NEGOTIATING EU LAW: WHICH DECISION MAKING MODEL?

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Introduction

Since the SEA and the complexion of the Single Market, the increasing flow of EU directives – with its inherent characteristics of supremacy over national law and of direct effect characterizing de facto most of the EU legislation, including most directives - made member states realize the usefulness of being proactive negotiators in EU law making. Consequently, all member States elaborated procedures and established ad hoc coordinating bodies to deal at best with the formative phase of EC law – i.e. that phase in which the national administrations (in primis the governments and its bureaucracies, but also the Parliaments and the parties in them and, where relevant, also regional authorities) determine their “national position” to be negotiated with their European partners.

National position and EU negotiations

As a result, the relations between domestic policy making and the EU policy cycle started to become the object of several studies. Among the most important contributions in this field of EU studies, one may want to recall Simon Bulmer and Christian Lequesne’s1 comparative study on the relations between the EU and its member States, or the early work edited by Dietrich Rometsch and Wolfang Wessels2 affirming how there is a merging of EU and national decision-makings in one single cycle. According to Goetz and Hix3 the EU decision making at the same time imposes constraints as well as new opportunities (“exits”) for the domestic policy makers4. To Vincent Wright5, the main negotiating role in the EU is in the hands of the Foreign Ministers and of the Ministers for Finances; also, the interaction

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1 Bulmer S. and Lequesne C. (eds.), 2005, Member States and the European Union, Oxford University Press, Oxford
4 “The delegation of policy competencies to the European level and the resulting political outcomes constrain domestic choices, reinforce certain policy and institutional developments and provide a catalyst for change. The establishment of a higher level of governance institutions provides new opportunities to exit from domestic constraints , either to promote certain policies, or to veto others, or to secure informational advantages (Goetz K.H., Hix S., 2001, Europeanised Politics? European Integration and National Systems, Frank Cass, London., p. 10)”.

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between the domestic and the EU policy-making has implied the need of both inter-ministerial and intra-ministerial coordination. National Parliaments have adapted to the constrains of EU decision-making, too, as first Norton and then Wessels and Maurer have shown.

In sum, as put in by Wessels and Maurer: “Whatever the language used, political scientists and lawyers classify the EC/EU as a system for joint decision-making in which actors from two or more levels of governance interact in order to solve common and commonly identified problems”. More pragmatically a former Commissioner, once defined the EU as “une grande machine a negocier”: a permanent negotiation among governments, between governments and institutions, and among institutions.

The **basic assumption** of this permanent negotiation is that – given the increasing difficulties in having one country’s point of view prevailing during EU legislative negotiations, especially with the codecision procedure and the use of qualified majority voting - the better a national position is defined, the easier it will be to defend it for the national negotiators; the better a national position is defended, the lesser the costs to bear for the member states and the higher the benefits.

A **well defined** national position shall include: a clear negotiating mandate and its spectrum of flexibility; the indication of eventual costs and benefits for the State; the threshold under which a measure would be unbearable; the indication of eventual cross table bargains with other issues under negotiation. Also, the national preferences should be defined well before the actual negotiating phase, in order to influence the crucial pre-negotiating phase where the Commission works on the green and white papers. Last but not least, national negotiators must be aware that preferences need to be treated strategically and that the goals that are specified by the national negotiations at the beginning hardly reflect their real aims. Likewise, objectives are usually different from the desired final outcome.

To do all this in the proper way supposes the presence of efficient intra-ministerial and intra-ministerial coordinating mechanisms, as also stressed by the literature, in particular by Kassim, Peters and Wright.

Yet, not all member states are equally efficient in defending their national interests. Indeed, the literature suggests that there is a wide gap between them. On the one side, one finds Nordic state like Denmark or the UK where the national positions are carefully defined and defended; on the other side, there are southern states like Italy where the national positions are loosely defined, as both scholarly researches and specialized press indicates.

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Why is that so, if the objectives are, or at least should be, the same for all member states, ie the maximization of national interests and thus the best definition ever of the national positions and its effective defense? Not by chance, the branch of EU studies investigating these problems is one of the most interesting and promising ones. Yet, it still needs both more empirical research and a firmer theoretical grounding. So far, a number of monographic studies appeared (ex “X and the EU”) but, though enlightening and interesting, they remain descriptive only. Comparative research in this field is made difficult by the extreme complexity of the EU decision making, involving different levels (and languages) of negotiations and a variety of actors acting in both parallel and intersecting ways: each decision is the result of dozens of meetings and thousands of communications, of long, exhausting debates, of endless work hours in the EU institutions and in the capitals¹⁵... The recent rounds of enlargement further increased this complexity, making comparative research even more difficult and costly, due to the need of investigating in 27 member States, and in 23 different languages!

The usefulness and difficulties of a comparative methodology

Yet, we agree with Almond that political science is comparative politics, and with Freddi that there is no political science without comparative politics. Comparative politics as a research methodology roots its origins in the past centuries, while as a science owes much to scholars like Lasswell, Laswell¹⁶, Eisenstadt¹⁷, Almond¹⁸, Kaplan¹⁹, Lijphart²⁰, Sartori²¹, etc.. Regardless the institutional peculiarity of the EU has let many scholars consider the EU as an unicum also from a methodological point of view. Just more recently, following to calls like Alberta Sbragia’s²² or Simon Hix’s²³, have comparative politics become a successful research methodology in EU studies, too.

The remaining difficulties are thus of a practical level, of how to manage in depth comparative analysis on 27 domestic structures and negotiating strategies.

¹⁵ Verola, p. 68
What we propose here is thus to go back to the classical models of decision making and applying them to EU studies and in particular to EU law negotiations. It is in fact surprising to find out that, while the classic decision making models have been usefully employed by political scientists in order to explain decisions taken by States, whether in domestic politics (for instance the already mentioned Aaron Widavlsky with the US Federal Budget) or in foreign policy (like Allison with its classic on the Cuban missile crises\(^{24}\)) no one has used them in order to explain EU law negotiations. Not only the classic paradigms of decision making could be usefully employed to explain EU decision making procedures, but it would simplify comparison among different EU member States – thus enabling scholars to get to a complete picture – as well as to compare with other cases (in primis, the USA).

The classical paradigms of decision

The realist school and the rational actor model
In the first part of the XX century, under the influence of Taylorism and of Weber’s studies, the most advocated paradigm was that of rational choice, especially popular among economists. According to Weber the bureaucracy (\textit{Economy and Society}, 1922) acts on a pure objective basis, according to fully foreseeable rules and without reference to people. Public officials are recruited – according to this view – because of their specialist knowledge. This also implies a net separation between bureaucrats and politicians: bureaucrats are in fact seen as impartial, politically neutral and impartial executors or political decisions taken elsewhere\(^{25}\): from here the name \textit{rational (or synoptic) model}. The “realist school” is a derivate of rational choice in the study of politics. It modern fathers were Hans Morgenthau, who explained IR and world politics in terms of a Thomas Hobbes’ \textit{homo homini lupus}\(^{26}\), and Thomas Schelling, with his \textit{The Strategy of Conflict}.

In sum, the rational model is composed of 3 steps:

1. definition of all possible alternatives;
2. determination of the consequences for any possible strategy;
3. comparative evaluation and choice of the best option.

In economics this means that the solution chosen will be the most efficient one, that is the alternative minimizing costs and maximizing benefits. In decision theory, the assumption is that each alternative brings consequences and therefore the agent will choose the alternative whose consequences are preferred in terms of the agent’s utility, ie the agent will choose the alternative from which he expects the maximum utility. In other words, rationality refers to “consistent, value-maximizing choice within specified constraints”\(^{27}\).

In the rational model (or rational actor model – RAM) the actor is the nation – or the government – conceived as a unitary decision maker. The success of this is shown with how often we use a similar paradigm both in current and academic talking (ex “France” did…)! The actor faces a \textit{problem}: he will decide his moves and will make his \textit{value-maximizing} choice by taking into account the \textit{objectives} (typically the national security and/or the national interests), the \textit{options} and the \textit{consequences} of each option. This means that an increase in the perceived costs will reduce the odds that the actor will take action while the decrease of the perceived costs of an alternative increases the likelihood that action will be taken.

\(^{24}\) Allison, G.T., 1971: \textit{The Essence of Decisions. Explaining the Cuban Missile Crises}, Boston, Little Brown
\(^{26}\) Morgenthau, H. \textit{Politics among Nations}
\(^{27}\) Allison – Zelikov, p.18
According to George Kennan, first a top governmental official and then a scholar and historian, “government is an agent, not a principal. Its primary obligation is to the interests of the national society it represents […] basically those of its military security, the integrity of its political life and the well being of its people.”

To classical realists like him or Morgenthau, national interests, though influenced by the political and cultural context, were ultimately grounded in objective realities of power. They believed that rational, experienced statesmen could discern such objective realities. Henry Kissinger’s *Diplomacy* further extend this tradition. Despite his wide experience in government, Kissinger’s explanation of states’ actions portrays unitary actors pursuing national objectives; he emphasizes how states and statesmen make their world, not the other way round.

Other scholars, like Kenneth Waltz, tried to reduce classical realism to a more rigorous systematic theory of IR. His *Theory of International Politics* gives life to “neorealism” (or “structural realism”). Structural realism’s basic assumption is that there is a strong tendency toward balance: once achieved it will be maintained, if disrupted it will be restored. But other scholars have found this approach non-sufficient. For instance Stephen Walt insisted that the analysis has to take into account how allies with whom and for how long. Other added that perceptions and beliefs have to be added, too (ex Robert Jervis who insisted on perception and misperceptions in international politics).

International institutionalists take a further step beyond neorealism. They start by noting the dramatic increase in number and in importance of IIOO and they try to demonstrate why and how these institutions matter, though they also assumes that states are the principal actors in world politics and that they behave on the basis of their perception of their own self interest. This is why, the leading author of institutionalism, Robert Keohane, affirms that institutionalism as well as realism must be supplemented by a further theory of the state, addressing the origins of the State’s interests, specific objectives, beliefs and perceptions.

This is partially done by the scholars of liberalism, whose central assumption is that state structure matter: the structure of the domestic government and the values and views of the citizens affect their behavior in international affairs. Moravcsik took an important step in formulating liberalism in pragmatic terms. According to him, societal ideas, interests and institutions influence state behavior by shaping state preference, that is, the fundamental social purposes underlying the strategic calculations of governments. […] once shaped, state preferences become the basis for the rational, value-maximizing calculation of the leadership of governments and thus the actions of governments in international affairs.

**Bounded rationality**

Herbert Simon, an economist, started to study the question of decision making in the 1940s (cfr. *Administrative Behavior*, 1947). In the 1950s, with two articles (1955 and 1956) and then a book (*Models of Men*, 1957) defined the limits of rationality and thus of rational choice for human beings. According to Simon it proves impossible for a human being to foresee all possible alternatives, let alone all possible outcomes and effects. Time is a determinant constraint of decisions, too. Also, a decision

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29 Keohane R.: institutionalis Theory and the Realist Challenge after the cold war, in Baldwin, ed. Neorealism and neoliberalism, p.294
maker is not a scientist who can take decisions in a vacuum: he in fact has to take into account the reality of facts, including others’ people decisions. For instance, a fundamental difference exists between cooperation (= an activity in which all actors share common goal) and coordination (=the process allowing each participant to know the others’ behavior). Since administrations are cooperative systems, it is necessary to elaborate ways for each actor to know what the others are doing so to elaborate their own decisions.

Simon thus presents the so-called bounded rationality model: according to it, the decision-maker does not aim to maximize its own values, rather to get to a “satisfying” solution. Any human action, because of its very human nature, is rational only to a partial extent: therefore, if the “homo economicus” chooses the best alternative among all, its “cousin”, the “administrative man” will choose a satisfying, quite good solution. In limited or bounded rationality individuals or groups simplify a decision problem because of the difficulties in considering all information and all information. Hence a “good” decision is the one where the means necessary to reach the intended objective are correct.

Simons’ commentary have then evolved into more general considerations about problems in rationality like subjective understanding, perception and conflict of interests.

Muddling through
Sharing Simons’ concern, Charles Lindblom - in an article published in 1959 on “Public Administration Review”, The science of muddling through – proposes the incremental model (or “the art of muddling through” as it was defined in a successive book written with Braybrooke\textsuperscript{34}).

According to Lindblom any decision making process does not fundamentally differ from the ones preceding it, little by little ie (incrementally) adjusting to the new needs. While according to the root method the steps are: 1. list all values related to the decision to be taken; 2. find policy alternatives; 3. systemic comparison; 4. choose and take the decision, according to the branch method step one is represented by an analysis of the current situation. Aaron Widavsky has for instance shown in his studies on the US federal budget how each year’s budget is only slightly modifying the precedent year’s one.

The garbage can
Other studies have further clarified how bureaucracy is not to be intended as a single actor, as the public administration is a complex organization where different interests meet, cooperate, conflict among each other. For instance, according to the Cohen-March-Olsen garbage can theory\textsuperscript{35}, the life of organizations is characterized by a constant conflict among actors each having its own objectives and strategies, often incompatibles between them. Thus decisions pile up in a disordered manner, following the predominance of this or that actor. Garbage can models characterize “organized anarchies”. Organized anarchies are characterized by three properties\textsuperscript{36}:

1. Problematic preferences: the organization operates on the basis of a variety of inconsistent and ill defined preferences. It can be described better as a loose collection of ideas that as a coherent structure; it discovers preferences more through action that it acts on the basis of preferences.
2. Unclear technology: although the organization manages to survive and even produce, its own processes are not understood by its members. It operates on the basis of simple trial-and-error procedures, the residue of learning from the accident of past experiences and pragmatic inventions of necessity.

\textsuperscript{34} Lindblom, C., Braybrook, D., 1963: A strategy of decision : policy evaluation as a social process, New York, Free Press
\textsuperscript{35} Cohen, March and Olsen: A garbage can model of organizational choice, in “Administrative Science Quarterly”, 1976
3. **Fluid participation**: participants vary in the amount of time and effort they devote to different domains; involvement varies from one time to another. As a result, the audiences and decision-makers for any particular kind of choice change capriciously.

Although decision-making is thought of as a process to solving problems, that is not often what happens. Decisions can in fact be taken in 3 manners:\[37\]:
- **by resolutions**: problems are resolved after some times with a choice;
- **by oversight**: choices to solve a problem are taken quickly and thus solve no problem at all;
- **by flight**: choices are unsuccessfully associated with a problem for a certain time, until when a choice more attractive to the problem comes along. A decision can then be taken that however resolves no problem.

Needless to say, in garbage can models the last two manners are the most often employed. Hence three aspects are important to look at:
- **problem activity**: the amount of time unresolved problems are actively attached to choices situations;
- **problem latency**: the amount of time spent with problems not linked to choices;
- **decision time**, ie the persistence of choices.

While a good organizational structure would keep both problem activity and problem latency low through rapid problem solutions, this is not the case in the garbage can model. In these organization it is also particularly important to investigate: a. the manner in which choices are made without consistent, shared goals; b. the way in which members are activated (and who is attending what).

According to its inventors, “it is clear that the garbage can process does not resolve problems well. But it does unable choices to be made and problems resolved, even when the organization is plagued with goal ambiguity and conflict, with poorly understood problems that wander in and out of the system, with a variable environment and with decision-makers who may have other things on their minds.”\[38\]

Finally, according to the **neoinstitutional approach** (March and Olsen, 1989, *Rediscovering Institutions: the Organizational Basis of Politics*) despite all these conflicts organizations have their own autonomous existence. They are thus not to be seen just as a group of officials, but as a net of rules, procedures, values, etc. that are respected by the individuals in taking decisions.

**Which models for the EU member states?**

If one favors a cost-benefit analysis, rational choice would seem the best model to respond to the interests of the EU member States. Yet, not only we tend to agree with Simons in affirming that rational choice does not exists in reality (and even less so in the EU!!), but also we believe that should a RAM be adopted by all member states, EU negotiations would stall. Hence **Simon’s bounded rationality seem the best choice for those member state wishing to optimizing their participation in EU policy making yet making the negotiating machine going on.** Some among the most recent studies on domestic policy making and the EU (ex Lesquene and Bulmer\[39\]; Maurer and Wessels\[40\]) in effect suggest

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40 Maurer A., Wessels W. (eds.), 2001, *National Parliaments on their ways to Europe: Losers or Latecomers*, Nomos Verlagsgesellschaft,
that States like Denmark seems to be characterized by such model. Yet other studies show how other member states, Italy to mention one\textsuperscript{41}, are characterized by far less efficient models such as the garbage can.

But the question then is: if the efficacy of the EU member states in elaborating their national positions and in defending them in the EU legislative procedures depends on their capacity to adopt a bounded rationality decision making model, why some adopt different and less efficient models?

Our hypothesis is that the intervening variables consist of political and institutional mechanisms. The adoption of a bounded rationality decision making model would in particular depend on:

- a \textit{consociative political culture}, at least for what the participation in the EU is concerned (ie there is an agreement among elites on the importance of the promotion of the national interests in the EU decision-making procedures);
- the existence of mechanisms of \textit{interministerial and intraministerial coordination}, in order to define positions that take into account all the different interests existing in the country;
- the \textit{adaptability of national institutions}: as the EU structure and the decision making procedures are subject to frequent changes, national institutions need to have the capability to (quickly) adapt.

In absence of such variables the States will adopt a garbage can model, with a consequent minor negotiating efficacy.

\textsuperscript{41} Bindi F., 2004: \textit{National Preference Formation in the EU Member States. A comparative analysis of Italy and Portugal}, Ph.D. in Political and Social Sciences, European University Institute, Department of Political & Social Sciences, Florence.