

BRINGING PARLIAMENTS BACK IN

The Sources of Power in the European Treaty Negotiations

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ABSTRACT

Most literature on European constitution-building models member-states as unitary actors which monopolize bargaining power. However, recent advances in the literature on intergovernmental conferences (IGCs) demonstrate that both supranational actors and parliamentary domestic actors may influence treaty outcomes (Hix, 2002; Hug and König, 2002). We examine different potential sources of power available to parliamentary actors at IGCs through the use of spatial bargaining models. Using both open rule and closed rule models, we explore the power of the European Parliament (EP) and member-state parliaments at the Amsterdam IGC leading to the Treaty of Amsterdam. We empirically determine which actors have agenda-setting rights and if and when domestic constraints matter. Furthermore, we examine whether this influence differs across the different types of issues discussed at the IGC. Our findings demonstrate that supranational actors such as the EP may have some agenda-setting power over some types of issues. Because the EP often has very similar preferences to the European Council President, however, it is difficult to determine which actor actually has first-over advantage. In general, the EP is weak: hawkish domestic parliaments, on the other hand, can be a source of power for member-state negotiating teams. We find evidence that domestic constraints may even be a more important source of power than first-mover rights. Member-states that have both a hawkish parliament and are moderately divided tend to perform the best. Highly divided governments, however, perform poorly.

KEY WORDS • bargaining • intergovernmental conference • spatial models • Treaty of Amsterdam

Treaty Negotiations and Parliaments as Sources of Power

Few studies of treaty negotiations at Intergovernmental Conferences (IGCs) in the European Union (EU) analyze parliamentary influence on constitutional outcomes. The conventional understanding of IGCs is that governments possess monopoly bargaining powers and thus determine the constitutional choices for Europe (Moravcsik, 1998). The European Parliament (EP) is excluded from the negotiation table, and domestic parliaments

are unable to effectively tie the hands of their governments because they only have an *ex post* veto right in the ratification process (König and Hug, 2000). This gives the impression that IGC outcomes are the product of closed-door governmental meetings that hardly represent the will of European citizens.

At first sight, this conclusion is plausible because popularly elected parliamentary actors – the EP at the supranational level and domestic political parties at the national level – seem to have a minor impact on the constitutional choices for Europe. Nevertheless, parliamentary actors have often achieved their IGC goals, such as increasing the powers of the EP in the legislative procedures of the EU. A simple explanation would be that the preferences of parliaments and executive governments coincide. If parliaments possess informal negotiating powers, however, this may have both positive and normative consequences for studies of IGCs. Positively, it implies that any model which accurately portrays IGC bargains and outcomes must incorporate parliamentary actors, and normatively, it means that treaty outcomes better represent the will of European citizens than we would otherwise believe. In this article, we demonstrate that parliaments do in fact have such powers, and we explore how they obtain their strength.

In the institutionalist literature, a prominent explanation for an actor's strength is the ability to set the agenda. Tracing history from the Treaty of Rome to Maastricht, Tsebelis and Kreppel (1998) find that at different times every supranational actor has been an agenda setter. At some stages, the Commission dominated the agenda. During times of Euro-skepticism, the European Court of Justice played an important role, and later under the cooperation and codecision procedure, the EP increasingly fulfilled the role of agenda setter. The recent development generates questions on why member states strengthened the role of the EP *vis-à-vis* the Council, even though the EP did not participate in the IGC negotiations (Tsebelis and Garrett, 1996: 270). A possible institutionalist answer might be that the EP can influence IGC outcomes by predetermining the IGC agenda. The EP can take advantage of member-state disagreement by proposing changes to policies which fall within the member-state core. It then presents these changes at the IGC as a *fait accompli* (Hix, 2002).

Another explanation is provided by the intergovernmentalist literature itself. Although intergovernmentalists refer to the bargaining power of the first mover, they attribute this power to particular member states without further explanation. For example, Moravcsik (1998) considers the three largest member state economies – Germany, France and the United Kingdom – as the most powerful in IGC negotiations because they significantly shape constitutional choices. However, it remains unclear why these countries are able to determine constitutional outcomes under unanimity rule. The answer might be found in the two-level game literature. Thomas Schelling

(1960) first expressed the strength of weakness paradox, meaning that in international negotiations a state could gain power by claiming that its hands are tied by isolationist domestic actors.¹ In all member-states, ratification is subject to approval by the domestic parliaments. Parliamentary support for EU integration varies from state to state and so do ratification hurdles. For example, in the UK a simple unicameral parliamentary majority is required, while in Germany two-third bicameral approval is needed (König and Hug, 2000).² These differences raise the question whether and how domestic parliaments can influence member state governments.

A similar question has been discussed in the literature on divided government and international negotiations. Accordingly, a hawkish legislature can help a more integrationist government realize its preferences in negotiations. Milner and Rosendorff (1997) explain that this is possible so long as the legislature is not too hawkish. Once the government and the legislature become too divided, the bargaining outcome more closely reflects the legislature's preferences. Pahre (2001) argues that whether or not the government benefits from a divided government depends upon the reversion point. When the government controls the reversion point, it benefits from a hawkish legislature. However, when the legislature controls the reversion point, Pahre's predictions mirror those made by Milner and Rosendorff.

In this study we are concerned with the parliamentary impact on the Amsterdam IGC outcomes. We focus on the EP and domestic parliaments because we feel that both might have a substantial impact on the treaty outcome. Through informal powers, the EP might shape the IGC agenda, and hawkish parliaments could affect their governments' bargaining power. Both are directly elected, so demonstrating their participation would underscore the democratic representation of citizens at IGCs. This is significant given the perennial debate over the EU's democratic deficit. We wish to determine empirically the most powerful actor(s) and the source of an actor's strength at the IGC bargains. For this empirical purpose, we examine

1. Robert Putnam's (1988) seminal article on two level games has been built upon this idea suggesting that international negotiations actually occur in two separate arenas. He describes an international arena where negotiators bargain, and a domestic arena where the agreement must be ratified in parliaments. If a domestic (parliamentary) constraint is more isolationist, then the negotiators must settle for a less ambitious treaty, otherwise the treaty will face defeat at the ratification stage.

2. These constraints result from the combination of integration attitudes and formal provisions, which is nicely illustrated by the German and British examples. In the past, ratification did not impose any problem under the high German ratification provisions of a two-third bicameral approval because almost all German political parties supported European integration, while the simple majority was hardly reached by British Conservatives or Labour. Other examples, such as the Danish or French referenda, show that governments sometimes prefer a population vote rather than parliamentary approval.

whether the EP could set the IGC agenda and/or domestic parliaments impact the IGC outcomes, either because they create domestic ratification constraints or divide the government. Our empirical analysis uses and complements data gathered by Hug and König (2002) for the Amsterdam IGC in 1997, but additionally considers different types of issues that have been negotiated at the Amsterdam IGC. While Hug and König (2002) focus on the category of substantial issues, we will also take into account procedural and institutional issues. This will not only extend the sample of investigated issues, but also help us to understand whether the higher level of uncertainty of procedural and institutional issues provides more or less parliamentary influence on the IGC outcome.

Through our examination of the Amsterdam IGC we attempt to answer several questions which have not been examined previously: Although the institutionalist and intergovernmentalist literature allows the conception of different powerful roles in the treaty negotiations, the question remains open which actors fulfill these roles. We will examine whether a particular member state, such as the Presidency, or a supranational actor such as the EP was able to exercise power. We also explore different sources of power, namely formal and informal agenda setting rights and domestic parliamentary constraints. Moreover, we explore under what conditions parliamentary constraints are effective. We ask whether constraints provide more power when a member state government is divided or unified. We will answer these questions by using simple closed and open rule-models, which help to examine whether agenda setting rights and/or domestic parliamentary constraints in divided and unified governments are sources of IGC power for actors involved in the multi-issue negotiations of Amsterdam. We carefully consider the role of domestic parliamentary constraints by the interaction between domestic ratification provisions and the preferences of the decisive political parties, measured by Eurobarometer data in each country.

In the remainder of this article, we first discuss the current literature on closed rule spatial modeling, open rule bargaining and two-level games, which comprises the theoretical framework for our investigation. In the next section, we introduce our argument and models of the actors' power at IGCs. We then present our findings and, finally, we draw some conclusions about agenda setting, domestic parliamentary constraints, and their effects on IGC negotiations and European integration.

Two-Level Games: Sophisticated Modeling and Empirical Evidence

The literature on treaty negotiations claims that the member states are the most powerful actors at IGCs. Andrew Moravcsik's 'liberal intergovern-

mentalism' (1998), and his and Kalypso Nicolaidis's application of this approach to the Treaty of Amsterdam (1999), conclude that a member-state's economic interests, rather than supranational actors, drive treaty outcomes. In daily EU politics beyond treaty negotiations, the institutionalist literature has revealed numerous other actors with power. Geoffrey Garrett and George Tsebelis's (2001) theory of institutionalism claims that the true forces behind this integration are the supranational actors, such as the Commission, the European Court of Justice (ECJ) and later the EP, which is becoming an increasingly powerful actor since the coming into force of the Single European Act in mid-1987. However, it remains an open question why the legislative powers of the EP have been increased without parliamentary involvement in the IGC negotiations.

Institutional theorists have developed a series of models aimed at analyzing the sources of strength of legislative actors in the procedures of the EU. Tsebelis (1994), Tsebelis and Garrett (2000), Crombez (1996, 2000), and Steunenberg (1994) have all designed spatial models with the goal of describing the varying power distribution in the procedures under which EU legislation is drawn. They commonly conclude that parliamentary powers were increased. Their models all describe EU legislative procedures; they all employ spatial models; and they all argue for the importance of preference points in determining a specific legislative outcome. Little empirical work, however, has been done to substantiate the results of these legislative models, with the notable exception of König and Pöter (2001), and little work has been done using these modeling techniques with regard to IGC negotiations.

Similar models have been employed in the study of treaty formation outside of an EU perspective. Since Putnam's article on the two-level nature of international negotiations (1988), there has been a body of work attempting to explain more deeply the relationship between international negotiators and their domestic counterparts (Morrow, 1991; Mayer, 1992; Iida, 1993 and 1996; Lohmann, 1993; Lohmann and O'Halloran, 1994; Mo, 1994 and 1995; Milner and Rosendorff, 1996 and 1997; Pahre, 1997; Hammond and Prins, 1999 and Pahre, 2001). These authors have developed various methods for operationalizing two sources of strength: agenda setting and control over the location of the reversion point, which often refers to domestic constraints. They also make different inferences regarding the level of information of the actors, the number of negotiators, the degree of divided government, and the number of issues at stake.

For simplicity, however, the assumptions of these models tend to be highly stylized and intractable for IGC analyses. For example, a model may only include a domestic constraint for one actor and assume the other to be unitary (e.g., Iida, 1993 and 1996; Mo, 1994 and 1995; Milner and Rosendorff, 1996 and 1997). Many models also tend only to portray negotiations between

two actors in one issue dimension, although some explain how their models might be extrapolated to fit negotiations between more than two actors (e.g., Milner and Rosendorff, 1996; Hammond and Prins, 1999).³ Moreover, although these models are about domestic constraints, they do not pay much attention to the particular ratification provisions and the preferences of the political parties.

Another important distinction is which of the two categories this theoretical literature falls: models under closed or open rule. Models which follow the closed rule pattern (e.g., Milner and Rosendorff, 1996 and 1997; Hammond and Prins, 1999; Pahre, 2001) use spatial models to determine a win set (or in the terminology of Hammond and Prins, a negotiation set), the set of feasible outcomes that are supported by the decisive actors (often against the status quo). If these models employ an agenda setter, as Milner and Rosendorff's models do, they can reveal a point prediction for the negotiated outcome. If no agenda setter is incorporated into the model, as is the case with Hammond and Prins, it can only determine the set of possible outcomes, except for the case that the win set only includes a single point. Such models are also applied to situations, such international negotiations over trade agreements, which seem to make no institutional allowances for closed rules (Milner and Rosendorff, 1997).

The most prominent model for explaining an open rule bargaining scenario is the Rubinstein model (Rubinstein, 1982), employed by Iida (1993 and 1996), which explains how negotiations along a bargaining line are solved when there is a first mover advantage and discount factors. In this model there are no win sets and the first mover derives his power from discount factors (Iida, 1993; Pahre, 1997). This means that actors suffer a loss of utility in each subsequent round of bargaining, so they prefer an outcome sooner rather than later, sometimes even when that decision is proposed by the other player. However, if one actor is more patient than the other, he can derive power from his patience by forcing the other actor to make a more conciliatory proposal or face a greater loss in the next round. Open rule models can incorporate domestic constraints just as closed rule models can, but they operationalize them differently. While the closed rule models build win sets including domestic actors, open rule models tend to incorporate a ratification game after the international bargaining is complete.

3. Most models also assume complete information and also require that the domestic constraints win against the status quo in order to avoid involuntary defection. Milner and Rosendorff relax the requirement of complete information and assess the case in which the domestic constraints are uncertain where the negotiated outcome is located (1996) and the case in which the negotiators are uncertain on the position of the constraint (1997).

Because of the varying views on the methods of modeling negotiation processes and the tight structures placed on their models, we need more systematic evidence on the models' empirical implications. Milner and Rosendorff (1997), for example, only report the almost failed ratification of the North American Free Trade Agreement in the American Congress and Canadian Parliament. Iida (1996), when building a theoretical model to describe involuntary defection, refers to the Danes rejection of the Maastricht Treaty in June 1992, but admits that 'empirical work to corroborate these points are beyond the scope of this article' (1994: 297). Mo (1994) constructs a hypothetical trade negotiation between the USA and Japan in order to illustrate his point. However, the 'anything is possible' conclusion of Hammond and Prins (1999: 5) also reminds us that the theoretically-derived hypotheses from such analyses are highly contingent: depending on the empirical cases explored, one may find positive or negative effects of domestic ratification constraints. This draws our attention to the measuring of negotiators preferences and parliamentary constraints.

Measuring Negotiators Preferences and Domestic Parliamentary Constraints

Compared to the theoretical sophistication, little systematic empirical work has been done in the area of two level games with respect to the impact of parliamentary constraints. König and Hug (2000) and Hug and König (2002) have made two empirical studies concerning two-level games and IGC negotiations in the European Union. In interpreting the negotiating processes leading to the Maastricht Treaty, they create win sets by determining the preferences of the decisive parties in the parliaments of each member-state and comparing these preferences to the status quo. In order to determine party ideal points they find the preferences of the party's constituency through the Eurobarometer poll, assuming that a party's agenda corresponds to that of its voters. Their findings show that a two-dimensional model better explains why an opt-out clause was necessary to avoid involuntary defection of the Maastricht Treaty. Linkage between the two dimensions ensured easy passage in some countries, while the ability to eliminate thorny issues on one dimension allowed passage of the other dimension in countries, such as the UK and Denmark. In their work on the Treaty of Amsterdam, Hug and König (2002) gather data on both national IGC delegations and domestic actors. Their analysis reveals that through subtraction of substantial issues every member-state benefits in relation to the status quo. They also point out that member-states with domestic constraints across more treaty issue areas realize higher gains than those with fewer, again lending credence to the two-level game.

Our study builds on most of Hug and König's data and work, but focuses on three different questions concerning the parliamentary impact on IGC outcomes: whether the EP functioned as an agenda setter in IGC negotiations, whether parliamentary domestic constraints helped member-states to influence the treaty outcomes, and whether constraints became even more effective under divided government. Moreover, while their work on the Amsterdam IGC concentrated on substantial treaty issues, we will also take into consideration additional types of negotiated issues, institutional and procedural issues. The debate over these kind of issues, what Tsebelis (1990) called a nested game of institutional design, may differ from the debate over substantial issues in two respects. First, member-states and parliamentary political parties do not know with certainty what gains or losses they might incur from new institutions and procedures, and second, institutional and procedural changes tend to be longer lasting and harder to reverse than substantial issues (Bräuninger et al., 2001).⁴

For this purpose, the measuring of the bargaining space is of crucial relevance to an empirical examination of the different approaches. In order to illustrate the implications of the measuring method, we distinguish between the type of bargaining issues and the dimensionality of the bargaining space. We mostly follow the research design of Hug and König (2002) and divide the Amsterdam IGC into different issue areas that correspond to questions asked on Eurobarometer 47.1, which was administered very near the time of the treaty negotiations. Their data set contained information on the delegations' preferences over 78 substantial issues, to which we add the delegations' preferences on 170 procedural and institutional issues, making a total set of 228 issues.

For combining them with the preferences of the parliamentary domestic constraints, the 228 issues are classified into corresponding issue areas, which have been covered by the Eurobarometer polls. We divide the substantial issues into seven issue areas and the institutional and procedural into five. The purpose of this division is to allow us to calculate corresponding domestic constraints, which we will use later in our two-level open rule-model. For each of these IGC areas, we draw first a one-dimensional model including the win sets of the national delegations as well as the EP and Commission. Our win sets do not formally include domestic parliamentary actors, although it is very possible that member states take them into consideration when determining their ideal points in order to avoid involuntary defection in the ratification stage. We consider domestic parliamentary constraints to be a

4. Moravcsik and Nicolaidis also make this distinction between substantial and institutional issues at Amsterdam. They argue that institutional choice is based on the need for 'credible commitments' (1999: 76).

possible source of power for the participants in the IGC, but not as a participant in the IGC themselves.

Unlike Hug and König (2002), we average the original ideal positions of each delegation for each issue in order to calculate dimensional policy positions.⁵ We thus obtain a single policy position for each delegation for each of the issue areas. For substantial issues, we can thus distinguish between the following issue areas: right to vote and candidacy, subsidiarity, workers rights and fighting unemployment, environment, agriculture, and foreign and defense policy. In the procedural and institutional category, we have measures for all delegations on common defense and security, military and defense, supranational rules, and the organization of the Commission and of the Council. These indicators can be linked with the domestic constraints which we measure by the combination of ratification provisions and policy positions of the domestic parliamentary parties.

In order to calculate the most domestically constrained member state, we once again follow the research design of König and Hug (2000) and Hug and König (2002). Using their methods we calculate the ratification pivots in the member-states' parliaments for both types of issues for all issue areas. We also assume that the preferences of a party's constituency mirror the preferences of that party, which is measured by its electorate in Eurobarometer polls. On a scale from 0 to 1 where 0 is anti-integration and 1 is complete integration, a pivotal parliamentary actor with a score of less than .5 means that that member state might have a constraint for that issue area. Tables 1 and 2 list all the parliamentary ratification pivots for substantial and institutional/procedural issues. The constraining pivots are highlighted in boldface.

In our study, there are six possible domestic constraints in substantial issue areas and four possible constraints in institutional and procedural areas.⁶ Some of the issue areas are covered by two Eurobarometer questions instead of one. In these cases, even if a constraint occurs for only one question, we consider the member-state to have a parliamentary constraint for the whole issue area. Member-states, on the whole, face more constraints for substantial issues than for institutional and procedural issues. The 15 member states have a combined total of 33 constraints over the substantial issues and only

5. Hug and König (2002) related the total set of 78 substantial issues to the seven areas, which almost always contained dichotomous ideal points. We construct the dimensions by collapsing the specific information on the (dichotomous) ideal points for each issue into seven dimensions. This method decreases the number of issues, but improves the applicability of the spatial modeling tools.

6. For both substantial and institutional/procedural issues, there was one issue area which did not match to any question on the Eurobarometer and hence it was impossible to calculate a domestic constraint for these issues.

Table 1. Domestic Parliamentary Pivots for Substantive Issues

| Member state | House | Issue area | | | | | | | | | Total constraints |
|--------------|-------------------|--------------------------------|-----------------------------|---------------------------|-------------------------------------|---------------------------------------|---------------------------------|-----------------------------|----------------------------------|----------------------------------|-------------------|
| | | I Right to vote Q22.7 | I Candidate Q22.8 | II Subsidiary Q22.4 | III Worker's rights Q23.07 | III Fight unemployment Q23.9 | IV Environ- ment Q23.2 | V Agriculture Q23.1 | VI Foreign policy Q22.2 | VI Defence policy Q22.3 | |
| Belgium | Lower Position | CVP 0.44 | CVP 0.29 | PSC 0.83 | ECOLO 0.67 | CVP 0.74 | CVP 0.73 | ECOLO 0.69 | CVP 0.76 | CVP 0.77 | 1 |
| | Upper Position | CVP 0.44 | CVP 0.29 | PSC 0.83 | ECOLO 0.67 | CVP 0.74 | VLD 0.81 | SP 0.73 | CVP 0.76 | CVP 0.77 | |
| Denmark | Lower Position | SD 0.32 | SD 0.28 | RV 0.67 | SD 0.2 | SD 0.39 | SD 0.54 | SD 0.55 | SFP 0.46 | RV 0.37 | 3 |
| Germany | Lower Position | CDU/CSU 0.56 | CDU/CSU 0.51 | CDU/CSU 0.78 | CDU/CSU 0.39 | CDU/CSU 0.52 | CDU/CSU 0.74 | CSU/CSU 0.65 | CDU/CSU 0.8 | CDU/CSU 0.86 | 1 |
| | Upper Position | SPD 0.62 | SPD 0.53 | B 90/G 0.8 | SPD 0.41 | SPD 0.53 | CDU/CSU 0.74 | SPD 0.66 | CDU/CSU 0.8 | SPD 0.87 | |
| Greece | Lower Position | PASOK 0.51 | PASOK 0.38 | PASOK 0.84 | PASOK 0.52 | ND 0.58 | ND 0.64 | PASOK 0.43 | PASOK 0.83 | PASOK 0.82 | 2 |
| Italy | Lower Position | PDS 0.75 | FI 0.71 | PDS 0.89 | PDS 0.48 | PDS 0.74 | PDS 0.76 | PDS 0.53 | PDS 0.9 | PDS 0.9 | 1 |
| | Upper Position | PDS 0.75 | RC 0.69 | AN 0.93 | PDS 0.48 | PDS 0.74 | PDS 0.76 | PDS 0.53 | PDS 0.9 | PDS 0.9 | |
| Spain | Lower Position | PP 0.82 | PSOE 0.74 | PP 0.86 | BNG 0.56 | PP 0.54 | PP 0.67 | IU 0.5 | PP 0.86 | PP 0.87 | 2 |
| | Upper Position | PP 0.82 | PP 0.79 | PP 0.86 | PP 0.47 | PP 0.54 | PP 0.67 | PP 0.47 | PP 0.86 | PP 0.87 | |

| | | | | | | | | | | | |
|-------------|----------|-------------|-------------|---------|-------------|-------------|-------------|-------------|-------------|-------------|---|
| France | Congress | RPR | RPR | RPR | RPR | UDF | PS | RPR | UDF | UPF | 2 |
| | Position | 0.49 | 0.33 | 0.54 | 0.4 | 0.54 | 0.7 | 0.55 | 0.7 | 0.74 | |
| Ireland | Lower | PD | FF | FF | FF | FF | FF | FF | FF | FF | 1 |
| | Position | 0.75 | 0.69 | 0.84 | 0.54 | 0.53 | 0.52 | 0.41 | 0.77 | 0.68 | |
| | Upper | PD | FF | FF | FF | FF | FF | FF | FF | FF | |
| | Position | 0.75 | 0.69 | 0.84 | 0.54 | 0.53 | 0.52 | 0.41 | 0.77 | 0.68 | |
| UK | Lower | LAB | LAB | LAB | LAB | LAB | LAB | LAB | LAB | LAB | 1 |
| | Position | 0.5 | 0.43 | 0.66 | 0.45 | 0.34 | 0.5 | 0.4 | 0.58 | 0.71 | |
| Luxembourg | Lower | CSV | CSV | G | CSV | CSV | LSAP | G | DP | ADR | 2 |
| | Position | 0.51 | 0.37 | 0.75 | 0.36 | 0.52 | 0.63 | 0.51 | 0.84 | 0.81 | |
| Netherlands | Lower | RPF | AOV | VVD | CDA | PVDA | VVD | SP | VVD | CDA | 2 |
| | Position | 0.55 | 0.5 | 0.66 | 0.49 | 0.55 | 0.86 | 0.77 | 0.86 | 0.88 | |
| | Upper | CDA | CDA | VVD | CDA | PVDA | VVD | CDA | VVD | CDA | |
| | Position | 0.55 | 0.45 | 0.66 | 0.49 | 0.55 | 0.86 | 0.75 | 0.86 | 0.88 | |
| Portugal | Lower | PS | PS | PCP/CDU | PS | PS | PS | PS | PS | PS | 1 |
| | Position | 0.65 | 0.57 | 0.77 | 0.49 | 0.54 | 0.52 | 0.5 | 0.76 | 0.77 | |
| Finland | Lower | SDP | SDP | KESK | SDP | KOK | RKP | KESK | VAS | VAS | 5 |
| | Position | 0.5 | 0.46 | 0.71 | 0.16 | 0.38 | 0.42 | 0.09 | 0.44 | 0.26 | |
| Sweden | Lower | M | M | SD | SD | SD | SD | SD | SD | SD | 3 |
| | Position | 0.53 | 0.43 | 0.62 | 0.22 | 0.5 | 0.53 | 0.47 | 0.51 | 0.56 | |
| Austria | Lower | SPOe | SPOe | OeVP | SPOe | SPOe | OeVP | SPOe | SPOe | SPOe | 4 |
| | Position | 0.46 | 0.33 | 0.67 | 0.29 | 0.49 | 0.49 | 0.45 | 0.69 | 0.69 | |
| | Upper | OeVP | SPOe | OeVP | SPOe | SPOe | OeVP | SPOe | SPOe | SPOe | |
| | Position | 0.39 | 0.33 | 0.67 | 0.29 | 0.49 | 0.49 | 0.45 | 0.69 | 0.69 | |

Table 2. Domestic Parliamentary Pivots for Institutional Issues

| Member state | House | Issue area | | | | | Total constraints |
|--------------|-------------------|--------------------------|--------------------------------|------------------------|---------------------|--------------------------|-------------------|
| | | I | I | II | III | IV | |
| | | CFSP Q22.2 | Military & Defense Q22.3 | Supranational Q22.4 | Commission Q22.5 | Council Q22.6 | |
| Belgium | Lower Position | CVP 0.79 | VU 0.84 | PS 0.83 | PS 0.89 | CVP 0.79 | 0 |
| | Upper Position | CVP 0.79 0.79 | VU 0.84 0.84 | PS 0.83 0.83 | PS 0.89 0.89 | CVP 0.79 0.79 | |
| Denmark | Lower Position | SF 0.49 | RV 0.41 | RV 0.66 | KF 0.88 | RV 0.42 | 3 |
| | Upper Position | SPD 0.87 | SPD 0.87 | SPD 0.81 | SPD 0.93 | SPD 0.78 | |
| Germany | Lower Position | CDU/CSU 0.78 | CDU/CSU 0.85 | CDU/CSU 0.77 | CDU/CSU 0.89 | CDU/CSU 0.77 | 0 |
| | Upper Position | SPD 0.87 | SPD 0.87 | SPD 0.81 | SPD 0.93 | SPD 0.78 | |
| Greece | Lower Position | PASOK 0.84 | PASOK 0.85 | PASOK 0.84 | KKE 0.84 | ND 0.85 | 0 |
| | Upper Position | PDS 0.87 | RC 0.92 | CCD 0.92 | PDS 0.84 | RC 0.72 | |
| Italy | Lower Position | PDS 0.87 | AN 0.95 | AN 0.87 | AN 0.92 | LE 0.73 | 0 |
| | Upper Position | PDS 0.87 | RC 0.92 | CCD 0.92 | PDS 0.84 | RC 0.72 | |
| Spain | Lower Position | PP 0.85 | PP 0.88 | PP 0.85 | PP 0.89 | PP 0.77 | 0 |
| | Upper Position | PP 0.85 | PP 0.88 | PP 0.85 | PP 0.89 | PP 0.77 | |

| | | | | | | | |
|-------------|----------|------|------|------|------|------|---|
| France | Lower | UDF | RPR | RPR | PS | RPR | 0 |
| | Position | 0.73 | 0.75 | 0.55 | 0.9 | 0.68 | |
| Ireland | Lower | FF | FF | FF | I | FF | 0 |
| | Position | 0.77 | 0.75 | 0.84 | 0.91 | 0.82 | |
| | Upper | FF | FF | FF | I | FF | |
| | Position | 0.77 | 0.75 | 0.84 | 0.91 | 0.82 | |
| UK | Lower | LAB | LAB | LAB | LAB | LAB | 0 |
| | Position | 0.58 | 0.71 | 0.68 | 0.85 | 0.56 | |
| Luxembourg | Lower | LSAP | DP | G | LSAP | CSV | 0 |
| | Position | 0.87 | 0.87 | 0.73 | 0.87 | 0.68 | |
| Netherlands | Lower | VVD | CDA | CDA | CDA | PVDA | 0 |
| | Position | 0.85 | 0.89 | 0.69 | 0.92 | 0.68 | |
| | Upper | VVD | CDA | CDA | CDA | PVDA | |
| | Position | 0.85 | 0.89 | 0.69 | 0.92 | 0.68 | |
| Portugal | Lower | PS | PS | PS | PS | PS | 0 |
| | Position | 0.74 | 0.75 | 0.78 | 0.8 | 0.77 | |
| Finland | Lower | VAS | VAS | KEKS | VAS | KOK | 2 |
| | Position | 0.46 | 0.23 | 0.74 | 0.92 | 0.68 | |
| Sweden | Lower | SD | SD | SD | SD | M | 0 |
| | Position | 0.56 | 0.61 | 0.6 | 0.88 | 0.64 | |
| Austria | Lower | SPOe | SPOe | FPOe | SPOe | OeVP | 0 |
| | Position | 0.71 | 0.63 | 0.69 | 0.73 | 0.63 | |
| | Upper | SPOe | SPOe | OeVP | SPOe | OeVP | |
| | Position | 0.71 | 0.63 | 0.65 | 0.73 | 0.63 | |

five for institutional and procedural. We use some of the same Eurobarometer questions to determine the positions of parliamentary pivots for both issue types. For example questions 22.2 and 22.3, concerning foreign and defense policies, were very broad and could be applied to both substantial and institutional/procedural issues. This was also the case with question 22.4, which we use to determine substantial pivots concerning subsidiarity issues and institutional and procedural pivots concerning moving competencies to the supranational level. Naturally, since the same questions were employed for both issue types, the pivots were virtually identical.⁷ It is worth mentioning, however, that for the two Eurobarometer questions which were unique to the institutional and procedural issues (questions 22.5 and 22.6) there was only one parliamentary constraint across all the member-states. This confirms that fewer constraints exist for institutional and procedural issues. The Eurobarometer questions used to derive the parliamentary pivots are found in the appendix.

Upon determining the number of domestic constraints, we also take into account divided government. We consider a government to be divided in an issue area when, for that issue area, the average position of the parties/party in a government coalition is integrationist while the ratification pivot is non-integrationist. We also measure whether an integrationist government is more or less integrationist than the average of the other 14 member-state governments. A list of the parties forming the member state governments at the time of the signing and ratification of the treaty can be found in the appendix.

Exploring Sources of Power Through Simple Models

The two-level game literature has focused on elaborating sophisticated models, which have been rarely applied to empirical data in a systematic manner. We will examine data on all negotiators' preferences at the Amsterdam IGC, their domestic parliamentary constraints, and governmental positions through two types of simple models commonly found in literature on international negotiations: one closed rule and one open rule model. This might help us to examine the parliamentary influence of constitutional

7. Even though the same Eurobarometer questions were employed for these issue areas for both substantial and institutional/procedural issues, there is a slight variance in the pivotal parties and their positions for the two types of issues. This is due to a change in the number of respondents used to calculate the two types of issues. Since fewer questions were examined when calculating the institutional and procedural issues, the pool of Eurobarometer respondents was slightly smaller.

choices for Europe. However, we consider empirical problems which have important implications for theoretical modeling, such as whether to model this conference in a one- or two-dimensional space, and whether to distinguish between substantial, institutional and procedural issues. We will apply each model to determine how accurately it reveals the Amsterdam outcome.

Hug and König (2002) have already shown that bargaining at the Amsterdam IGC whittled down contentious substantial issues from the treaty in order to safeguard constitutional consensus. Our study constructs simple spatial and bargaining models to measure the effects of an agenda setter, domestic constraints, and divided government. This might help to bridge the gap between theoretical models in two-level game theory and empirical studies regarding European integration by treaty formation. We hope that by combining empirical data with simple theoretical models we will not only shed light on the nature of intergovernmental bargains and the parliamentary influence, but also help justify the use of simple models in explaining complex multi-issue and -party negotiating situations.

Agenda Setting under Closed Rule

In the institutionalist literature, the agenda setter can induce structural equilibrium in situations which offer multiple or even an infinite set of outcomes. Under closed rule, the agenda setter plays an extraordinary role because he can propose a 'take-it-or-leave-it' offer that need only make the necessary actors better-off.⁸ In general, this power of the agenda setter increases with higher numbers of dimensions of the bargaining space. McKelvey finds that in a multidimensional bargaining space if an actor 'has complete control over the agenda . . . he can construct an agenda which will arrive at any point in space, in particular at his ideal point' (1976: 481). More precisely, it depends on the location of the actors' preferences, in particular by the distances between the ideal points of the necessary actors. They define the size of the win set (of the status quo), which contains all alternatives beating the status quo. We first construct a spatial model with the necessary components for an empirical analysis of IGC win sets, based on the ideal points of the 15 member-states, the Commission, the EP and the location of the status quo. We then focus on reasonable IGC agenda-setters, determine each agenda-setter's proposal given that it must lie within the win sets, and compare this outcome to the actual treaty outcome.

8. In spatial analysis, this better-off can be defined by an alternative that is located closer to the ideal point of an actor than the status quo. The win set contains all alternatives which make the necessary actors better-off.

We assign the role of an IGC agenda setter to two different types of actors: an intergovernmental actor, the Council President (in this case the Netherlands); and a supranational actor, the EP.⁹ We believe that the Council President is a likely agenda-setter because it can predetermine what will be discussed at the IGC. Literature on the Council Presidency alludes to the President's 'considerable control of the legislative agenda before the Council' (Hix, 1999: 66). The President has the task of writing a provisional agenda for each meeting and if it does not like a Commission or member-state's proposal, it can simply omit it from the Council's to-do list (Hix, 1999). Moravcsik confirms the Council's, and in specific the Presidency's importance at IGCs in his discussion of the Maastricht Treaty:

Both monetary and political negotiations were in fact managed and mediated primarily by a few Council secretariat officials, the rotating national presidency, national government leaders, and in the monetary case officials from finance ministries and central bankers . . . In the political union negotiations, the Council presidency . . . structured negotiations and drafted text, drawing on suggestions from national governments. (1998: 459)

The powers given to and exercised by the Council Presidency in these analyses support our belief that it could have been a likely agenda setter at Amsterdam.

Second, we believe the EP might function as an informal agenda setter. Often it is assumed that supranational actors have no or little say in IGCs. Moravcsik and Nicolaidis state, 'the outcomes of this IGC were to a large extent predictable, negotiations were efficient even without supranational entrepreneurs, who played a marginal role, and were dominated by national governments' (1999: 69). However, since they are allowed to present their positions to the IGC, we prefer to examine whether they truly hold any power. This follows Mark Pollack (1999) who suggests that supranational actors might hold some informal agenda setting powers at IGCs. Although the EP was kept out of the formal IGC negotiations at the behest of France and the UK, and had no ratification rights *ex post*, representatives offered their proposals at reflection groups leading up to the IGC and were often briefed and consulted during negotiations. Hix (2002) offers a second explanation for the EP's apparent strength at Amsterdam. He suggests that the EP was a 'constitutional agenda setter'. In the period between Maastricht and Amsterdam, the EP moved the Maastricht outcome on co-decision and executive appointment to the position within the member-state

9. We also assigned the role of agenda setter to other supranational actors such as the Commission, and to other intergovernmental actors such as the least integrationist member-state, however due to the constraint of the win sets, the predictions tended to be similar to those made by the EP and the Council Presidency.

core closest to its own. No member-state could reverse the changes because there was no universal consensus to go back the Maastricht outcome. Even prior to Amsterdam, the EP had essentially secured victory for itself in these two areas (Hix, 2002).

We also feel that the EP might have functioned as an informal agenda-setter because, prior to the IGC, the EP task force gathered information on the preferences of all the IGC actors (Hug and König, 2002). No member state was privy to this wide range of information concerning others' preferences. In line with Hix's argument, the EP's informational advantage might have allowed it strategically to make proposals just within the win set of the member-states at the point closest to its ideal point. The member-states might have felt pressure to take the EP's proposals into consideration, both to provide their negotiations with more legitimacy – a treaty backed by the directly elected pro-European EP is superior to one not supported by the EP (after all, a large impetus behind the treaty was to give the EP more power in order to decrease the EU's democratic deficit) – and to help prevent agent drift *ex ante*. By making some concessions to the EP during treaty negotiations, the member-states would have less to fear from unwanted integrationist treaty interpretations in EP legislation or amendments later.

Domestic Constraints under Open Rule Bargaining

We formulate our bargaining game in a method similar to Iida. We also use a Rubinstein model, but we operationalize the domestic constraints differently. We assume that domestic parliamentary constraints are a source of power at IGC negotiations, as Hug and König (2002) showed empirically. Instead of playing a separate ratification game, we equate higher domestic constraints with more patience in the negotiations and include this in our calculation of discount factors.¹⁰ The lower the discount factor, the less patience the actor has and the less an actor can expect to receive in negotiations. We play our bargaining game four times in two dimensions for both issue types. The game is always played between one of our two first movers, the EP and the Dutch Presidency, and either the most domestically constrained member state or the least integrationist member state. Thus the four bargaining pairs are EP versus the most constrained; EP versus the least integrationist; the Dutch Presidency versus the most constrained; and the Dutch Presidency versus the least integrationist actor.

10. We use the subgame-perfect equilibrium equation which James Morrow describes for an infinite bargaining game: 'In equilibrium Player 1 offers $\Omega_1 = 100((1 - \delta_2)/(1 - \delta_1\delta_2))$ and Player 2 accepts it, receiving $100((\delta_2(1 - \delta_1))/(1 - \delta_1\delta_2))$ ' where Ω is what we name bargaining efficiency and δ is the discount factor (Morrow, 1994, p.148).

Our logic for playing the game with the most domestically constrained member-state follows Schelling's conjecture of strength from weakness (1960). We wish to examine whether the most domestically constrained state is better able to realize his preference because his hands are tied at home by the parliament. Our rationale for choosing the least integrationist actor is based on the model of Hammond and Prins (1999), who claim that the most extreme actors tend to bargain because their bargaining solution will cover the positions of the more moderate actors. We thus calculate the discount factors as a fraction of the actual number of parliamentary domestic constraints over the total possible domestic constraints. Hence if an actor has four domestic parliamentary constraints out of a possible six, his discount factor is $4/6$. Constructing the game in this fashion allows us not only to measure the ability of the model to reveal the Amsterdam outcome, but also to weigh the relative power of domestic constraints against that of the first mover right.

Divided Government

Exploring agenda-setting and domestic constraints in closed and open rule models helps us to explain why the Amsterdam outcome landed where it did in a spatial plane, but a third possible source of power might even expand our explanatory power more. The final possible source of power which we examine is divided government. Two previous two-level game studies (Milner and Rosendorff, 1997; Pahre, 2001), both employing a similar spatial model, demonstrate that divided government under certain conditions can benefit negotiators, while under other conditions it can harm their bargaining stance. Milner and Rosendorff (1997) demonstrate that as a unified government becomes more divided (the negotiator's preference remains relatively integrationist while the legislature becomes less integrationist) the negotiator first witnesses benefits as the negotiated outcome moves closer to his ideal point, but then as the legislature becomes more hawkish, the outcome moves beyond the ideal point of negotiator to a point where it more closely reflects the less integrationist position of the legislature. Pahre (2001) makes a distinction between scenarios in which the negotiator controls the reversion point (status quo) and when the more hawkish legislature retains control. If the more integrationist negotiator controls the position of the reversion point and can set it near his ideal point, a more divided government can only help him. However, if the more hawkish legislature controls the reversion point, the results are more convoluted, as suggested by Milner and Rosendorff's findings.

As stated above, we define divided government as the case where the average position of the parties in government is integrationist (above .5), but the domestic ratification pivot is non-integrationist (below .5). However, we

Table 3. Negotiating Strength Derived from Divided Government and Relative Government Position

| | Highly integrationist government | Moderately integrationist government |
|-------------|----------------------------------|--------------------------------------|
| Not divided | Weak | Weak |
| Divided | Weak | Strong |

suggest that divided government can be a source of power only when the government position is less integrationist than the average government position of the other member-states' governments. We call this a moderately integrationist government. This scenario, we argue, mirrors the case of governmental control over the reversion point. When the government is only moderately integrationist, it can make a strong argument for its ideal point. The government still wishes to see integration proceed, but because of its domestic constraint, the government cannot push integration too far without risking ratification failure at home. The opposite case, where the government is highly integrationist but its legislative pivot is non-integrationist, reflects legislative control of the reversion point. The government's ideal point is far from the status quo, which remains closer not only to the more hawkish domestic ratification restraint, but also to the average position of the other member state governments. In this case the government would not benefit from divided government. Our predictions are summed up in Table 3.

We believe that a member state can only see a significant rise in its bargaining power due to a divided governmental constraint if the government is moderately integrationist. In this case, the bargaining strength of the actor should be very high since he can draw on two sources of power, a ratification restraint and a divided government in which he controls the reversion point. On the other hand, a highly integrationist government will not be able to benefit from a hawkish legislature.

Results

Agenda Setting under Closed Rule

First, we examine the substantial issues in a one-dimensional space. As stated before, we use the seven issue areas of Hug and König (2002). In Figures 1A through 1G we illustrate our findings and check them with the outcomes of the Amsterdam Treaty (AM).

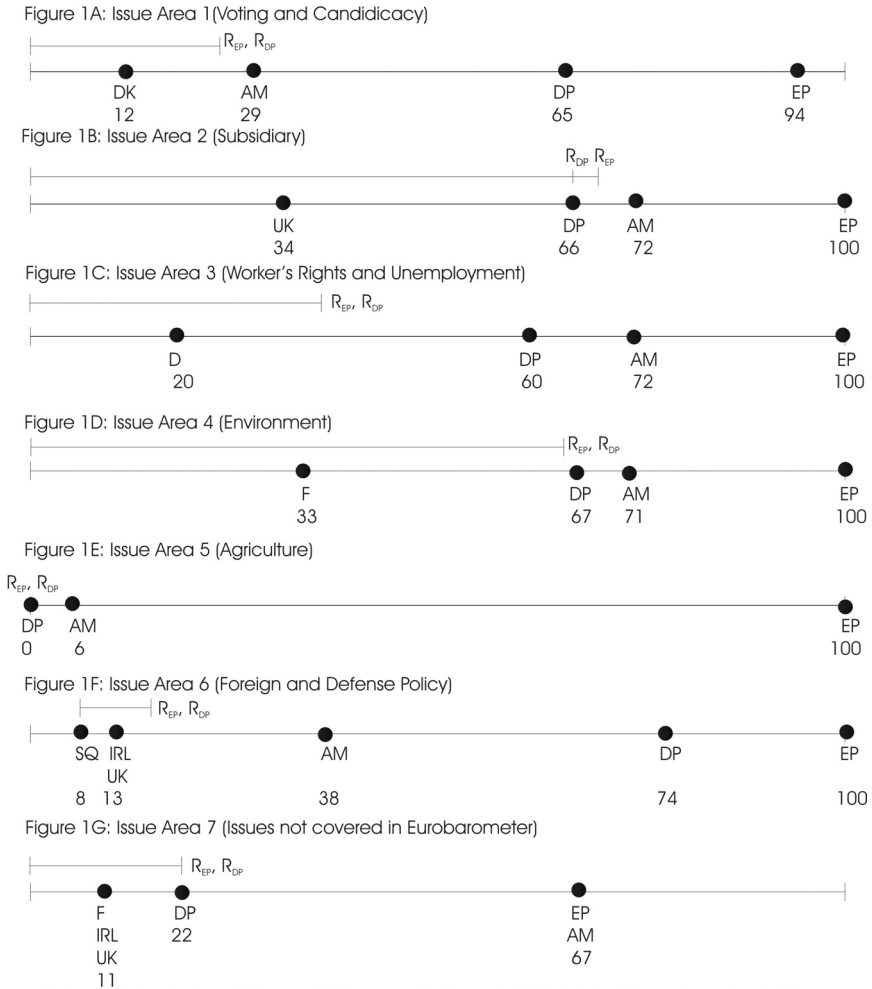


Figure 1. One-dimensional Closed-rule Models of Substantial Issues

Note: AM, Amsterdam Outcome; EP, European Parliament; DP, Dutch Presidency; IRL, Ireland; UK, United Kingdom; SF, Finland; F, France; S, Sweden.

Model: SQ is located at 0 unless indicated otherwise; win sets are drawn above the axis; results (R_{EP} , R_{DP}) are indicated on winset.

In Figure 1A, concerning voting and candidacy, Denmark (DK) is the least integrationist member-state and forms the win set, which extends from the status quo to the point at which DK is indifferent to the status quo. Both first movers, the Dutch Presidency (DP) and the European Parliament (EP), make a proposal at the point closest to their preference that they can realize in negotiations with DK. The same logic holds true for Figure 1B, concerning subsidiarity. The EP again proposes the most integrationist point of the win set, formed by the least integrationist member state, the UK. The DP can propose and expect to realize its ideal point since it falls within the win set. Our conclusions regarding the other issues, illustrated in Figures 1C through 1G are similar. The same steps taken for substantial issues we repeat for institutional and procedural issues. This distinction shall reveal whether the model’s explorative power depends on the nature of the issues. Figures 2A through 2E show these models.

Figure 2A: Issue Area 1 (CFSP Military and Defense)

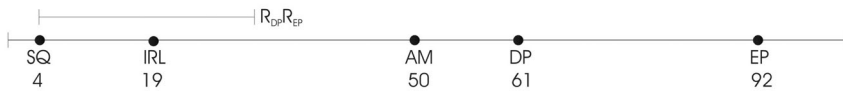


Figure 2B: Issue Area 2 (Supranational)

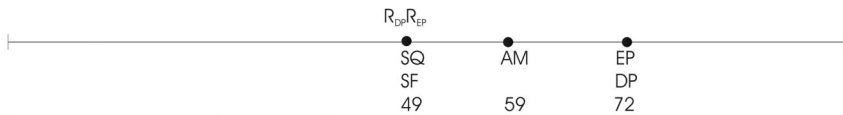


Figure 2C: Issue Area 3 (Commission Strength)

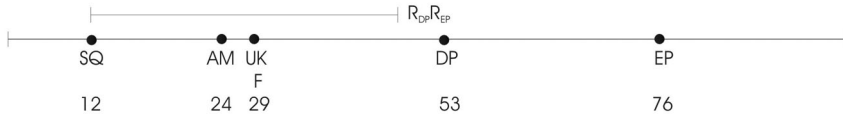


Figure 2D: Issue Area 4 (Council Strength)

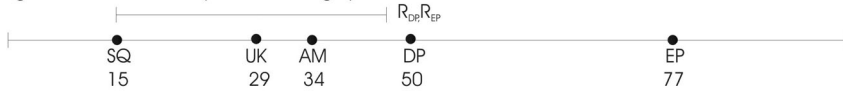


Figure 2E: Issue Area 5 (Issues not covered by the Eurobarometer)

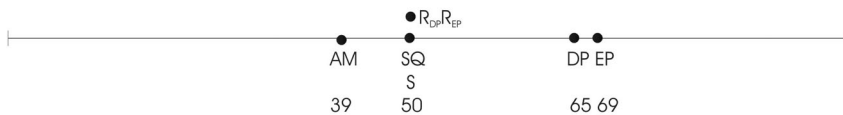


Figure 2. One-dimensional Closed-rule Models of Institutional and Procedural Issues

Notes: AM, Amsterdam Outcome; EP, European Parliament; DP, Dutch Presidency; IRL, Ireland; UK, United Kingdom; SF, Finland; F, France; S, Sweden.

Model: SQ is located at 0 unless indicated otherwise; win sets are drawn above the axis; results (R_{EP} , R_{DP}) are indicated on win set.

In Figure 2Aa, Ireland (IRL) forms the win set for issues concerning the CFSP, military and defense. The DP and the EP both make the same proposal at the point at which IRL is indifferent to the SQ. Issue area two (Figure 2B) concerns the transferring of competencies from the member states to the supranational level. Here no win set exists as SF lies on top of the SQ. Our findings regarding other procedural and institutional issues are similar, as illustrated in Figures 2C through 2E.

The next step is to look at the issues in a two-dimensional space. As mentioned before, the institutionalist literature raises the expectation that the power of the agenda setter will increase in higher dimensional policy spaces. Figure 3 reveals our findings for the substantial issues.

The hashed area represents the win set. It is constructed from the circular indifference curves of the decisive actors F, the UK, and DK. Accordingly, all actors are better off with the Amsterdam treaty outcome than with the status quo. Given the win set that we find for the substantial issues, we draw our proposals just as we did for the one-dimensional model. The EP moves its proposal to the point on the win set closest to it, while the DP is located within the win set and can propose its ideal and believe that it will be realized. In this case, although the EP's ideal point is further from Amsterdam than the DP's, the EP's proposal R_{EP} is actually closer to Amsterdam than the proposal of DP. The win set reigns in its more extreme ideal point. Figure 4 presents the two-dimensional model of the institutional and procedural issues.

The win set in Figure 4 is constructed from the indifference curves of the UK and IRL and indicated by the hashed region. Both the EP and the DP lie to the right of the win set and must propose a point to the left of their ideal point. We witness very similar results for both agenda setters primarily because of their proximity on the vertical axis and the fact that they both lie to the right of the win set.

Domestic Constraints Under Open Rule Bargaining

We play our bargaining model in the same two-dimensional space shown above in our spatial model. Our bargaining line is the distance between the two actors playing the game. We first calculate the discount factors given the number of domestic parliamentary constraints, and then the bargaining power distribution for each of the actors in each of our eight bargaining games. Given this power distribution, we determine the location of the bargaining outcome and compare this to the Amsterdam outcome. Table 4 shows the actors' discount factors and power distribution for substantial and institutional/procedural issues.

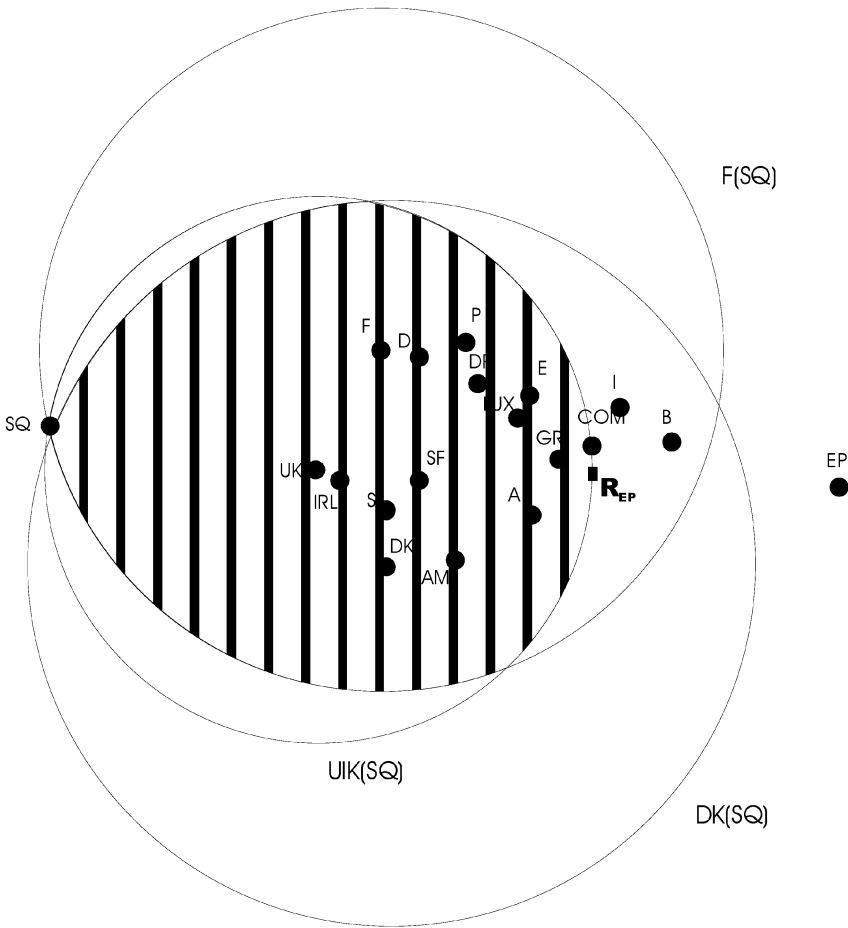


Figure 3. Substantial Issues in a Two-dimensional Spatial Model

Multidimensional Scaling, City Block Distances, Kruskal’s Stress = 0.1153.

Note: A, Austria; B, Belgium; DK, Denmark; D, Germany; E, Spain; F, France; UK, United Kingdom; GR, Greece; I, Italy; IRL, Ireland; LUX, Luxembourg; DP, Dutch Presidency; P, Portugal; SF, Finland; S, Sweden; COM, Commission; EP, European Parliament; R_{EP}, European Parliament Result; AM, Amsterdam Treaty Outcome.

Methodology: $n(SQ)$ – Indifference curves of decisive actor to SQ.
 Hashed section indicates unanimous win set.

Model: R_{EP}, Result when EP is agenda-setter. DP is both the Dutch Presidency’s ideal point and result when DP is agenda-setter.

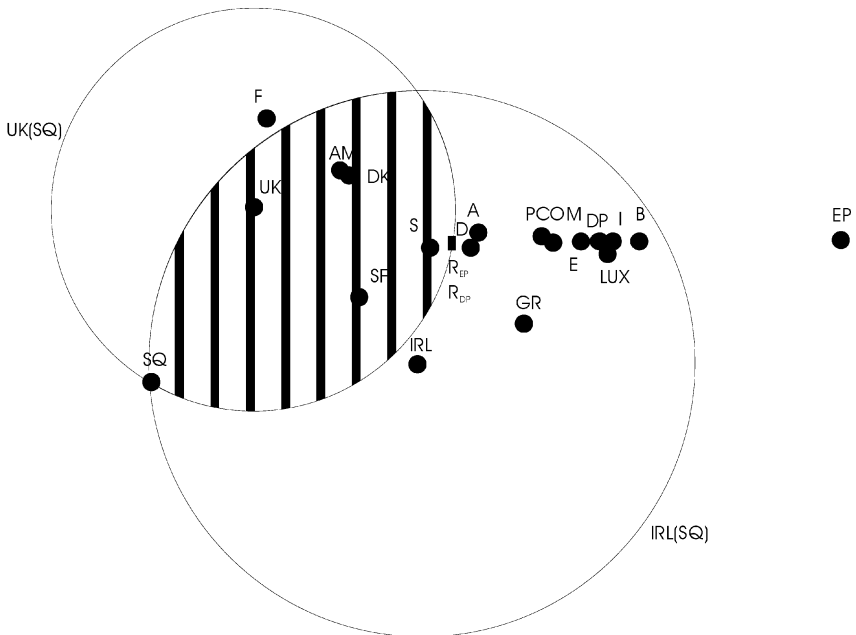


Figure 4. Institutional and Procedural Issues in a Two-dimensional Spatial Model

Multidimensional Scaling, City Block Distances, Kruskal's Stress = 0.09712.

Note: A, Austria; B, Belgium; DK, Denmark; D, Germany; E, Spain; F, France; UK, United Kingdom; GR, Greece; I, Italy; IRL, Ireland; LUX, Luxembourg; DP, Dutch Presidency; P, Portugal; SF, Finland; S, Sweden; COM, Commission; EP, European Parliament; R_{EP}, European Parliament Result; R_{DP}, Dutch Presidency Result; AM, Amsterdam Treaty Outcome.

Methodology: $n(SQ)$ – Indifference curves of decisive actor to SQ.

Hashed section indicates unanimous win set.

Model: R_{EP}, Result when European Parliament is agenda-setter. R_{DP}, Result when Dutch Presidency is agenda-setter.

The first column describes the bargaining game and issue type. The second and third columns present the discount factors for both actors involved in the bargaining game. As described earlier these numbers are derived by dividing an actor's actual domestic parliamentary constraints by the total possible. The EP always has a discount factor of 0 since it cannot possibly have domestic parliamentary constraints. For institutional and procedural issues the DP and the UK also face no domestic opposition and receive a discount factor of 0. Using the power distributions found in the fourth and fifth columns, which were derived given the actors' discount factors and first mover role, we let the actors bargain. A value of 62.5, like that of the UK in the DP

Table 4. Bargaining Discount Factors and Efficiencies

| Bargaining Discount Factors and Power Distributions | | | | |
|---|-----------------|--|---------------------|-----------|
| Bargaining Game | Discount Factor | Discount Factor Least Integrationist or Most Domestically Constrained | Power Distributions | |
| | | | 1st Mover | 2nd Mover |
| Substantive Issues | | | | |
| Pres versus UK | 0.17 | 0.67 | 35.7 | 62.5 |
| EP versus SF | 0 | 0.83 | 16.67 | 83.33 |
| Pres versus SF | 0.17 | 0.83 | 19.35 | 80.65 |
| EP vs UK | 0 | 0.67 | 33.33 | 66.67 |
| Institutional and Procedural Issues | | | | |
| Bargaining Game | Discount Factor | Discount Factor Least Integrationist or Most Domestically Constrained | 1st Mover | 2nd Mover |
| Pres versus DK | 0 | 0.5 | 50 | 50 |
| EP versus DK | 0 | 0.5 | 50 | 50 |
| Pres versus UK | 0 | 0 | 100 | 0 |
| EP vs UK | 0 | 0 | 100 | 0 |

versus the UK bargaining game for substantial issues, means that if the bargaining line is 100 units long, the UK can pull the bargaining outcome to within 37.5 points of its ideal point. The outcome is then 62.5 points away from DP. Already we notice some important findings. In the Rubinstein model, when operationalizing domestic parliamentary constraints as discount factors, these constraints provide more power than first mover rights. This is most evident in the substantial issues, where constraints tend to be higher. When SF, the most constrained actor, plays against our first movers, who either have no parliamentary domestic constraints (EP) or one constraint (the DP), SF makes substantial gains. The EP gains a value of only 16.7 out of 100 from its first mover right and DP does not fare much better with a value of 19.4.

For institutional and procedural issues, DK, the most parliamentary constrained actor, although it has proportionally fewer constraints than SF did for the substantial issues, is still able to split the difference with the first mover, and walk away with 50 percent of the bargaining power. The only time the first movers win is when their opponent also has less than half the possible number of domestic parliamentary constraints. In institutional and procedural issues, the UK is the least integrationist member state but faces no constraints at home. Thus according to our model it has no patience and accepts the original offer of the first mover, the first mover's ideal point. This might skew our results slightly since it is unlikely that the

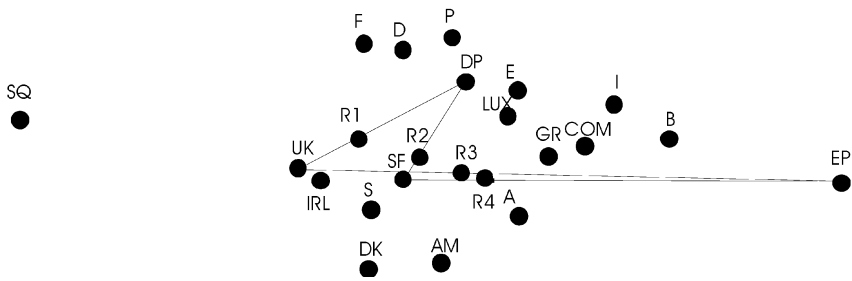


Figure 5. Substantial Issues in a Two-dimensional Bargaining Game

Multidimensional Scaling, City Block Distances, Kruskal's Stress = 0.1153.

Note: A, Austria; B, Belgium; DK, Denmark; D, Germany; E, Spain; F, France; UK, United Kingdom; GR, Greece; I, Italy; IRL, Ireland; LUX, Luxembourg; DP, Dutch Presidency; P, Portugal; SF, Finland; S, Sweden; COM, Commission; EP, European Parliament; AM, Amsterdam Treaty Outcome.

Methodology: Bargaining lines between the two bargaining actors are indicated. Bargaining solutions are marked on the bargaining line by bold points.

Model: Rubinstein bargaining model; domestic constraints operationalized as discount factors. R1, Result of UK versus DP; R2, Result of SF versus DP; R3, Result of UK versus EP; R4, Result of SF versus EP.

UK, constraints or no constraints, would simply bow to the will of the EP, especially at an IGC. We plot the bargaining lines and bargaining outcomes in Figures 5 and 6.

These are the lines representing the bargaining games played for substantial issues. They connect DP and the EP with the UK, the least integrationist actor, and with SF, the most domestically constrained actor. The outcomes of the different bargaining games are indicated. They graphically indicate what we have shown with the bargaining power distributions: the DP and the EP lose in bargaining games against actors with higher domestic parliamentary constraints. We also observe that the game with the highest explanatory power is the game between SF and the EP, or the game between the most domestically constrained member-state and the integrationist supranational actor with no parliamentary constraints. Now we move on to the institutional and procedural issue type.

These lines represent the bargaining games played for institutional and procedural issues. Again we draw the lines from the DP and the EP to the least integrationist actor, the UK, and the most domestically constrained actor, DK. We plot the outcomes for these games. When DP and the EP play against DK the outcome lies at the midpoint of the bargaining line between the two actors. When they play against the UK, the outcomes lie at the ideal points of the EP and the DP. This is due to the UK's lack of

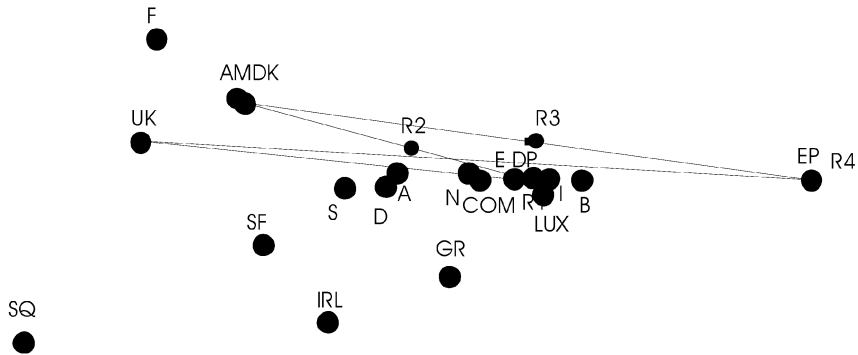


Figure 6. Institutional and Procedural Issues in a Two-dimensional Bargaining Game
Multidimensional Scaling, City Block Distances, Kruskal's Stress = 0.09712.

Note: A, Austria; B, Belgium; DK, Denmark; D, Germany; E, Spain; F, France; UK, United Kingdom; GR, Greece; I, Italy; IRL, Ireland; LUX, Luxembourg; DP, Dutch Presidency; P, Portugal; SF, Finland; S, Sweden; COM, Commission; EP, European Parliament; AM, Amsterdam Treaty Outcome.

Methodology: Bargaining lines between the two bargaining actors are indicated. Bargaining solutions are marked on the bargaining line by bold points.

Model: Rubinstein bargaining model; domestic constraints operationalized as discount factors. R1, Result of UK versus DP; R2, Result of DK versus DP; R3, Result of DK versus EP; R4, Result of UK versus EP.

domestic parliamentary constraints. For these issues, the game with the most explanatory power is between DK, the most parliamentary constrained member state, and the DP.

Divided Government

We find relatively few cases in which a member-state has a divided government and a parliamentary constraint. For substantial issues, we find that Austria (A) and France (F) have divided constraints in two issue areas, while Denmark (DK), Italy (I), the Netherlands (DP) and Sweden (S) have divided constraints in only one issue area. The other member states face no divided constraints at all. Of these divided constraints, not all are beneficiary. In some cases the government does not control the reversion point because the government is too highly divided. This is true for both of F's divided constraints as well as for I, the DP and S. The only governments that realize increased bargaining power due to divided constraints are A, with two divided constraints, and DK, with one constraint. In institutional and procedural issues, both DK and SF are divided and constrained in

one issue area. In both cases the divided constraints prove to be beneficiary. The other countries face no divided constraints.

Interpretation of Findings

To more easily interpret our findings, we start by summarizing the results found in our graphics in table form. We have measured all the distances calculated earlier and we present them in Table 5.

First, we compare the results of our closed rule one dimensional-models. We look at the case with the DP as the agenda-setter and then with the EP filling the same role. The DP's predictive rate is higher on average for institutional and procedural issues compared to substantial issues. This means the average distance between the DP's proposal and the Amsterdam outcome is smaller for institutional and procedural issues. When we explore the same model with the EP as the agenda-setter, we see that its predictive rate is very similar to that of DP. The reason is simply their ideal points both tend to fall to the right of the win set. This means that the preferences of negotiating member-states and supranational actors coincide.

The most interesting case in the one-dimensional models is issue area 7 of the substantial issues. Here, due to the constraints of a win set, the EP's proposal is relatively far away from the Amsterdam outcome; however, in actuality the EP sees its preferences realized. Since the issues in this issue area could not be matched with a Eurobarometer question, it is likely that they were more obscure and member-states were less able to determine their own domestic parliamentary constraints. When the member-states were unsure of their domestic parliamentary constraints for substantial issues, the EP saw a sharp rise in its bargaining strength. This does not hold true for institutional and procedural issues. For institutional and procedural issues which did not match a Eurobarometer question (issue area 5), the EP's ideal point was far away from the Amsterdam outcome and its proposal was closer.

In the two-dimensional closed rule model for substantial issues, we observe that the EP's proposal better reveals the Amsterdam outcome. Examining the spatial model shows that despite the EP's distance from the win set on the left–right dimension, it is closer than the DP to the Amsterdam outcome on the vertical dimension. This means that the EP is better able to see its preferences realized in more than one dimension. For institutional and procedural issues this is not the case. Both the DP and the EP make very similar proposals due to the win set constraints. The EP's ideal point, however, is further away. The empirical similarity makes the task of determining the agenda-setter difficult. It appears that both actors are equally likely to fill the role.

From this analysis, it appears the EP might have had some agenda-setting powers at least over substantial issues. This agenda-setting power is enhanced when member-states have less information over their domestic parliamentary constraints. This does not hold true for institutional and procedural issues. Here the agenda setting power of the EP is impossible to distinguish from the agenda-setting power of the DP, and the EP does not see its preferences realized even when the member-states are unsure of their domestic parliamentary constraints. The explanation for this could be that member-states are willing to listen closer to supranational actors when the outcomes of the decision-making are more concrete and certain, as is the case with substantial issues. However, when deciding on institutions and procedures, the future effects of which are less certain, the member-states are not willing to trust the advice of the supranational actors for fear that they will manipulate the institutions in their favor, eroding member state sovereignty in the future.

Next we turn to our bargaining models. For the substantial issues, the bargaining game between the EP and SF provides the best result. The second best result comes from the game between the EP and the UK. In both cases the supranational first mover bargains, but the outcome is relatively far from its preference. The relative success of these models occurs for two reasons: first, the bargaining line lies relatively near to the Amsterdam outcome, and second, the actor closer to Amsterdam is significantly more powerful because of high domestic parliamentary constraints. Nonetheless, the supranational actor is included in the bargaining and does manage to move the result, even if only slightly, towards its ideal point. In both games, if the EP had no bargaining power the game's explanatory power would decrease. Like our closed rule model, this model again suggests that the EP position was at least taken into account when bargaining over substantial issues. For the institutional and procedural models, the best result comes from the game between DK and DP, and the second best result is the game DK versus the EP. These results tend to be better because of DK's extreme proximity to Amsterdam and its bargaining power gained from its domestic parliamentary constraints. The presence of a supranational actor in the game is of less significance, supporting the notion that while the EP may have played some role in the debate over substantial issues, it was irrelevant when deciding institutions and procedures. The games including the UK, despite the relative proximity of Amsterdam to the bargaining line, provide poor results because of the UK's lack of bargaining power. For both types of issues, when the model contains second movers with high domestic parliamentary constraints, the explanatory power of the model rises. This once again tends to point to the power of domestic parliamentary constraints.

Table 5. Summary of Results

| Presidential first mover Closed rule | | | | EP first mover Closed rule | | | |
|---|----------------------|-----------------------------------|------|-------------------------------|---------|-----------------------------------|------|
| Substantive issues | | Institutional & procedural issues | | Substantive issues | | Institutional & procedural issues | |
| Unidimensional | Results ^a | | | Unidimensional | Results | | |
| 1 | 5 | 1 | 16 | 1 | 5 | 1 | 16 |
| 2 | 6 | 2 | 10 | 2 | 4 | 2 | 10 |
| 3 | 32 | 3 | 22 | 3 | 32 | 3 | 22 |
| 4 | 5 | 4 | 9 | 4 | 5 | 4 | 9 |
| 5 | 6 | 5 | 10 | 5 | 6 | 5 | 10 |
| 6 | 20 | | | 6 | 20 | | |
| 7 | 45 | | | 7 | 45 | | |
| AVG | 17 | AVG | 13.4 | AVG | 16.7 | AVG | 13.4 |
| Two-dimensional | 1.43 | | 1.03 | Two-dimensional | 1.24 | | 1.01 |
| Bargaining game two-dimensional | | | | Two-dimensional | | | |
| Pres versus SF | 0.83 | Pres versus DK | 1.09 | EP versus SF | 0.7 | EP versus DK | 2.07 |
| Pres versus UK | 1.18 | Pres versus UK | 2.18 | EP versus UK | 0.76 | EP versus UK | 4.15 |

^a The results columns report the physical distance between the game's outcome and the actual Amsterdam Treaty outcome. A lower value implies a game's revealing power is higher. We cannot compare the values from the one-dimensional games to those of the two-dimensional games, however, because the scales of models differ.

Finally, we determine how near the actors with beneficiary-divided constraints come to realizing their preferences. For substantial issues, we notice that the preference points of the two actors that benefit from divided constraints, A and DK, encircle the Amsterdam outcome. At the same time, with the exception of S, which comes near to seeing its preference realized, the member-states with non-beneficiary-divided constraints are scattered relatively far away from the Amsterdam outcome. This suggests that non-beneficiary constraints truly provide no bargaining assistance. For institutional and procedural issues, the two member states with beneficiary-divided constraints also seem to realize substantial gains. DK practically sees its preferences realized while SF's preference is very close to the outcome on the horizontal dimension, and although slightly further away on the vertical dimension, its preference remains closer to the outcome than the vast majority of member states.

For both substantial and institutional and procedural issues, DK is the actor closest to the Amsterdam outcome. For institutional and procedural issues, DK has the highest number of domestic parliamentary constraints and for substantial issues it has relatively high constraints as well. More importantly, DK has beneficiary-divided constraints for both types of issues. A second explanation for DK's success might be its extraordinarily high ratification requirement – a 5/6 majority in parliament or a referendum if the treaty is approved by less than the supermajority required. This was well-known to the other negotiators, as were DK's past troubles ratifying Maastricht. It was forced to hold a referendum, which was defeated. This could have been a source of DK's power that was indeterminable by our methods. It appears that DK is the most successful actor and seemingly one of the most powerful actors as well.

Conclusion

Through our empirical analysis, we challenge the notion that parliaments have little say on the choices for Europe. We examined empirically whether and which parliamentary characteristics make an actor more powerful at an IGC, EP agenda-setting, domestic parliamentary constraints, or divided constraints. Our closed rule-models hint at the power of the least integrationist member states and show that the EP does have some power over the outcomes regarding substantial issues. They do not, however, provide a definitive answer to the question of which actor sets the agenda at the Amsterdam IGC, especially when examining institutional and procedural issues.

Our bargaining model shows that when we operationalize discount factors to reflect domestic parliamentary constraints, constraints often grant more

power than the first mover right. This is supported empirically by our finding that games which include highly constrained actors tend to have higher explanatory power. Highly constrained actors tend to get their way more often. This finding supports Schelling's famous paradox of weakness-conjecture and the influence of domestic parliaments. The bargaining models also support our finding that the EP was at least considered when bargaining over substantial issues. Finally, divided constraints appear to help governments realize their preferences, assuming that the government is not too highly integrationist. A moderately integrationist government with divided constraints tends to hold a strong bargaining position.

Our explorations also seem to lend some support to Morvascik and Nicolaidis's notion that the supranational parliamentary actor had little influence. On closer inspection, however, even though the EP's ideal points were far away from the Amsterdam treaty outcome, when bargaining over substantial issues it witnessed considerable gains. The two-dimensional spatial and the bargaining model for substantial issues provided more accurate results when the EP was included in the analyses. Nevertheless, our study also shows that the EP lacked one of the major sources of power in negotiations: domestic constraints. Domestic constraints seem to be more important than first mover rights. Our models show that the EP had virtually no power when bargaining over institutional and procedural issues.

Our empirical work partially supports Pollack's claim that, while supranational actors, including the EP, might hold informal agenda-setting powers at IGCs, this influence was limited at Amsterdam. He writes, 'there were few if any "smoking guns" of Commission, Court or Parliament influence on the negotiation of the Amsterdam Treaty' (1999: 13). Although supranational actors made some gains from the treaty, often these were also supported by the member-states. In some cases the gains might have due to the EP's constitutional agenda-setting power (Hix, 2002). But in other cases, the member-states might have viewed the changes as measures aimed at increasing the legitimacy of the EU, reducing the democratic deficit, or solving collective action problems arising among the member-states. However, our findings also show that the success of negotiating member-states heavily depends on their domestic parliamentary constraints. Demonstrating domestic parliamentary influence means that representatives elected by the European citizens do have a voice in shaping European laws and institutions. While more empirical work has to be done on the choices for Europe, we think that the will of the European people might be better represented at IGCs than previous studies have led us to believe.

Appendix

Table A1 Eurobarometer 47.1 Questions:

Q.22. What is your opinion on each of the following proposals? Please tell me for each proposal, whether you are for it or against it.
(EACH STATEMENT IS READ IN A DIFFERENT ORDER FOR EACH INTERVIEW)

| <i>Read Out</i> | <i>For</i> | <i>Against</i> | <i>DK</i> |
|--|------------|----------------|-----------|
| 1. There should be one single currency, the Euro, replacing the (NATIONAL CURRENCY) and all other national currencies of the Member States of the European Union (M) | 66 1 | 2 | 3 |
| 2. The Member States of the European Union should have one common foreign policy towards countries outside the European Union | 67 1 | 2 | 3 |
| 3. The European Union Member States should have a common defence and military policy | 68 1 | 2 | 3 |
| 4. The European Union should be responsible for matters that cannot be effectively handled by national, regional and local governments | 69 1 | 2 | 3 |
| 5. The President and the members of the European Commission should have the support of a majority in the European Parliament. Otherwise, they should resign | 70 1 | 2 | 3 |
| 6. In matters of European Union legislation, taxation and expenditure, the European Parliament should have equal rights with the Council of Ministers, which represents the national governments | 71 1 | 2 | 3 |
| 7. Any citizen of another European Union country who resides in (OUR COUNTRY) should have the right to vote in local elections | 72 1 | 2 | 3 |
| 8. Any citizen of another European Union country who resides in (OUR COUNTRY) should have the right to be a candidate in local elections | 73 1 | 2 | 3 |
| 9. Children should be taught at school about the way European Union institutions work | 74 1 | 2 | 3 |
| 10. The European Union should support film and television production in Europe in order to achieve a better balance between American, Japanese and European productions | 75 1 | 2 | 3 |

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Q.23. Some people believe that certain areas of policy should be decided by the (NATIONAL) government, while other areas of policy should be decided jointly within the European Union.

Which of the following areas of policy do you think should be decided by the (NATIONAL) government, and which should be decided jointly within the European Union?

| <i>Read Out – Rotating the Order</i> | <i>(National) Government</i> | <i>The European Union</i> | <i>DK</i> |
|---|----------------------------------|-------------------------------|-----------|
| (a) Defence | 76 1 | 2 | 3 |
| (b) Protection of the environment | 77 1 | 2 | 3 |
| (c) Currency | 78 1 | 2 | 3 |
| (d) Co-operation with developing countries, Third World | 79 1 | 2 | 3 |
| (e) Health and social welfare | 80 1 | 2 | 3 |
| (f) Basic rules for broadcasting and press | 81 1 | 2 | 3 |
| (g) Workers' rights vis-à-vis their employers | 82 1 | 2 | 3 |
| (h) Immigration policy | 83 1 | 2 | 3 |
| (i) The fight against unemployment | 84 1 | 2 | 3 |
| (j) Agriculture and Fishing policy | 85 1 | 2 | 3 |
| (l) Supporting regions which are experiencing economic difficulties | 86 1 | 2 | 3 |
| (m) Education | 87 1 | 2 | 3 |
| (n) Scientific and technological research | 88 1 | 2 | 3 |
| (o) Rates of VAT (Value Added Tax) | 89 1 | 2 | 3 |
| (p) Foreign policy towards countries outside the European Union | 90 1 | 2 | 3 |
| (q) Cultural policy | 91 1 | 2 | 3 |
| (r) Rules for political asylum | 92 1 | 2 | 3 |
| (t) The fight against drugs | 93 1 | 2 | 3 |

Source: Melich (1999)

Table A2 Abbreviations of Political Parties

| Country | Party Abbreviation | Party Name |
|---------|------------------------|---|
| Belgium | ECOLO | Ecologists (Walloon) |
| | CVP | Christian Peoples Party |
| | PSC | Christian Social Party |
| | VU | People's Union (Flemish Free Democrats) |
| | SP/PS | Social Parties (Flemish and Francophone) |
| | VLD | Flemish Liberals and Democrats |
| Denmark | SD | Social Democrats |
| | SFP | Social People's Party |
| | KF | Conservative People's Party |
| | RV | Radical Party |
| Germany | SPD | Social Democratic Party |
| | CDU/CSU | Christian Democratic Union/Christian Social Union |
| Greece | B 90/G | Bündis 90/Greens |
| | PASOK | Panhellenic Socialist Movement |
| | ND | New Democracy |
| Italy | KKE | Communist Party |
| | FI | Forza Italia |
| | UD | Democratic Union |
| | PPI | Italian People's Party |
| | AN | Alleanza Nazionale |
| | RI | Italian Renewal |
| | Verts | Green Party |
| | PDS | Social Democratic Party |
| | RC | Reformed Communists |
| | LE | Northern League |
| Spain | CCD | Central Christian Democrats |
| | PP | Popular Party |
| France | PSOE | Spanish Socialist Workers Party |
| | RPR | Rally for the Republic |
| | UDF | French Democratic Union |
| | Verts | Green Party |
| | Radicaux de gauche | Leftist radicals |
| | Mouvements des Citoyen | Citizens Movement (Left) |
| | PC | Communist Party |
| Ireland | PS | Socialist Party |
| | FF | Fianna Fail |
| | PD | Progressive Democratic Party |
| UK | I | Independents |
| | LAB | Labor Party |

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| | | |
|-------------|---------|--|
| Luxembourg | LSAP | Workers Party |
| | G | Green Left Ecological Initiative |
| | CSV | Christian Social Party |
| | DP | Democratic Party |
| | ADR | Action Committee for Democratic and Social Justice |
| Netherlands | RPF | Reformed Political Federation |
| | D66 | Democrats 66 |
| | CDA | Christian Democratic Appeal |
| | SP | Socialist Party |
| | PVDA | Labor Party |
| | VVD | Liberal Party |
| | AOV | General Association of Elderly People |
| Portugal | PS | Socialist Party |
| | PCP/CDU | Communist Party/Unified Democratic Coalition |
| | | |
| Finland | SDP | Social Democrats |
| | KESK | Center Party |
| | KOK | Coalition Party (Cons.) |
| | VAS | Left League |
| | VIHR | Green Party |
| | RKP | Swedish People's Party |
| Sweden | M | Conservatives |
| | SD | Social Democrats |
| Austria | OeVP | Austrian People's Party |
| | SPOe | Socialist Party |

Table A3 Member State Governments on October 2, 1997 (Amsterdam treaty signing)¹

| | Government |
|----------------|--|
| Austria | SPÖ/ÖVP |
| Belgium | CVP/PSC/SP/PS |
| Denmark | SD/RV |
| Finland | SDP/KOK/RKP/VIHR/VAS |
| France | PC/PS/Mouvements des citoyens/Radicaux de gauche/Verts |
| Germany | CDU/CSU/FDP |
| Greece | PASOK |
| Ireland | FF/Progressive Democrats |
| Italy | PDS/PPI/UD/RI/VERTS |
| Luxembourg | CSV/LSAP |
| Netherlands | PVDA/VVD/D66 |
| Portugal | PS |
| Spain | PP |
| Sweden | SD |
| United Kingdom | Labour |

¹ No change in government composition occurred in any member state between the signing of the treaty and ratification.

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