hypotheses:

H1a: The larger the distance between the formateur and a member state's government along a left-right dimension, the greater the odds of exclusion from the coalition.

H1b: The larger the distance between the formateur and a member state's government along a left-right dimension, the lower the odds of inclusion in the coalition.

H2a: The larger the distance between the formateur and the EP mean along a left-right dimension, the greater the odds of exclusion from the coalition.

H2b: The larger the distance between the formateur and the EP mean along a left-right dimension, the lower the odds of inclusion in the coalition.

Evidence on impact of positions on European integration is more limited and sometimes conditional. Mattila (2004, 2009) found an interaction between left-right preferences and the position on integration before and after enlargement. This is

confirmed by Hosli et al. (2011), who also found that overall less integrationist governments were excluded more often. From this follow the third and fourth hypotheses:

H3a: The larger the distance between the formateur and a member state's government along a pro-anti integration dimension, the greater the odds of exclusion from the coalition.

H3b: The larger the distance between the formateur and a member state's government along a pro-anti integration dimension, the lower the odds of inclusion in the coalition.

H4a: The larger the distance between the formateur and the EP mean along a pro-anti integration dimension, the greater the odds of exclusion from the coalition.

H4b: The larger the distance between the formateur and the EP mean along a pro-anti integration dimension, the lower the odds of inclusion in the coalition.

Taken together, these hypotheses capture the role of the formateur in the micro-mechanism of coalition formation outlined above.

Many of the studies discussed so far also find geographical clusters of Northern, Southern, and Eastern member states, or old and new member states. A North-South divide (Mattila & Lane, 2001) is usually considered to have been supplemented by an Eastern cluster (Kaeding & Selck, 2005; Mattila, 2009). However, the mere geographical position is hardly relevant as such, but rather conceals underlying dimensions. Accordingly, many of the results above are in fact inferred from what *prima facie* appeared to be geographical dimensions (Zimmer, Schneider, &

Dobbins, 2005). Therefore, we do not include these patterns as such. However, the accession status of member states might influence their inclusion. This is particularly relevant given the surprising finding that some variables have opposite effects on old and new member states, and that new member states are less often outvoted than old member states (Hosli et al., 2011). Hence follows hypothesis five:

H5a: The odds of exclusion from the final coalition are lower for new member states than for old member states.

H5b: The odds of inclusion in the final coalition are greater for new member states than for old member states.

Further factors of relevance are power-related characteristics, such as member states' status as net payer or recipient from the EU budget. While Mattila (2004) does not find support of these in the late 1990s, studies drawing on DEU data (Zimmer et al., 2005) and voting data in redistributive policy areas do (Bailer et al., 2014). They even suggest that rich member states buy off smaller states, even though this vote selling argument is refuted by Golub (Golub, 2012a). In general, interpretations of why this dimension might matter differ, pointing to different regulatory preferences as well as power differentials relating to the transfers of funds. Their implication is that net recipients from the budget are outvoted less often than net contributors (Bailer et al., 2014). Based on this we formulate the sixth hypothesis:

H6a: The odds of exclusion from the final coalition are lower for net recipients from the EU budget than for net contributors.

H6b: The odds of inclusion in the final coalition are greater for net recipients from the EU budget than for net contributors.

In addition to these factors, member states' size has been argued to affect their success. Large states were more likely to be excluded from winning majorities between 1995 and 2000 (Mattila, 2004). Likewise, Golub (2012b) and Cross (2013) found that small member states were more successful. In contrast, Hosli et al. (2011) demonstrated size not to affect inclusion and exclusion after enlargement. The operationalisation of the variable varies across studies. Some focus on GDP, others on population or the number of votes in the Council, leading to different interpretations. Using different indicators, we formulate a final sixth hypothesis.

H7a: The larger the population/ GDP per capita of a member state, the greater the odds of exclusion from the final coalition.

H7b: The larger the population/ GDP per capita of a member state, the smaller the odds of inclusion in the final coalition.

The next section delves into the empirical strategy devised in order to test these hypotheses.

Empirical strategy

This section first explains the strategy devised to identify coalitions in the Council and thus the dependent variable, and then briefly discusses the data collection effort

to this end. Subsequently, it provides an overview of independent and control variables as well as their operationalisation.

Dependent variable: Identifying coalitions in the Council

The paper draws on novel data on early-stage coalitions in the Council. In combination with information on final votes and statements, this allows identifying who was included and who was excluded in the process of bicameral coalition formation. While information on final votes and statements is easily available from the Council's monthly summary of Council acts, addendums to minutes of Council meetings, and, for earlier cases, press releases referenced in the Commission's PreLex database, the coding of early-stage coalitions requires some explanation.

Members of legislatures usually formally propose amendments, but bargaining in the Council centres on successive drafts of a piece of legislation. The rotating presidency can decide whether to accommodate member states' requests for changes. Usually these concerns are included as footnotes in the draft legislation. Cross (Cross, 2012) has studied interventions in the Council on a subset of legislative files. He shows that there is strong variation in the extent to which member states intervene in the Council, and that they do so the more they are unsatisfied with the draft text. This is also because in fact the rules of procedure foresee interventions in these cases only (ibid.).

Nevertheless, member state delegations reacting to a proposal have different options at hand, which so far have not been differentiated. First, they can provide general

suggestions for improvements to the text, be they objective or proposals in line with their preferences. Second, on more important issues, member states can enter substantive reservations ('reserves') (Hayes-Renshaw & Wallace, 2006; Nedergaard, 2007, pp. 162–3; Westlake & Galloway, 2004, p. 226). In addition, there are scrutiny reservations entered if inter-ministerial coordination on the negotiating position has not been concluded, parliamentary reservations if a national parliament has to be consulted on a member state's position, and linguistic reservations in case of legal-linguistic issues with a translation. These are 'soft' reservations in the sense that they are usually procedural. 'Hard' substantive reservations in contrast are issue-specific objections to the draft text through which member states express requests for accommodation (Westlake & Galloway, 2004, p. 226). In the give-and-take of Council negotiations, member states have an incentive to only use a reservation if salient issues are at stake. Hence, we can conceptualise a reservation as an interaction of salience and preference.

By contrast, states which enter reservations are, at that point, not accommodated by the presidency and not part of its proto-coalition. Thus, I define member states upholding a reservation as excluded from the early-stage coalition. If a member states' concerns are taken on board by the presidency, or indeed if they have none that are salient to them, they do not need to enter a reservation, and are considered part of the proto-coalition.

In order to obtain information on reservations in Council documents, I analysed 18,000 accessible documents in the Council Public Register that relate to 844 co-decision acts proposed between 1999 and 2009. Drawing on a computer programme

(a so-called grep-tool) that searches and extracts search terms from text files, I successfully identified early intra-institutional coalitions in 162 instances in the Council, always before negotiations with the EP started.

It should be noted that the sample is not representative of the total co-decision output for two reasons. Firstly, it excludes uncontroversial proposals that are rubberstamped by the Council and EP. Classic examples would be updates to legislation or the codification of a series of acts. Accordingly, whenever no member state deemed it necessary to enter a reservation, the procedure was excluded from the analysis. Secondly, Council transparency and the quality of documentation varies depending on the note taker and sensitivity of legislation (Cross, 2013b), so that some documents are not accessible, while some procedures may have been missed because conflict was not reflected in the minutes of meetings. Nevertheless, the resulting sample is meaningful because it comprises acts on which member states disagreed, and thus exactly those proposals that are relevant for an analysis of winners and losers in bargaining. In that sense, it is similar to a sample of roll-call votes which is not necessarily representative of the total population of votes (Carrubba et al., 2006), but carries the promise of important insights nonetheless.

As the identification of coalitions is based on preferences revealed in legislative behaviour, it can be criticised by the same token as any study analysing voting behaviour, but this criticism is particularly pertinent in the case of the EU. We have to assume that actors' legislative behaviour is in fact meaningful, so that voting in favour means that an actor has been accommodated, while voting against means that has not happened.

In my dependent variable this represents a particular problem for the inclusion category. For instance, Novak (2013) argues that votes in the Council might underestimate the controversy of decisions. She suggests that unanimity is often the result of blame avoidance, as member states refrain from voicing opposition to avoid seeming weak and isolated at home. No matter what, governments in the Council would thus drop their reservations at the final voting stage, resulting in them being seen as part of the winning majority. Whilst this implies that increased transparency would come with less revealed contestation, Cross (2013b) argues that transparency in Council negotiations invites “grandstanding” and might accordingly inflate observable contestation. If grandstanding is restricted to the early stages of the negotiations, it would mean that relatively more actors are excluded at the early intra-institutional stage than at the final stage, which would further bias the interpretation of the “inclusion” category of the dependent variable.

While both mechanisms might be at work in extreme cases, the bulk of negative votes and reservations will represent true dissatisfaction and the aspiration to attain different policy. Moreover, a key distinction is important. In contrast to votes, requests for changes (expressed as reservations) are the basis of any change to an act. Member states cannot expect to be accommodated if they do not signal a request for this. Accordingly, I conceive of any objections to the winning majorities as a combination of high salience and preference. By default, if salience of preferences is low, I would expect that actors will refrain from entering reservations.

In parallel, at the final stage, those voting against, abstaining, or entering a statement into the minutes voicing their dissatisfaction are deemed excluded from the final coalition (Hagemann, 2007; Hayes-Renshaw et al., 2006). In these cases, the member state did not obtain what it wanted. Again however, I expect that that states will only contest decisions where it matters to them, and where salience is accordingly high.

Independent variables

The operationalisation of the independent and control variables is straightforward. Döring and Manow (2012) provide information on national parties in governments in the Council as well as the size of national party delegations in the EP based on European elections. Ideological and European integration preferences of governments are based on Chapel Hill Expert Survey Data (Bakker et al., 2012) that was interpolated between the different waves of the survey (1999, 2002, 2006, 2010). The national party scores of coalition governments were weighed by the number of seats they held in the national parliament, and the mean position of the EP was obtained by weighing national party delegations by their number of seats. The left-right dimension is measured on a scale from 0-10, while the integration dimension is measured on a scale from 1-7.

Net contributors and beneficiaries were calculated based on the Financial reports of the European Commission (European Commission, 2014). I use a dummy variable taking the value of 1 if a member state was a net recipient in the respective year of the decision (*Net recipient*). In addition, size is operationalised both by population (Eurostat, 2014b) and GDP per capita (Eurostat, 2014a). *Population* is in millions,

while *GDP per capita* is in thousands. The dummy variable *New MS* and *Enlargement* are coded 1 for new member states and decisions after the 2004 enlargement respectively.

In addition, I also use a control variable to capture the salience of legislative acts based on a count of the media mentions of a legislative act in a series of newspapers (Reh et al., 2013). This is because we might expect that decision-making dynamics might differ for salient and non-salient acts.

Analysis: mapping and explaining inclusion and exclusion

This section first presents descriptive data on legislative success and failure, defined as inclusion and exclusion in the legislative coalition when moving from intra- to inter-cameral decision-making. It proceeds in the sequence of the legislative process and presents early- and final-stage coalitions. Second, it moves on to analyse the determinants of success and failure. We split the analysis into a pre- and post-enlargement phase, which coincides with end of the 1999-2004 term of the EP. Ten member states joined the Council, and European elections took place which changed to composition of the EP. The differentiation allows a more nuanced analysis of success and failure.

Descriptive overview: inclusion and exclusion

The new data for the first time allows a systematic insight into member states' coalitions at the sub-ministerial level of the Council. Figure 15 shows the proportion

of legislative proposals in which member states were excluded from the early-stage coalition, i.e. usually draft texts prepared by the presidency of the Council on which they entered a reservation. It shows that there is strong variation across countries, in particular a deep divide between old and new member states, as well as important differences between pre- and post-enlargement decision-making.

When comparing the proportion of exclusions before and after enlargement, we note that overall decision-making has become less contentious at the intra-institutional stage. This might be because member states exert restraint in the face of more countries that need to be accommodated, or simply because the underlying policy has changed. In particular, Germany and France are now included more often. But this is not limited to large states, as the cases of Luxembourg and Austria show. In contrast, the Netherlands, Denmark and Sweden fare worse after enlargement.

Focusing on variation across countries, eleven member states, including eight accession countries, are excluded from fewer than ten per cent of early-stage coalitions in the post-enlargement phase. In contrast, Germany is the country left unsatisfied most often, both before (50 per cent) and after enlargement (38 per cent). This does not seem to be a mere artefact of the country's size. Smaller countries, such as Malta, Sweden, and Denmark share a similar profile. Cross (2012) had already singled out Malta as a small country that had to intervene often in negotiations given its dissatisfaction with draft legislation. The results here underscore the seriousness of these interventions.

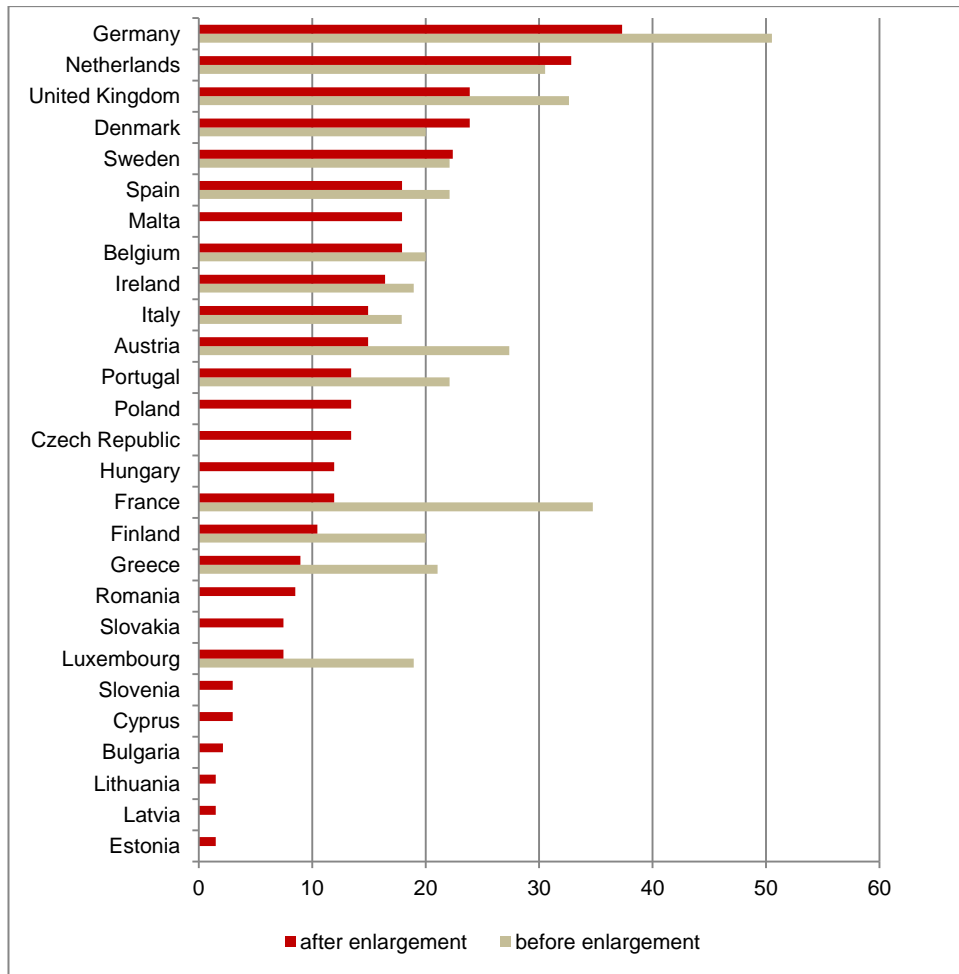


Figure 15: Exclusion from intra-institutional coalitions

Notes: Chart shows percentages; N=95 (before enlargement); N=67 (after enlargement), 20 of which for full EU27.

In a similar vein, we can analyse the data on opposition at the final voting stage (Figure 16). Again it is evident that decision-making dynamics have changed with enlargement, and that there is strong variation across countries. While contestation at the intra-institutional stage has decreased, contestation at the final voting stage has increased, suggesting that member states are more rarely accommodated. Nonetheless, comparing total percentages shows that overall levels of exclusion from coalitions are considerably lower at the final voting stage. This reflects that countries are usually ultimately included in coalitions. Whilst countries are on average excluded from 13 per cent (before enlargement: 25 per cent) of coalitions at the intra-

institutional stage, this drops to 7 per cent at the final stage (6 per cent before enlargement). Again, the frequency of this varies across countries. Germany opposes 18 per cent of legislation, while ten member states do so in less than 5 per cent of cases, and a further nine countries in less than 10 per cent of cases. Here, old and new member states are far more mixed.

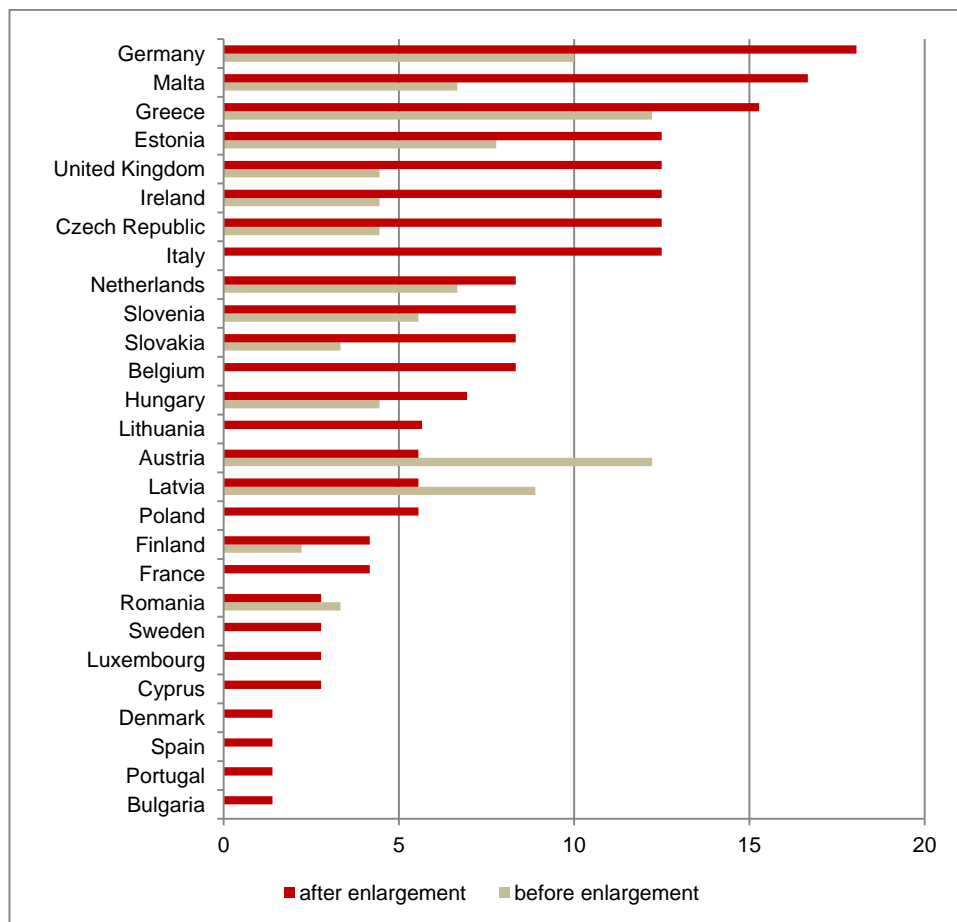


Figure 16: Exclusion from bicameral coalitions.

Notes: Chart shows percentages; N=95 (before enlargement); N=67 (after enlargement), 20 of which for full EU27.

So far we have looked at the members of the coalition and contrasted them with those that are outvoted. We now know who contested legislation most often, as their requests for changes were not taken on board, and who was part of the winning majority how frequently. With reference to figures 15 and 16, this has demonstrated

the frequency at which member states have been left isolated with reservations at the early intra-institutional and at the final bicameral stage. It does not yet show the dynamic of inclusion and exclusion when moving from early to final stage coalitions.

The dependent variable captures this change in the shift from early to final, bicameral winning majorities. Figure 17 presents an overview. The negative percentages indicate how often a member state was eventually excluded even though they were initially part of the coalition (*exclusion*) while the positive percentages show how often member states were ultimately included in the coalition (*inclusion*). The sum of the absolute percentages is an indicator for how often the bicameral stage made a difference for a country. For Lithuania and Estonia this holds true in less than 5 per cent of the cases considered, while Germany becomes in- or excluded in 30 per cent of cases after enlargement. Hence, the difference between this absolute sum and 100 reflects the reference category in the analysis (*continuity*). In these cases, inter-cameral negotiations did not make a difference for a country's coalition status. Hence, it is important to note that the figure shows the change in coalition status due to bicameral trans- or inter-institutional decision-making.

Following from the discussion above, there is important variation across countries as well as between EU decision-making before and after enlargement. First, some countries are included more often than others, while exclusion remains comparatively scarce. This supports the literature highlighting that member states seek to accommodate one another's requests, and earlier findings (Cross, 2013a).

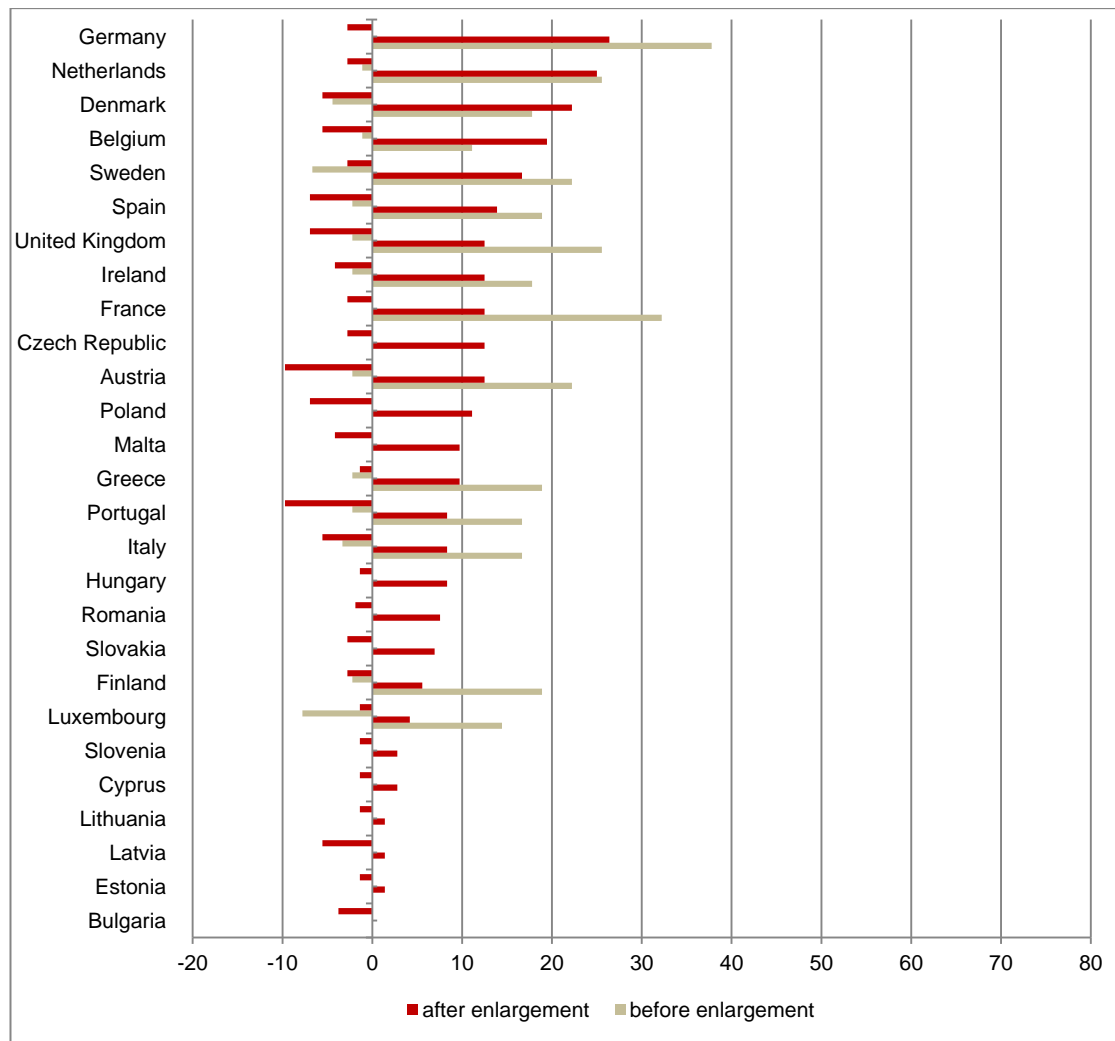


Figure 17: Losing and winning in bicameral decision-making

Notes: Chart shows percentages; N=95 (before enlargement); N=67 (after enlargement), 20 of which for full EU27.

Second, it is evident that before enlargement most member states were included more frequently, and were excluded less frequently when moving from intra- to final-stage coalitions. This holds in particular for Germany, France, and the United Kingdom. Before enlargement, the former two countries with their large contingents of MEPs were ultimately included in the final-stage coalition in 32 and 38 per cent of cases respectively after they had been excluded from the coalition at the early intra-institutional stage. Germany remains the most frequently included member state in the negotiations, while the UK and France inclusion rate has decreased. That of some

smaller countries, such as Belgium, the Netherlands, Denmark and Sweden is remarkably high. In general, there is more fluctuation in coalition membership of old member states and they also seem to be included more often when compared with new member states.

This descriptive overview of contestation at the early and final decision-making stages, as well as the derivation of the dependent variable, has focused on member state delegations in the Council of the EU. In principle, it would be fascinating to provide a similar overview broken down by different national governments, which are the unit of analysis in several of my hypotheses. I refrain from this here because given the varying terms of office the number of issues different government decide on varies, which makes comparison difficult, if not misleading. The results are discussed in the next section, which explores the underlying causal mechanisms: How can we explain this variation? Why do some states/ governments included, while others are excluded? The next section estimates a model to answer these questions.

The model: explaining inclusion and exclusion

Given the categorical nature of the dependent variable distinguishing between exclusion, inclusion and no change in coalition status, a multinomial model is appropriate. We thus investigate the likelihood of exclusion and inclusion with respect to the base category of no change in coalition status. As we will see below, this makes more sense than an ordinal understanding of the variable, as indeed different factors explain inclusion and exclusion respectively.

The data is clustered by member state and legislative proposal. Hence, drawing on a multilevel model is appropriate. The clusters are not nested, so that crossed random effects would be required. Since to my knowledge it is not possible to fit such a multinomial model with crossed random effects in the GLLAMM package in STATA (Rabe-Hesketh, Skrondal, & Pickles, 2005), I chose the simpler, two-level model with a random intercept reflecting the clustering by legislative act. The results are very robust when including country level fixed effects (see annex 1, table 7). Since I have to drop country level variables that are of interest in this model specification, I report the models without fixed effects below and highlight any differences in the discussion. We estimate five models relating to the different Council constellations. These are presented in table 6.

A cursory overview of the results shows that power-related member state characteristics seem to be most helpful to explain winning, while preferences provide insight into losing. The table reports exponentiated coefficients to ease interpretation.

The results suggest that we are better at explaining failure, i.e. exclusion from the coalition, than inclusion. This is arguably because member states still drop their objections for different reasons – be it because they seek to adhere to the culture of consensus (Heisenberg, 2005), because of true accommodation of their requests (Kleine, 2013), or mere blame avoidance at home (Novak, 2013), i.e. no accommodation. Two of the three preference-based indicators that are significant in the part of the models that explains inclusion are not robust to inclusion of country-level fixed effects. The results cast further doubt on whether inclusion in the final

		(1)	(2)	(3)	(4)	(5)
		Full	EU15	EU25/7	Old MS	New MS
Fixed part						
Exclusion	LR: Pres. – EP	1.513*	1.613	1.879	1.290	7.548*
		(0.365)	(0.491)	(0.870)	(0.673)	(8.285)
	Integration:	0.346***	0.324*	0.353*	0.490	0.0764*
	Pres. – EP	(0.137)	(0.188)	(0.214)	(0.343)	(0.110)
	LR: MS – Pres.	1.103	0.837	1.289*	1.916***	0.617
		(0.119)	(0.149)	(0.190)	(0.381)	(0.183)
	Integration:	1.546**	1.878*	1.294	0.929	2.582*
	MS – Pres.	(0.274)	(0.642)	(0.288)	(0.283)	(1.253)
	Population	0.997	0.978*	1.005	1.001	1.011
		(0.00618)	(0.0111)	(0.00772)	(0.00852)	(0.0284)
	Net recipient	1.015	0.413*	1.584	1.438	
		(0.347)	(0.219)	(0.727)	(0.697)	
	GDP per capita	1.000	0.998	0.989	1.002	0.774*
		(0.0239)	(0.0392)	(0.0319)	(0.0361)	(0.118)
	Saliency	0.935	0.984	0.891	0.761*	0.974
		(0.0450)	(0.0625)	(0.0657)	(0.111)	(0.0801)
Enlargement	1.733					
	(0.587)					
New MS	0.425		0.318*			
	(0.235)		(0.207)			
Constant	0.0203***	0.0546*	0.0222***	0.0171***	0.0391*	
	(0.0192)	(0.0823)	(0.0285)	(0.0259)	(0.0706)	
Inclusion	LR: Pres. – EP	0.912	0.962	0.908	1.017	0.519
		(0.121)	(0.152)	(0.256)	(0.329)	(0.320)
	Integration:	0.783	1.036	0.525*	0.539	0.665
	Pres. –EP	(0.171)	(0.296)	(0.194)	(0.231)	(0.553)
	LR: MS – Pres.	1.100*	1.057	1.134	1.119	1.522*
		(0.0581)	(0.0732)	(0.0978)	(0.113)	(0.354)
	Integration:	1.049	0.956	1.150	0.937	1.301
	MS – Pres.	(0.102)	(0.136)	(0.158)	(0.161)	(0.347)
	Population	1.008***	1.008**	1.008*	1.006	1.055***
		(0.00272)	(0.00370)	(0.00420)	(0.00432)	(0.0204)
	Net recipient	0.787	0.715	0.846	0.825	
		(0.129)	(0.162)	(0.214)	(0.212)	
	GDP per capita	1.012	1.006	1.028	1.021	1.045
		(0.0125)	(0.0163)	(0.0204)	(0.0213)	(0.0831)
	Saliency	1.021	1.042	1.002	0.993	1.044
		(0.0222)	(0.0348)	(0.0277)	(0.0340)	(0.0503)
Enlargement	0.600**					
	(0.126)					
New MS	0.503**		0.636			
	(0.167)		(0.284)			
Constant	0.169***	0.160***	0.0877***	0.112**	0.0122***	
	(0.0856)	(0.111)	(0.0707)	(0.0971)	(0.0158)	
Random part	Variance (act)	0.714	0.927	0.428	0.589	0.984
		(0.144)	(0.233)	(0.169)	(0.234)	(0.740)
Level 1 units		2,488	1,246	1,242	798	444
Level 2 units		146	89	57	57	53
Log likelihood		-1291.4559	-710.56885	-568.84562	-427.62466	-120.06432

Exponentiated coefficients reported. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

Table 6: Multi-level model

coalition can be conceptualised as legislative success, as either everyone seems to be accommodated or simply to join the coalition. In both cases equating inclusion and winning seems meaningless. In this context the control for salience is of interest, as it suggests that more salient legislation coincides with a higher likelihood of inclusion, and lower likelihood of exclusion, even though this is only significant for old member states that are losing after enlargement.

The most interesting findings relate to why member states are excluded from coalitions. First, let us recall that the models include both the left-right and integration dimensions. On the one hand, we included the distance between a government and the presidency (H1a, H3a); on the other hand, the distance between the presidency and the EP mean (H2a, H4a). Overall the findings suggest that the more divergent the integration preferences of a member state and the presidency, the more likely it is that this state will be excluded from the coalition. This ties in with the findings of paper 1, which showed that the overall range of coalitions is reduced on this dimension at the final stage.

However, it is interesting to note that after enlargement and the start of the next legislative term, driven by the old member states, the intra-cameral effect of a member state's proximity to the presidency holds for the left-right dimension rather than the integration dimension.¹⁹ This suggests that dynamics between old member states have become more party political, while those between new member states are rather based on integration preferences. The irrelevance of left-right dynamics with regard to new member states might provide a partial answer to the counterintuitive

¹⁹ In the robustness check including fixed effects, the variable on the left-right dimension is significant and points in the other direction in the EU15 model.

finding that an increase in distance on a left-right dimension between a member state and the presidency increases the likelihood of being included in the coalition.

The presidency's distance from the EP mean on the left right dimension is in the expected direction, but not significant across all models (even though in the fixed effects model in the annex it is additionally significant in the EU15 model). The larger the distance between presidency and EP, the higher are the odds of exclusion. The effect of the presidency's distance from the EP mean on the integration dimension is not the expected direction. This might suggest that presidencies seek to form larger coalitions in order to strengthen their bargaining position with the EP if they have different preferences. This is in line with the literature linking intra-institutional organisation and inter-cameral bargaining under bicameralism (Diermeier & Myerson, 1999; Gailmard & Hammond, 2011). By forming a particularly large coalition, and taking offers by the rapporteur to its members, it increases the threshold for agreement (Diermeier & Myerson, 1999). Thereby, the presidency can shift the final outcome towards its preferences (see paper 1). This lends support to the counter-intuitive finding by Gailmard and Hammond (2011), who suggest that a chamber may have an incentive to be represented by preference outliers in inter-cameral bargaining. The results show that under these conditions, an overall more inclusive coalition is formed in the Council.

The results from different model specifications (see annex 1, table 7) lend support to the importance of the presidency in the Council and its 'relais actor' function as formateur in inter-institutional coordination (Farrell & Héritier, 2004). In fact, individual governments' distance to the Council and EP mean proves not a

significant determinant of success or failure. The presidency constitutes the crucial link. In sum, these results provide support for the causal mechanism in which the formateur is the linchpin of coalition formation.

On this basis, we can move on to the analysis of further factors influencing legislative inclusion and exclusion. Model one confirms that enlargement has made inclusion less likely. Bicameral decision-making in the Council has thus become more competitive. However, the new member states remain somewhat unaffected by this. With regard to hypothesis 5 on new member states we find that they are both less likely to be included or excluded at the bicameral stage (albeit in different models). This suggests that the new member states are somewhat passive onlookers.

Recalling that objections can be argued to represent an interaction of preference and salience, there are two possible explanations. Firstly, the governments may have “centrist” positions, leaving them unaffected by the controversy between other states. Secondly, their preferences may be akin to those of old states, but the salience they attach to them might be lower, and ultimately too low to engage in actively opposing legislation. The latter option would be in line with behaviour of MEPs from new member states, who are structurally underrepresented in the post of rapporteur in the EP, possibly because of low salience of the policy impact that they could achieve (Hurka et al., 2014; Hurka & Kaeding, 2012).

Indicators of power, expressed here as status as a net contributor to or recipient from the EU budget (H6) population (which also reflects voting power) and GDP per

capita (H7), are more relevant for explaining inclusion than exclusion. Overall however, their effect is rather weak.

In sum, these findings lead to a differentiated assessment of the stated hypotheses. We find confined support for the hypotheses. This is arguably good news for European integration, because even if those included are not necessarily winners, the fact that they change over time might contribute to the legitimacy of integration. In this sense at least, the Council does not seem to differ from other legislative chambers: changes in its composition -- while staggered by the pace of national elections -- shift the balance over time. The results underscore the inclusive nature of much of EU decision-making, while also highlighting the reasons for why member state governments are excluded from coalitions.

Conclusion

This paper set out to identify the impact of inter-cameral coordination on legislative success in a bicameral legislature based on a theory of bicameral coalition formation. A series of hypotheses on inclusion and exclusion dynamics in bicameral coalition formation were developed by linking existing research on Council and EU decision-making and theoretical expectations arising from the causal mechanism. These were tested on a new dataset on early- and final-stage coalitions in the Council collected through an extensive analysis of Council documents.

Patterns of inclusion and exclusion may well undermine the legitimacy of EU policy and European integration, as recent research has suggested based on varying levels of

success across member states (Golub, 2012b). However, the sheer complexity and variation over time of the patterns caution against snapshot analyses which may too easily incite sweeping conclusions. Even if exclusion can be described as losing in bicameral decision-making, the losers in Council decision-making change over time, which suggests that overall dynamics do not differ from those in other democratic legislative chambers with changing compositions at national elections. Only if some actors are structurally disadvantaged in the long run, this will become a normative issue.

Differences in legislative success have important implications from an integration as well as comparative politics angle. First, systematic winners and losers point to the emergence of government-opposition dynamics, where a series of actors consistently works together and excludes others from the benefits of legislation. Second, if some actors systematically lose, this can affect the legitimacy of European integration and its outputs. We find losers in bicameral decision-making, but the predictors explaining defeat are dynamic rather than structural. Ideological and integration preferences influence a member state's likelihood of exclusion from a coalition, but their variable nature suggests that no-one remains necessarily excluded in the long-run.

Nevertheless, the status of the new member states deserves further analysis in the future. Their low activity might be due to genuinely lower salience, but might also have other reasons (Golub, 2012a). Likewise, future research will have to shed light on the question of when and why member states are actually accommodated, or simply refrain from casting negative votes. These observationally equivalent, but

substantively very different phenomena would add to a deeper understanding of Council decision-making dynamics. To date we only have limited knowledge of how salience and differences in positions and outcomes affect the decision to abstain, vote against or contest the act's content in a statement (Hoyland & Hansen, 2013).

In sum, the findings lend support to the importance of formateurs in bicameral decision-making. They show that the presidency can make the strategic decision to build a more inclusive coalition when its position differs starkly from that of the EP, thus binding its hands in negotiations with the rapporteur, and shifting the outcome towards its preferences.

Annex 1: Robustness test

		(1) Full	(2) EU15	(3) EU25/7	(4) Old MS	(5) New MS
Fixed part						
Exclusion	LR: Pres. – EP	1.548*	2.058**	2.005	1.356	7.183*
		(0.375)	(0.707)	(0.936)	(0.747)	(7.898)
	Integration: Pres. – EP	0.334***	0.277**	0.327*	0.451	0.0612*
		(0.135)	(0.162)	(0.207)	(0.329)	(0.096)
	LR: MS – Pres.	1.085	0.603**	1.423**	2.136***	0.823
		(0.123)	(0.139)	(0.240)	(0.489)	(0.325)
	Integration: MS – Pres.	1.550**	2.047*	1.272	0.907	2.927**
		(0.296)	(0.773)	(0.311)	(0.319)	(1.585)
	Saliency	0.935	0.984	0.890	0.751*	0.975
		(0.045)	(0.063)	(0.066)	(0.112)	(0.080)
	Enlargement	1.433				
		(0.484)				
	MS fixed effects	Yes	Yes	Yes	Yes	Yes
Constant	0.0123***	0.0068***	0.0066***	0.0161***	0.0006***	
	(0.00791)	(0.00701)	(0.00554)	(0.0152)	(0.00122)	
Inclusion	LR: Pres. – EP	0.920	0.955	0.898	1.025	0.568
		(0.124)	(0.152)	(0.255)	(0.340)	(0.352)
	Integration: Pres. – EP	0.739	1.018	0.551	0.534	0.697
		(0.164)	(0.296)	(0.205)	(0.234)	(0.586)
	LR: MS – Pres.	1.060	1.057	1.082	1.075	1.518*
		(0.060)	(0.078)	(0.010)	(0.120)	(0.351)
	Integration: MS – Pres.	1.133	0.956	1.086	0.971	1.303
		(0.119)	(0.156)	(0.152)	(0.179)	(0.359)
	Saliency	1.020	1.042	1.004	0.992	1.040
		(0.022)	(0.035)	(0.028)	(0.035)	(0.050)
	Enlargement	0.560***				
		(0.116)				
	MS fixed effects	Yes	Yes	Yes	Yes	Yes
Constant	0.144***	0.348**	0.139***	0.242***	0.0241***	
	(0.0514)	(0.148)	(0.0599)	(0.121)	(0.0242)	
Random part	Variance (act)	.7407	.9469	.4320	.6265	.9669
		(.1484)	(.2367)	(.1698)	(.2458)	(.7317)
	Level 1 units	2,488	1,246	1,242	798	444
	Level 2 units	146	89	57	57	53
	Log likelihood	-1276.7669	-701.3507	-561.1248	-416.6736	-118.7132

Exponentiated coefficients reported. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

Table 7: Multi-level model with country-level fixed effects

Annex 2: Alternative model specification

		(1)	(2)	(3)	(4)	(5)
		Full model	EU15	EU25/7	Old MS	New MS
Fixed part						
Exclusion	LR: MS –	0.959	0.848	1.029	1.009	1.199
	rapporteur	(0.106)	(0.139)	(0.165)	(0.199)	(0.415)
	Integration:	1.170	1.284	1.721**	1.836**	2.028
	MS – rapp.	(0.161)	(0.316)	(0.378)	(0.501)	(1.169)
	LR: Pres. – EP	1.349	1.476	1.755	1.581	12.51
		(0.349)	(0.546)	(0.951)	(1.011)	(19.90)
	Integration:	0.348**	0.152**	0.709	1.132	0.0417
	Pres. – EP	(0.152)	(0.112)	(0.498)	(0.957)	(0.0872)
	LR: MS – Pres.	0.994	0.767	1.225	1.797**	0.430**
		(0.126)	(0.162)	(0.212)	(0.409)	(0.180)
	Integration:	1.555**	2.452**	1.024	0.713	3.318
	MS – Pres.	(0.314)	(0.967)	(0.260)	(0.254)	(2.553)
	Population	0.994	0.973**	1.001	1.002	0.964
		(0.00746)	(0.0130)	(0.00975)	(0.0105)	(0.0476)
	Net recipient	1.399	0.464	3.197**	3.283**	
		(0.536)	(0.269)	(1.763)	(1.900)	
	GDP per capita	1.010	1.003	1.004	1.024	0.587**
		(0.0262)	(0.0423)	(0.0358)	(0.0415)	(0.157)
	Saliency	0.904	1.006	0.561*	0.611*	0.170
		(0.0654)	(0.0685)	(0.168)	(0.177)	(0.204)
Enlargement	1.602					
	(0.617)					
New MS	0.402		0.265*			
	(0.252)		(0.195)			
Constant	0.0180***	0.0874	0.00543***	0.00138***	0.247	
	(0.0195)	(0.146)	(0.00891)	(0.00280)	(0.572)	
Inclusion	LR: MS –	0.945	0.881*	1.039	1.076	0.858
	rapporteur	(0.0505)	(0.0611)	(0.0917)	(0.108)	(0.207)
	Integration:	0.948	0.902	0.783	0.708*	1.016
	MS – rapp.	(0.0760)	(0.0979)	(0.127)	(0.137)	(0.409)
	LR: Pres. – EP	0.906	0.995	0.749	0.877	0.336
		(0.130)	(0.176)	(0.242)	(0.311)	(0.260)
	Integration:	0.798	1.134	0.415**	0.430*	1.052
	Pres. - EP	(0.194)	(0.366)	(0.183)	(0.207)	(1.238)
	LR: MS – Pres.	1.100	1.065	1.117	1.107	1.477
		(0.0646)	(0.0812)	(0.110)	(0.129)	(0.397)
	Integration:	1.125	0.950	1.449**	1.162	1.407
	MS – Pres.	(0.121)	(0.151)	(0.251)	(0.242)	(0.597)
	Population	1.008***	1.006	1.011**	1.009*	1.063***
		(0.00304)	(0.00405)	(0.00486)	(0.00498)	(0.0250)
	Net recipient	0.763	0.646*	0.799	0.752	
		(0.140)	(0.160)	(0.235)	(0.225)	
	GDP per capita	1.026*	1.016	1.049**	1.035	1.120
		(0.0144)	(0.0185)	(0.0249)	(0.0259)	(0.103)
	Saliency	1.073**	1.074*	1.108*	1.156**	0.960
		(0.0303)	(0.0407)	(0.0636)	(0.0742)	(0.175)
Enlargement	0.579**					
	(0.133)					
New MS	0.719		1.144			
	(0.271)		(0.612)			
Constant	0.117***	0.149**	0.0553***	0.0813**	0.00546***	
	(0.0693)	(0.0717)	(0.0551)	(0.0866)	(0.0110)	

Random part	Variance	0.697	0.907	0.490	0.545	2.644
		(0.157)	(0.254)	(0.215)	(0.262)	(1.889)
	Level 1 units	2,055	1,078	977	630	347
	Level 2 units	122	77	45	45	41
	Log likelihood	-1039.2575	-590.12778	-426.10162	-319.71761	-88.090533

Exponentiated coefficients reported. Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

Table 8: Multi-level model – including rapporteur

CONCLUSION

Dynamics of legislative cooperation and their implications

This thesis set out to investigate why and how specific coalitions are formed in bicameral systems. Against the backdrop of two debates putting the search for a micro-mechanism of coalition formation and the link between legislative organisation and bicameral decision-making on the research agenda, the thesis argues that actors enter into trans-institutional cooperation across the boundaries of their chambers. This conclusion draws together the empirical, theoretical and normative contributions and implications of the papers and maps a research agenda that emerges from the work.

Empirical contribution

The thesis draws on a distinction between early stage and final-stage coalitions and for the first time provides a systematic analysis of the former based on a major data collection effort resulting in a unique dataset. This provides leverage for our understanding of EU decision-making.

At a general level, the thesis demonstrates that bicameral decision-making is more than the sum of two intra-institutional processes. A great deal of research focuses on individual institutions and thus on legislative politics within the confines of a chamber. A further stream of the literature focuses on inter-institutional decision-

making, in which at least one of the institutions is conceptualised as a unitary actor. These studies have made important contributions to our understanding of legislative decision-making. However, the thesis provides strong evidence that it is essential to look beyond and merge these established fields (see e.g. Naurin & Rasmussen, 2011). Bicameral decision-making extends the strategic arena in which legislators act. The resulting interdependencies shed new light on EU decision-making and bicameral decision-making in general.

The first paper develops a typology differentiating between four distinct coalition types subsumed under two scenarios, which capture different dynamics in the move from early intra-institutional to final-stage coalitions. The first scenario captures inter-institutional decision-making, in which the early-stage coalitions are maintained. It distinguishes perfect continuity in coalitions between early and final stages, and an inclusionary dynamic, under which further members were added to the coalition. The second scenario captures trans-institutional decision-making, characterised by an exclusionary dynamic. It distinguishes pure exclusion of coalition members between the two stages, and a combination of exclusionary and inclusionary dynamics.

The paper provides evidence that one quarter of decision-making procedures was trans-institutional in nature, reflecting exclusionary dynamics. This contrasts with the conventional wisdom that decision-making in the EU is compromise-based, and that acts are made “yes-able” to an ever-increasing number of actors (Hayes-Renshaw & Wallace, 2006).

This is reflected in the finding that formateurs reduce the *effective* size of coalitions on one of two key dimensions of the EU policy space. There is no significant change in the left-right dimension, while the range of the coalition on the pro-anti integration dimension becomes more compact. In spite of inclusive dynamics being stronger both under inter-institutional and trans-institutional scenarios, this does not increase the range of the coalitions. Those who are added to the coalition are “cheap”, i.e. there is little accommodation required, and those who are excluded are outliers on the pro-anti integration dimension (as paper three confirms for the Council). This suggests a more differentiated view of consensual decision-making in the EU.

Formateurs can strategically exploit the move from intra- to bicameral coalitions to select a coalition in which they are closer to the mean. This sheds light on the varying control mechanisms the chambers have in place. We found a significant effect for the rapporteur only. This suggests that the Council presidency might already form trans-institutional coalitions at the intra-institutional level since it is the second mover in the procedure, or that the Council is in a stronger position because its formateur and proto-coalition are located closer to the status quo. Alternatively, oversight in the Council functions better. In the EP, the rapporteur is usually in charge of a piece of legislation from the first presentation of the Commission proposal in committee until the final adoption in plenary. Other party groups have resorted to appointing shadow rapporteurs to keep the rapporteur in check. In the Council, in contrast, the presidency is charge of a large number of files over a very short period. Control therefore takes place through the looming handover of the file to the next presidency.

The second paper further develops these insights by focusing on the legislative market for exchanges in which formateurs act in order to facilitate a logroll. Controlling for intra- and inter-cameral relations, the analysis suggests that the ideological similarity of the formateurs affects decision-making speed, a proxy for efficiency of the market. While the optimisation of the coalition takes place along a pro-anti integration dimension in the sample of cases that we look at (paper 1), it is not the similarity of actors along this dimension that explains decision-making speed at large. The paper argues that homophily of actors explains the impact of similarity on decision-making efficiency. Rapporteur and presidency hence take national party labels as a cue to assess their counterpart in the “calculus of cooperation”. Largely irrespective of the relation of the chambers, the formateurs thus impact on decision-making. They single-handedly transform the legislative process. These results suggest that the impact of institutional design and preference alignment of the chambers on gridlock and efficiency is mediated by individual persons.

Finally we focused on legislative success and coalition dynamics. We found variation at three levels at the intersection of intra- and inter-cameral decision-making in the Council: across member states, across early and final-stage coalitions, and across the pre- and post-enlargement phases. While some states become members of the winning majority in the process, others are excluded from it. It remains unclear, however, whether those who join the majority are indeed accommodated or whether they simply drop their objections.

The factors that affect member states’ likelihood of inclusion and exclusion at the bicameral level are located in the intra- and inter-institutional arenas. The results

underscore the crucial link formateurs represent in mediating the impact of bicameral decision-making. At the intra-cameral level, a larger distance between a member state and the presidency increases the state's likelihood of being excluded. At the inter-cameral level the presidency's distance from the EP mean decreases member state's likelihood of being excluded from a proto-coalition. Interestingly, the explanations for inclusion and exclusion differ. While preferences explain exclusion, power-related indicators shed light on inclusion.

In sum, each of the three papers supports the crucial role of the formateurs in coalition formation. Overall, the empirical results then suggest that differences on the integration dimension are most decisive when it comes to trans-institutional cooperation. In paper 1, we found that the range of the coalition on the integration dimension is reduced in the process of the negotiations, and that the rapporteur manages to move closer to the mean of the coalition at the final stage. Paper 3 adds to this that member states are likely to be excluded if they differ from the presidency on this dimension. However, we also found evidence of similar dynamics on the left-right dimension after enlargement and among old member states in particular. In contrast, it is the left-right dimension that affects the efficiency of exchanges between formateurs, as paper 2 shows.

Theoretical implications

The thesis set out a causal mechanism of bicameral coalition formation proposing a theory of trans-institutional coalition formation. It has several building blocks that together provide a coherent explanation of how coalitions are formed. At its heart are

formateurs, who are delegated power to propose coalitions. The formateurs are market makers in a bicameral legislative market for vote trades. They realise some requests for changes by matching them across institutional boundaries, while letting others fall through. Thereby they propose a logroll within a legislative proposal. The constituent parts of this mechanism speak to theories of legislative organisation, models of decision-making and the emerging links between the two.

The insight of the conceptualisation of the legislative market as one that surpasses the institutional boundaries of a single chamber leads to an extension of standard theories of legislative organisation. Distributive and partisan theories of legislative organisation are based on unicameral conceptions of the legislative market. They all suggest different rationales for an institutionalisation of exchanges in legislatures in order to save transaction costs.

The second paper suggests that delegation to formateurs helps further reduce transaction costs, and might indeed be necessary in bicameral systems to reap the benefits of pre-structured exchanges in committees and parties. This provides a strong theoretical rationale to the role of the formateurs. These have been studied quite extensively, in particular the EP rapporteur, but have been left largely under-theorised. The theory I propose highlights the demand for formateurs in bicameral decision-making in particular.

This is because actors face uncertainty regarding the enforceability of intra-institutional solutions to reducing transaction costs. In bicameral systems in which the chambers have veto power and are differently composed, the creation of a

committee system does not guarantee members that they can implement their preferences as distributive theory suggests. Likewise, division of labour within parties cannot unveil its full impact on transaction costs if parties do not exert authority in both chambers. Delegation beyond party leadership and committee systems to formateurs is therefore required in order to endow exchanges across institutional boundaries with credibility.

The formateurs can act in the market for exchanges beyond the institutional boundaries. While parties and committees may thus pre-structure exchanges, formateurs enable exchanges across these boundaries which may otherwise be prohibitively costly. Thus, formateurs enable exchanges between individual actors rather than chambers and thus facilitate a logroll within a legislative proposal between individual constituent actors rather than the institutions as unitary actors.

The micro-mechanism and the dynamics derived from it tie in with a debate between two schools of thought that has put the investigation of micro-mechanisms of decision-making at the forefront of the research agenda. This debate is often framed as one between procedural and bargaining models. The causal mechanism suggested here provides different inputs into this debate. It stresses the exchanges between individual actors rather than chambers per se, and contains a dynamic element in the strategic decision of the formateurs. The distinction between different types of coalition dynamics provides leverage to systematise the appropriateness of different models to specific situations, and invites studying the scope conditions of when which approach might be most appropriate.

The formateurs are crucial in this context. They benefit from their position, which might be because they can exploit their function as “relais actors” and the limitations in oversight that the principal can accomplish. Alternatively, they might strategically choose the intra-institutional coalition to tie their hands in a “nested game” (Tsebelis, 1990). This link between intra-cameral organisation, and intra- and inter-cameral dynamics lends support to a literature that focuses on the interplay between these two levels (Diermeier & Myerson, 1999; Gailmard & Hammond, 2011). In line with this, paper 3 finds that a larger distance between the presidency and the EP mean on the integration dimension leads to more inclusive coalition formation in the Council. This supports Gailmard and Hammond’s argument that a chamber may have an incentive to be represented by preference outliers in inter-cameral bargaining. Forming a surplus coalition, the presidency then increases the threshold for agreement (Diermeier & Myerson, 1999).

Normative implications

The elevated position of the formateur comes with great influence, impact and responsibility. It ensures that decision-making runs smoothly and provides for an overall more efficient process. It has been argued that the institution mitigates imperfection and failure of the market in vote trades. Overall, this makes the market more efficient. Nevertheless, there seem to be actors that lose out in the process, thus incurring relative losses. While the resulting agreements may still leave them better off than no agreement at all (Krasner, 1991), this suggests that careful selection and control mechanisms are in order when formateurs are delegated coalition formation authority.

The demand for the institution of the formateur with all its powers needs to be accompanied by effective intra-parliamentary oversight in the principal-agent relation between the chambers and their formateurs. Can the chambers control their agents? The thesis discusses the different selection and control mechanisms in the two chambers. To succeed in this quest, the Council relies on successive Presidencies, which thus have to conceive of their role beyond a division of labour. In the EP, it means that party group coordinators and shadow rapporteurs have to be carefully selected in order to be able to fulfil their important roles.

The thesis also sheds light on the nature of decision-making in the EU. Supermajorities and grand coalitions have often led to an emphasis on consensus in the process, which comes with higher legitimacy of the output. The thesis provides evidence of the overall inclusive nature of decision-making. Yet it also nuances these findings by showing that those who are included are easily accommodated. The decrease in the overall range of the coalitions suggests that coalition formation becomes more polarised. In fact the frequent exclusion of actors alongside inclusion of others suggests that there are winners and losers, raising the question of how this might affect the legitimacy of the process and output of European integration (Golub, 2012b). Stable patterns of winners and losers would amount to government-opposition dynamics, suggesting coordinated cooperation among actors to exclude others from the benefits of legislation.

The findings of the third paper however show that winning and losing in the process is not stable across time. Structural disadvantages might undermine legitimacy, but

we find that dynamic factors drive exclusion in the legislative process. While ideological and integration preferences affect a member state's likelihood of exclusion from a coalition, the direction changes over time. Hence the dynamics in the Council do not seem to differ from those in other democratic systems, in which national and regional elections change the composition of legislative chambers and thus wining majorities. Therefore, we should look beyond any one single legislative term if we are to draw normative conclusions from patterns of winners and losers.

Two groups of member states deserve more attention in the future. These are the new member states and other net beneficiaries from the budget. They seem to take more passive approaches, winning and losing less often than other states. Golub (2012a) has explored vote selling as a possible explanation, and did not find support for trades of fiscal transfers for influence over policy. In contrast, the result might be due to more centrist positions, or because the states have a lower general salience for many of the acts under discussion. The latter would be in line with findings on the EP, where MEP from new member states act less frequently as rapporteurs (Hurka et al., 2014; Hurka & Kaeding, 2012).

Limitations and future research

The thesis has focused on EU decision-making in the 1999-2009 period, and it would be desirable to extend the scope of the study in time to more recent procedures as well as to other bicameral systems. Likewise, alternative methods of identifying coalitions should be explored. Tackling these standard limitations would underscore

the claims to robustness and generalisability of the thesis. At the same time, the thesis opens up a new research agenda in legislative politics.

The thesis sets out a theory of trans-institutional cooperation, and provides support for the underlying causal mechanism. Future research should explore the scope conditions of formateurs' strategic decisions for trans-institutional and inter-institutional scenarios, as well as the four types of coalition dynamics. This quest would also help shed light on when formateurs might strategically choose intra-institutional coalitions to obtain specific outcomes.

This scope of manoeuvre of formateurs highlights the need for further research emanating from the normative implications of the thesis. We need to better understand the control in legislative delegations before the conference committee. Do legislators hold their agents to account? Some research has focussed on conference committee delegations (Rasmussen, 2008), and the normative implications of the negotiations between formateurs shifting decision-making from formal public to informal secluded areas have been highlighted (Reh, 2014).

The next step is to investigate the mechanisms by which and extent to which principals successfully keep their agents in check. In the EU context, this means that we need to investigate the interaction between Presidencies and their successors. We know surprisingly little about the handover of files and negotiations during trilogues between different Presidencies, and to what extent they indeed control each other. In a similar vein, we need to investigate to what extent party group coordinators and shadow rapporteurs indeed represent effective checks on the rapporteur. While

rapporteurship assignment has attracted attention, we so far have little insight into the control of these agents.

In addition to these questions immediately raised by the thesis, the novel data on early-stage coalitions and the procedure for extracting information from documents can shed new light on established questions. For instance, if voting data of final-stage decisions in the Council is biased because member states do not want to be seen as losers (Novak, 2013), it will be interesting to apply established scaling methods to early-stage coalitions as a more direct measurement of the underlying policy space. This would strengthen our knowledge of the basis of contestation in the Council, but could also be applied to the EP. The data collection effort and method for extracting information from these documents can also yield other insights not hitherto leveraged. For instance, the thesis did not focus on parliamentary scrutiny reservations, but the data extraction procedure can easily be adapted to this end. Can member states strategically exploit parliamentary reservations? These are just a few questions that the new data would help explore.

In sum, the theory of trans-institutional cooperation and types of coalition dynamics developed in the thesis make a contribution that provides leverage for studies of legislative decision-making and organisation. Future research should capitalise on this in order to obtain a better understanding of legislative politics.

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