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Decisionmaking *Inside* the European Parliament

George Tsebelis¹

This article analyzes the internal workings of the European Parliament (EP). Particularly, it addresses the question, can the EP overcome internal decision-making problems and play the role of "conditional agenda-setter" specified by the cooperation procedure of the European Union? According to this procedure, the EP can make a proposal that, if accepted by the European Commission, is easier for the European Council to accept than to modify. Elsewhere I have argued that this procedure places significant decisionmaking powers in the hands of the EP. However, I had assumed the EP to be a unitary actor. In this article I relax the unitary-actor assumption and examine the possibilities generated at both the theoretical and the empirical levels by an EP composed of 518 members (or 567 because of German reunification or 639 European Union expansion), organized in specialized standing committees, with rapporteurs responsible for the proposal of parliamentary amendments to European legislation. The conclusion of this analysis is that the internal organization of the EP enables it to play the role of a conditional agenda-setter, that is, the conclusions concerning the power attributed by the cooperation procedure to the EP hold for the actual EP, not merely for an idealized unitary actor.

1. Introduction

The European Parliament (EP) is a misunderstood institution of the European Union. It is considered weak not only in scholarly articles (Lodge, 1989; Edward, 1987; Fitzmaurice, 1988; Dehousse, 1989; Lenaerts, 1991; Wessels, 1991)² but also in the informed press. For example, the *Economist* article "Europe's Feeble Parliament" (1994) argues that it is "an ineffectual body. . . powerless to initiate legislation or vote governments out of office." And "More recently," the *Economist* continues, "the parliament won the right to amend laws on the single market, which gave it a bit more clout." The article concludes that after the Maastricht treaty is ratified, the powers of the EP may increase because in the future "it will both approve future commissions and their presidents, and have veto on legislation." The "key" to this development is "the right of veto that comes with codecision."

In contrast to this literature, this article argues that the internal organization of the EP enables it to make use of an important power delegated to it by the cooperation procedure. According to this procedure, the EP has been given a conditional agenda-setting power that has passed unnoticed by the relevant literature (both scholarly and journalistic): the EP can, by an absolute majority of its members, make a proposal that, if adopted by the European Commission, requires a qualified majority (54/76) of the European Council for acceptance, but requires unanimity of the council for modification.

The essence of my argument can be given in a very simple graphic. Consider that legislation, in order to be enacted, requires the agreement of two bodies: the EP and the council. Consider also that each one of these bodies (here idealized as single players) has an ideal point in space and that between two bills, each body prefers the one that is closer to its own ideal point. Consider also that the status quo is located somewhere in space, as Figure 1 indicates.

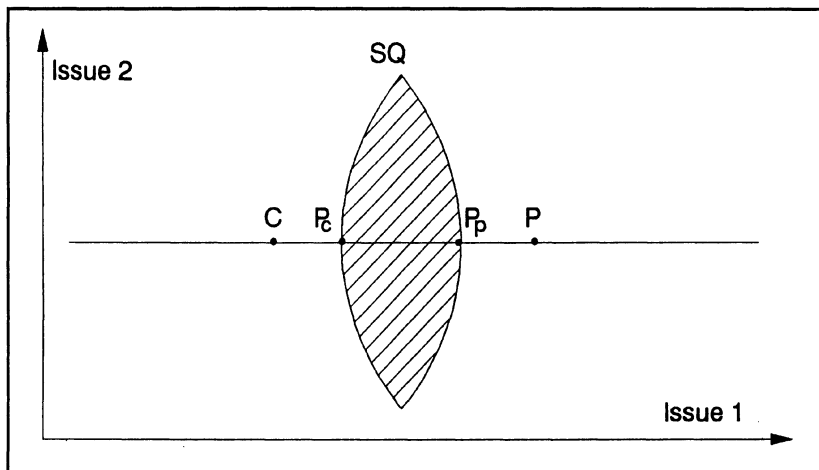


Figure 1: Location of winning proposal when the agenda is controlled by Parliament (P_p) or by the Council (P_c).

In Figure 1, the shaded area indicates the possible compromises between the EP and the council. However, if the EP can propose a solution, it will propose P_p and the council will accept, while if the council can propose a solution, it will propose P_c and the EP will accept. This figure indicates that the power to propose is much more important than the power to veto. In fact, it can help us understand why the American Congress, which cannot "vote governments out of office" (see quote from the *Economist*, above), is one of the most powerful legislatures on earth, since it has the right to propose bills to the President who can only veto, but not modify them. It can also help us understand why parliaments are weak on the other side of the Atlantic, since they have delegated proposal power to governments.

How does the internal organization of the EP, on the one hand, and the

cooperation procedure³ and the role it gives to the EP, on the other, fit into this broad picture, where presidential and parliamentary systems are reduced to a simple principle of who proposes and who accepts legislation? Not very well, since the EP (unlike Figure 1) is not composed of a single actor but of 518 (or 567 because of German reunification or 639 after EU expansion), and (unlike Figure 1) it does not quite have the power to propose, while the council can do more than veto (it can modify legislation unanimously). The purpose of this article is to demonstrate that the quite complicated and convoluted details of both the internal organization of the EP as well as the cooperation procedure, instead of creating inscrutable epicycles, combine with each other in such a way as to make the simple logic of the argument of Figure 1 applicable in the case of the EP. A straightforward extension of my argument is that the cooperation procedure resembles more a presidential than a parliamentary system, and consequently the use of inappropriate parliamentary models may be seriously misleading when we try to understand European institutions.

This article is organized into three sections. The first section makes the argument that despite its complications, the cooperation procedure ultimately resembles Figure 1. I show that the EP has a significant conditional agenda-setting power that enables it to influence legislation. However, the argument is based on the simplifying assumption that the EP is a unified actor. The other two sections explain why the previous argument is valid for the actual EP, not for an idealized unified actor. The second section presents a model that relaxes the restrictive unified-actor assumption and replaces it by cooperative decisionmaking inside the EP.⁴ This new assumption leads to essentially the same conclusions, even when the EP is composed of hundreds of members. The third section argues that the existing organization of the EP makes the assumptions of the second section reasonable approximations of reality. The combination of the three parts leads to the conclusion that the internal organization of the EP enables it to make use of the conditional agenda-setting powers attributed to it by the cooperation procedure.

2. The Conditional Agenda-Setting Powers of the EP⁵

The cooperation procedure is one of the possible venues through which European legislation is approved by the three major institutional actors, the European Commission, the European Council, and the EP. The cooperation procedure was instituted for all internal market legislation, as well as for other issues. According to this procedure, there are two readings of a bill by each the council and the EP, like for the resolution of intercameral differences in a bicameral legislature (Tsebelis and Money, forthcoming). In its second reading, the EP can, by an absolute majority of its members, make a proposal that, if adopted by the commission, requires a qualified majority (54/76) of the council for acceptance, but requires unanimity of the council for modification. This proposal can be anywhere between the EP's and the council's first reading of initial legislation, including a reiteration of the EP's previous position. Consequently, if the EP can make a proposal that makes the commission and a qualified majority of the council better

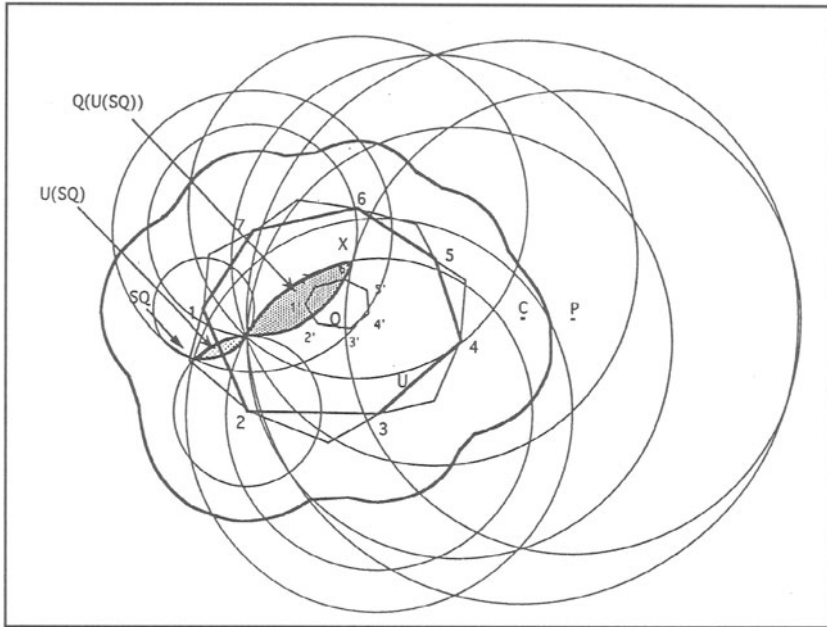


Figure 2: Status quo in area II; winning proposal exists.

off than legislation that could be voted unanimously by the council, this proposal will be adopted by all institutional actors. Figure 2 presents the strategic calculations of the EP.

Consider that the members of the council are concerned about two different issues simultaneously.⁶ To make matters more concrete, consider that the first issue (represented by the horizontal axis) is European integration⁷ and the second (along the vertical axis), the environment or any other issue. Figure 2 presents a graphic representation of the position of the members of the council. I assume that the council is composed of seven members, that a qualified majority of five is required for acceptance of the EP's proposal, and that the members of the council have circular indifference curves (Euclidean preferences); that is, each is indifferent between proposals of equal distance from their ideal point. The reason I assume seven members instead of 12 is to simplify matters, while keeping a reasonable approximation of the qualified-majority requirement. The cooperation procedure requires 54/76 (.710) qualified majority, while the qualified majority I will use here is 5/7 (.714).

Consider that the status quo (SQ) is outside the heptagon 1-7 that represents the council, as indicated in Figure 2. Consider also that the positions of the commission and the EP are on the other side of the heptagon: the points C and P, respectively. The points in the figure are selected so that the horizontal axis represents integration (see fn. 6).

If the EP is able to discover what the council can do on its own (i.e.,

unanimously) and present a proposal that makes the commission and a qualified majority of the council better off than either the SQ or what the council can do on its own, this proposal will be accepted by both the commission and the council and will be the outcome of the cooperation procedure. So, let us follow the EP in its calculations.

The council can unanimously adopt any proposal inside the area indicated by $U(SQ)$, shorthand for unanimity set of the status quo. This area is generated by the intersection of all circles that pass through the SQ and whose centers are the ideal points of the members of the council. This area is included between the circles around the two states closest to the SQ (1 and 2 in the figure).

However, which point inside $U(SQ)$ the council would select is not clear. This depends on how convincing different governments are in proposing their alternatives for a vote. For example, the Danish parliament is known to have a permanent committee on European Community legislation that extracts statements from the government prior to council meetings so that the Danish representative in the Council is particularly inflexible (Williams, 1991: 159).⁸ Under such circumstances, would other members of the community accept the Danish position as the alternative to the status quo, or would they select a different point? In Figure 2, no ideal point of the member countries is included inside $U(SQ)$, so the different countries would have to come to a compromise.

Since the unanimity position is not unique, I will impose on parliamentary proposals a severe restriction. I will require that in order to be accepted, they must be preferred by the commission and by a qualified majority of the council to *any* proposal that can be voted unanimously by the council. This way we will have an (very conservative) estimate of the conditional agenda-setting power of the EP.

In Figure 2, five out of the seven members of the council can be made better off by proposals inside the area $Q(U(SQ))$, shorthand for qualified majority set of unanimity set of the status quo. Indeed, members 3-7 prefer any point inside this area over any point inside $U(SQ)$. $Q(U(SQ))$ is generated by the intersection of five circles going through the edge of $U(SQ)$, with centers the points 3-7. Therefore, the EP can select the point it prefers most that is inside the area $Q(U(SQ))$, that is, the point closest to its own ideal point (provided that the commission prefers it over $U(SQ)$, which is the case in the figure). This is point X in Figure 2.

However, such a winning proposal does not always exist. It may be that the commission does not adopt the parliamentary amendment or that the members of the council are able to adopt an alternative by unanimity. In addition, there is another reason that I will analyze in more detail in this article. Parliamentary amendments in the second reading require absolute majority on the floor to be adopted. In practice, because of low participation, the 260 required votes constitute a two-thirds majority of members present. Moreover, given that the 518 members of the 12 countries are organized into 10 (cross-national) parliamentary groups, that voting alignments occur more frequently by political group and less frequently by country, and that voting discipline is weak, 260 votes is a stringent requirement. The most likely combination to achieve an absolute majority is a coalition of

Socialists and Christian Democrats (European People's Party), who together controlled 301 seats in EP during the 1989-1994 period.

If a winning proposal does not exist or if the EP cannot adopt one by an absolute majority of its members or if it makes the wrong choice, then the agenda is transferred into the hands of the council, which can modify the EP's proposal by unanimity. For this reason, I characterize the EP's agenda power under the cooperation procedure as conditional.

The theory behind conditional agenda-setting is the following. The two-dimensional space can be divided into four different areas, as Figure 3 demonstrates. All of these areas can be calculated exactly if the ideal points of the members are known. If the SQ is inside the area IV (in the center of the picture), it cannot be changed (either by unanimity or qualified majority). If the SQ is outside this central area, but inside the heptagon 1234567, then the council cannot modify the SQ by unanimity. In this case, the EP can select a majority in the commission and a qualified majority (Q) in the council as allies and make a proposal that is preferred by its allies to the SQ. If the SQ is outside the Pareto set

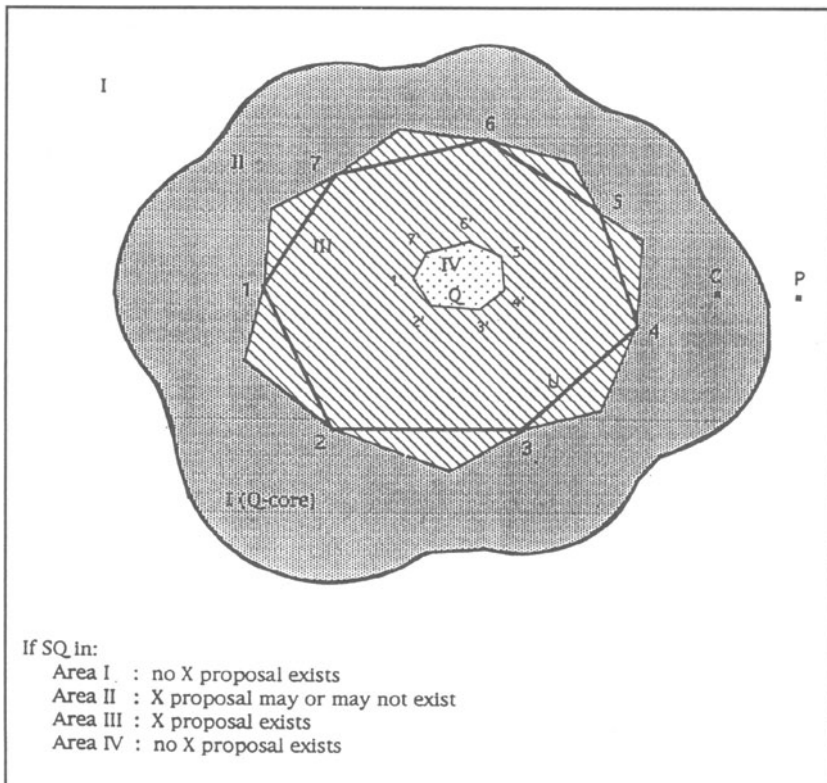


Figure 3: Existence of proposal commanding a Q-majority in Council (X) as a function of position of status quo (SQ).

but close to it, again the EP can make a winning proposal X to the council (provided the commission adopts it in its report). If the SQ is further away from the ideal points of the members of the council (area II), the set of alternatives unanimously preferred to the SQ may or may not exist. Finally, if the SQ is even further away, outside the cloudlike curve named I(Q-core) in the area I, the EP has no agenda-setting power, and the council will select its preferred solution by unanimity.

Consequently, in two dimensions the agenda-setting power of the EP increases as the SQ approaches the ideal points of the members of the council, reaches its maximum when it is inside the heptagon defined by the positions of the council members (no change is possible without the EP), but decreases again when the SQ moves centrally inside area IV. I have called the variation of EP's agenda-setting power as a function of the position of the SQ the *curvilinear property* of conditional agenda-setting. The curvilinear property is, perhaps, the most significant difference between conditional agenda-setting presented in Figures 2 and 3 and the simplistic representation of Figure 1 (which represents unconditional agenda-setting). In Figure 1 the further away the SQ, the better off the agenda-setter was, because he or she could make a proposal even closer to his/her ideal point. In conditional agenda-setting (in two dimensions), the power of the agenda-setter (EP) disappears when the SQ is far away from the members of the council, because under these conditions they are pressed (and presumably able) to find a unanimously accepted solution that will improve their welfare over the SQ.

There are paradoxes that can arise with the application of the cooperation procedure. One is that the final outcome selected by the cooperation procedure may not be inside the heptagon 1234567 (the Pareto set of the council). In another article (Tsebelis, forthcoming), I make the point that social legislation in the European Union taken as a whole is more advanced than the previously existing conditions in any of the countries' members. This development contradicts all the expectations that integration would lead to the lowest common denominator of the countries' members or to social dumping. I explain this surprising outcome by the fact that the cooperation procedure, far from leading to a convergence to the lowest common denominator, can lead outside the ideal points of *all* members.

Another is that the cooperation procedure is non-monotonic. It is possible that all members of the council keep the same preferences, one of them becomes less integrationist, and yet the result of the cooperation procedure becomes more integrationist than before. The reason would be that a movement against integration by one country would make it easier for a qualified majority to side with the more integrationist positions of the parliament than to try (in vain) to establish a unanimous position with this particular country. The conclusions of the strategic analysis of the cooperation procedure are fourfold.

2.1. Strategic Analysis

The position of the final outcome

The final outcome of the cooperation procedure will most likely be inside the

heptagon defined by the states. However, it is possible that $Q(U(SQ))$ has points outside the Pareto set, and if one of these points is the closest to the EP (and accepted by the commission), then the cooperation procedure leads to an inefficient outcome for the members of the council. The case of social regulation may be an example of such inefficient legislation.

Curvilinear property

The EP's agenda-setting power is a function of the position of the status quo. If there is a Q-core, this power is a curvilinear function of the position of the SQ. It does not exist if the SQ is inside the Q-core or far away, but it does or may exist in intermediate positions. If the issue is two-dimensional, then a Q-core is guaranteed to exist. However, the higher the dimensionality of the space, the more likely it becomes that the Q-core will be empty.

Multiple dimensions

In multiple dimensions it is likely that the Q-core does not exist. In this case, the agenda-setting power of the EP increases when the SQ is inside the Pareto set or close to it (the EP may be able to select among several possible coalitions). The underlying intuition here is that when there are multiple dimensions, there are more possibilities for the EP to select allies among the members of the council.

Informational property

Accurate information in the EP about the positions that are likely to be adopted by unanimity in the council increases the agenda-setting power of the EP. Knowing the positions of the members of the council enables the parliament to make proposals that will be accepted by a qualified majority. In the past the EP has bitterly complained about not receiving the necessary information from the council regarding the reasons it rejected parliamentary amendments.

2.2. Existence of Winning Proposals

According to my account, the EP has agenda-setting power as long as it can make a winning proposal in the second stage of the cooperation procedure. There are essentially four relevant points, and I will discuss each of them in turn.

Existence of an absolute majority in the EP

This is the requirement for successful parliamentary proposals discussed least in this article. I avoid it by assuming that the EP is a unified actor and by studying the internal divisions of the council. However, as I said above, the 260-vote requirement for a second-round proposal is not a trivial matter. It essentially requires congruence on the part of Socialists and Christian Democrats from different countries. This is not a frequently observed alliance at the national level.⁹ I think that such a coalition can be formed more frequently on social or quality-of-life issues (environment, health, education, and research) than on economic issues. To the extent that the former prevail on the agenda, EP will see its influence increase.

Acceptance by commission

The EP and the commission have had positions close to each other in the past. The existing statistics indicate that historically the commission has accepted three

quarters of parliamentary amendments in the cooperation procedure (Tsebelis, 1994). There are two ways in which EP can keep this relationship close in the future. The first is through the political responsibility of the commission in front of the EP. The second is by the means that it used in the car emissions case: it can threaten to reject a proposal in its second reading. Such a measure requires unanimity in the council and, consequently, would probably kill the commission proposal and damage the commission's reputation. However, if there is sufficient divergence between the EP's and the commission's positions, a winning EP proposal may not exist, since it will not be adopted by the commission.

Position of the status quo

An unconditional agenda-setter has more power when the SQ is far away because there is more leeway to make a "take it or leave it" offer. In contrast, the EP (a conditional agenda-setter) has less power the further away the SQ because there are many positions that the council can adopt on its own by unanimity to avoid both the SQ and the EP's position. It is reasonable to assume that throughout the history of the European Community, the SQ has continued to move toward more integration. If this assumption is accepted, and if integration continues, as the SQ approaches or gets inside the Pareto set of the council, the EP's role is likely to increase. The simple displacement of the SQ toward more integration will transform winning parliamentary proposals into the rule. Obviously, this is a *ceteris paribus* prediction, and it assumes the same institutional structure (the current cooperation procedure) and the same distribution of tastes among the different actors as currently exist.

Dimensionality

A 54/76-core is guaranteed to exist in two dimensions, but not in three or more dimensions. Lack of a core makes every point inside the Pareto set vulnerable and, consequently, increases the likelihood that a parliamentary winning proposal will exist. For this reason, if issues become more complicated, the EP's role is likely to increase. This conclusion is congruent with the argument in Weber and Wiesmeth (1991) that the likelihood of cooperation increases through issue linkage. The only difference is that issue linkage is a conscious effort (i.e., a strategy) to connect different issues, while my argument is that regardless of the reason for the connection (conscious effort or objective complication), the outcome is not only more cooperation but also a shift of power to the EP.

A famous example of successful exercise of agenda-setting powers by the EP was the case of catalytic converters in small cars. The EP made use of its conditional agenda-setting powers and proposed catalytic converters for small cars to both the commission and the reluctant council (Tsebelis, 1994). The legislation in question is far from trivial, since it affects around 60% of all passenger cars in the EC. Moreover, the differences in positions between the EP and the council were significant: compared to the council's position, the adopted legislation raised the price of small cars by more than \$500 apiece and significantly improved the environment. Additional examples would revolve around a series of directives relative to security and health at work.¹⁰ Overall, out of four parliamentary amendments, three were accepted by the commission, and of those three, two were accepted by the council, which gives the EP a success rate of 50%.¹¹

In conclusion, the cooperation procedure provides a supranational actor (EP) with conditional control of the agenda. Anytime the EP exercises this power, the outcome is more integrationist than that which the members of the council would have selected on their own (by unanimity). The outcome is also more integrationist than the positions of the council's pivotal members and can even be more integrationist than any single member of the council (outside the Pareto set). Moreover, if efficiency gains from the common policy are high (if the SQ is far away), the council can resolve redistributive issues on its own (remember that in this case, the EP has no agenda-setting power). However, if efficiency gains are low (i.e., the SQ is close to or in the Pareto set), the EP is empowered to solve the problem of equilibrium selection. Accordingly, equilibrium selection is one feature of the conditional agenda-setting mechanism.

In addition, conditional agenda-setting by the EP presents some more interesting features: the speed of integration is under the final control of governments. Indeed, most of the time the outcome will be inside the Pareto set of the council, but in any case, the council is able to overrule an EP that pushes integration too fast. Finally, another important advantage of European institutions (from an integrationist point of view) is that they diffuse responsibility for unpopular measures from national governments to some combination of supranational institutions that were able to impose their will despite existing objections.

In all the arguments of the formal analysis, the EP was considered a unified actor who could select the closest position to its own ideal point and present it to the other two actors. Occasionally I reminded the reader that forming absolute majorities inside the EP is not an easy task. This simplification did not go unnoticed. Bowler and Farrell (forthcoming) argue that "a large part of his [Tsebelis's] analysis is based on the assumption that the EP can act as a unitary actor. . . . Even if the EP were granted quite sweeping powers, legislation may still be shackled by an inability to form and maintain cohesive voting blocks." In fact, one could go one step further and argue that the difficulty of forming majorities may completely (and not just incidentally) undermine the argument I presented. For example, I argued that multidimensionality of the issue space is likely to increase agenda-setting powers of the EP because it eliminates the Q-core of the council. What if the existence of multiple dimensions makes agreement inside the EP itself more difficult? Then the conclusions presented in this part of the article would have been undermined, if not reversed. For this reason, in the next section I will take the multiplicity of actors inside the EP seriously and show that the results presented in this section hold even with a 518-member (or because of German reunification 567-member or after EU expansion 639-member) EP.

3. Conditional Agenda-Setting with a Multimember EP

Consider now a multimember EP that must make a proposal inside $Q(U(SQ))$.¹² Previous research of voting in committees has demonstrated that if a collective actor (committee) makes decisions under a symmetric agenda and its members are

sophisticated (Ordeshook and Schwartz, 1987), the outcome will be located centrally in space (technically, inside the uncovered set of the collective actor).¹³ Further research has indicated that if decisionmaking is cooperative,¹⁴ if the number of outcomes is finite, and if there are no ties,¹⁵ the outcome will be in some subset of the uncovered set: the Banks set (Banks, 1985) or TEQ (Schwartz, 1990).

However, the problem facing the EP is not to select a point from the n -dimensional Euclidean space, but rather a point from $Q(U(SQ))$. The existence of $Q(U(SQ))$ significantly modifies the decision problem of the EP. First, the uncovered set of the EP may be of no relevance at all: for example, an EP whose members were far away from the members of the council (like around the point P in Figure 2) would produce an uncovered set that does not intersect with $Q(U(SQ))$. In this case, it makes no sense for a sophisticated EP to propose a point in its own uncovered set, since it will be defeated. But even if the (unconstrained) uncovered set of EP intersects with $Q(U(SQ))$, selecting the intersection would produce a biased result because the uncovered set has been calculated considering all the points in space, while a sophisticated EP will consider *only* points within $Q(U(SQ))$.

Consequently, the problem for a sophisticated EP is to consider only the points of $Q(U(SQ))$ and find the most appropriate ones (according to some solution concept). I will call the operation, the location of the "induced (on $Q(U(SQ))$)" solution concept. In the remainder of this section, I select the uncovered set solution concept for two reasons: first, because it is the wider concept (all others produce subsets of the uncovered set) and, second, because there is an independent algorithm for the calculation of the uncovered set. Accordingly, the real question for a multimember EP is to locate its induced uncovered set on $Q(U(SQ))$ and to make a proposal in this area. I will now define the terminology in a precise way and calculate where the induced uncovered set of the EP lies in an n -dimensional Euclidean space.

DEFINITION 1 (median hyperplane of a committee): An $(n - 1)$ dimensional hyperplane will be called median if a majority of members of the committee have ideal points on it or on one side of it and a majority of members of the committee have ideal points on it or on the other side of it.

DEFINITION 2 (yolk): The yolk of a committee is the smallest sphere intersecting with all median hyperplanes.

DEFINITION 3 (covering relation): For a pair of points $x, y \in R^n$ yCx (read y covers x) iff, first, $y \in W(x)$ (y belongs to the winset of x) and, second, $W(y) \subset W(x)$ (the winset of y is a subset of the winset of x ; Miller, 1980).

DEFINITION 4 (uncovered set): $UC = \{x \in R^n / \forall y \in R^n, \text{ not } yCx\}$ (read the set of all points that are not covered by any point in space).

DEFINITION 5 (induced on $Q(U(SQ))$ uncovered set): $IUC = \{x \in Q(U(SQ)) / \forall y \in Q(U(SQ)), \text{ not } yCx\}$ (read: the induced (on $Q(U(SQ))$) uncovered set is the set of points in $Q(U(SQ))$ not covered by any point in $Q(U(SQ))$).

Miller, Grofman, and Feld (1989) have demonstrated that the location of the uncovered set can be found by elimination of points z of space that can be defeated by another point x directly (xPz , read x is preferred to z) or indirectly

(xPy and yPz). Similarly, the location of the induced (on $Q(U(SQ))$) uncovered set can be found by elimination of points z of $Q(U(SQ))$ that can be defeated by another point x directly (xPz , read x is preferred to z) or indirectly (xPy and yPz). In the remainder of this section, I will locate the induced (on $Q(U(SQ))$) uncovered set of the EP. I will demonstrate that this set is located inside a sphere homocentric to the yolk of the EP and will calculate its radius.

Consider a point X at distance d from the center C of the yolk of the EP. It is known that X defeats any point Y whose distance from C is bigger than $d + 2r$, where r is the radius of the yolk (Ferejohn, McKelvey, and Packell, 1984). Consequently, X covers any point Z with distance bigger than $d + 4r$ from C , since X defeats Y and Y defeats Z (Miller, Grofman, and Feld, 1989). However, these results are calculated with the assumption that any point in space can be compared to any other. Moreover, the points that can defeat X and are at a distance close to $d + 2r$ from the center of the yolk are located on the other side of C from X . Consequently, if the set of points is restricted in one area of space (as in the case in point), we may be able to pinpoint the induced uncovered set more accurately.

For a moment, ignore the council and concentrate on the SQ and the winset of the SQ with respect to the EP (all points that the EP prefers by a majority to the SQ). We know (Ferejohn, McKelvey, and Packell, 1984) that this winset is included inside a cardioid that is given in polar coordinates by the equation $2(r + d\cos\Theta)$. Call x the distance of the center of the yolk from the point Y of the cardioid at angle Θ from X .

The distance x is given by the equation:

$$x^2 = d^2 + 4r^2 + 4drcos\Theta. \quad [1]$$

Proof: x is the third side of a triangle with sides d , $2(r + d\cos\Theta)$, and angle Θ in-between. Applying the Pythagorean theorem to the triangle CYY' we get $CY^2 = CY'^2 + YY'^2$, which after substitutions and simplifications reduces to Equation 1.

Note from Equation 1 that x is a decreasing function of Θ since $\cos\Theta$ is a decreasing function of Θ . Consequently, if instead of examining the sphere that includes the whole winset of X we are concerned with a sphere including some part of it, it is possible that Θ has a lower bound Θ^* that would produce a smaller sphere surrounding the part of $W_c(X)$ in which we are interested. The radius of this sphere would be

$$x^{*2} = d^2 + 4r^2 + 4drcos\Theta^*. \quad [2]$$

This is exactly the problem facing a sophisticated EP. Consider $Q(U(SQ))$ and the yolk of EP with center C . Call C' the point of $Q(U(SQ))$ closest to the center of the yolk. Call r the radius of the yolk and d the distance of the center of the yolk from $Q(U(SQ))$. Call R the radius of $Q(U(SQ))$ at C' (R is the radius of the indifference surface of some member of the Council of Ministers, call her MC).

Consider now the outer cardioid associated with point C' (call it first-generation cardioid) and its intersection with $Q(U(SQ))$. Call Θ^* the angle of the cardioid. The winset of C' for the EP is included in the intersection of two spheres: one with center MC and radius R (which is the relevant part of $Q(U(SQ))$) and one with center C and radius x^* (given from Equation 2).

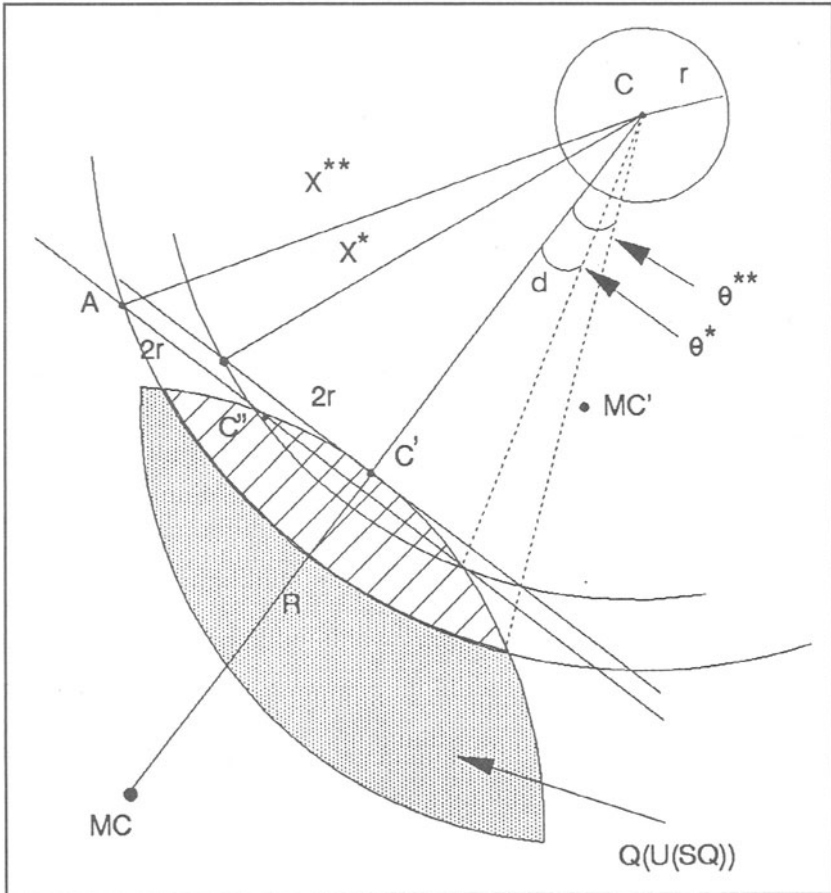


Figure 4: Location of winning proposal by parliament.

Call C'' the point where the two spheres intersect in Figure 4. Repeating the same enterprise with the outer cardioid of point C'' produces another angle θ^{**} and associated radius x^{**} . The induced uncovered set is included in the intersection of the spheres (MC, R) and (C, x^{**}) .

The appendix of Tsebelis (forthc.) produces two different conservative estimates of x^{**} in the case that $Q(U(SQ))$ is on one side of the yolk of EP. They are:

$$x^{**2} = d^2 + 8r^2 + 8r^2(\sqrt{R^2 + Rd - r^2})/(R + d) \quad [3'A]$$

$$\text{and } x^{**} < \sqrt{d^2 + 16r^2}. \quad [3''A]$$

The geometric construction of Equation 3'A is simpler than the algebraic formula. Figure 4 shows that in order to construct x^{**} , one draws a perpendicular to CC' on C' and takes a segment $2r$ on it. x^* is the hypotenuse of the right-angle triangle, and C'' is the intersection of the circle (MC, R) with (C, x^*) . Drawing the chord and expanding it by $2r$ produces the point A . x^{**} is the distance CA .

Equation 3"A can be constructed just by taking a segment $4r$ on the perpendicular to CC' . It is easy to verify that even this very conservative estimate is an important improvement over the expectation of $d + 4r$ (see above).

If $Q(U(SQ))$ intersects with the yolk of the committee, or if it surrounds it, $d + 4r$ is a good approximation of the locus of the induced uncovered set. If the center of the yolk is included in $Q(U(SQ))$, the induced (on $Q(U(SQ))$) uncovered set coincides with the uncovered set. Finally, if the majority of members of the EP lies in the shaded area of Figure 5, then there is only one possible parliamentary proposal (identical to the one calculated in the first section).

The conclusion of this analysis follows. The induced ideal point of the single-member EP of the first section is now replaced by an area around it. This area always includes the point calculated by the (simplifying) single-member parliament assumption. In addition, the size of the area where the parliamentary proposal will be located is reduced as the distance of the center of the yolk of EP from $Q(U(SQ))$ increases. At the limit (presented in Figure 5), the proposals of a single- and a multimember parliament become identical.

The analysis in this section indicates that the simplifying assumption of a single-member parliament can be relaxed without loss of the conclusions of the analysis. It must be replaced, however, by either restrictive agenda procedures (Ordeshook and Schwartz, 1987) or, more realistically, a cooperative decisionmaking process that essentially ignores agendas and enables majorities to make contracts and support different alternatives (Schwartz, 1990). In a cooperative voting setting with enforceable contracts, a majority would never vote to replace an alternative x unless it preferred the replacement to x . Schwartz (1990) has defined a set inside which the recontracting process is likely to occur. This set is a subset of the uncovered set, and, consequently, cooperative majority voting would lead to an outcome inside the shaded area in Figure 4. Is cooperative majority voting a reasonable approximation of the decisionmaking inside the EP? The next section of this article will answer this question in the affirmative.

4. Committee Reports and Cooperative Decisionmaking¹⁶

The work of the EP is organized and facilitated by both institutional and partisan structures. The first is the formal committee system; the second is the underlying division of power and responsibilities agreed on by parliamentary groups. I will examine the pertinent characteristics of each one of them individually.

4.1. The Committee System

The EP currently has 19 committees. The most prestigious are those with the most members: Foreign Affairs and Security (56 members); Agriculture, Fisheries, and Rural Development (45 members); Budgets (30 members); Economic and Monetary Affairs and Industrial Policy (49 members); Regional Policy, Regional Planning, and Relations with Regional and Legal Authorities (35 members); and Environment, Public Health and Consumer Protection (50 members).

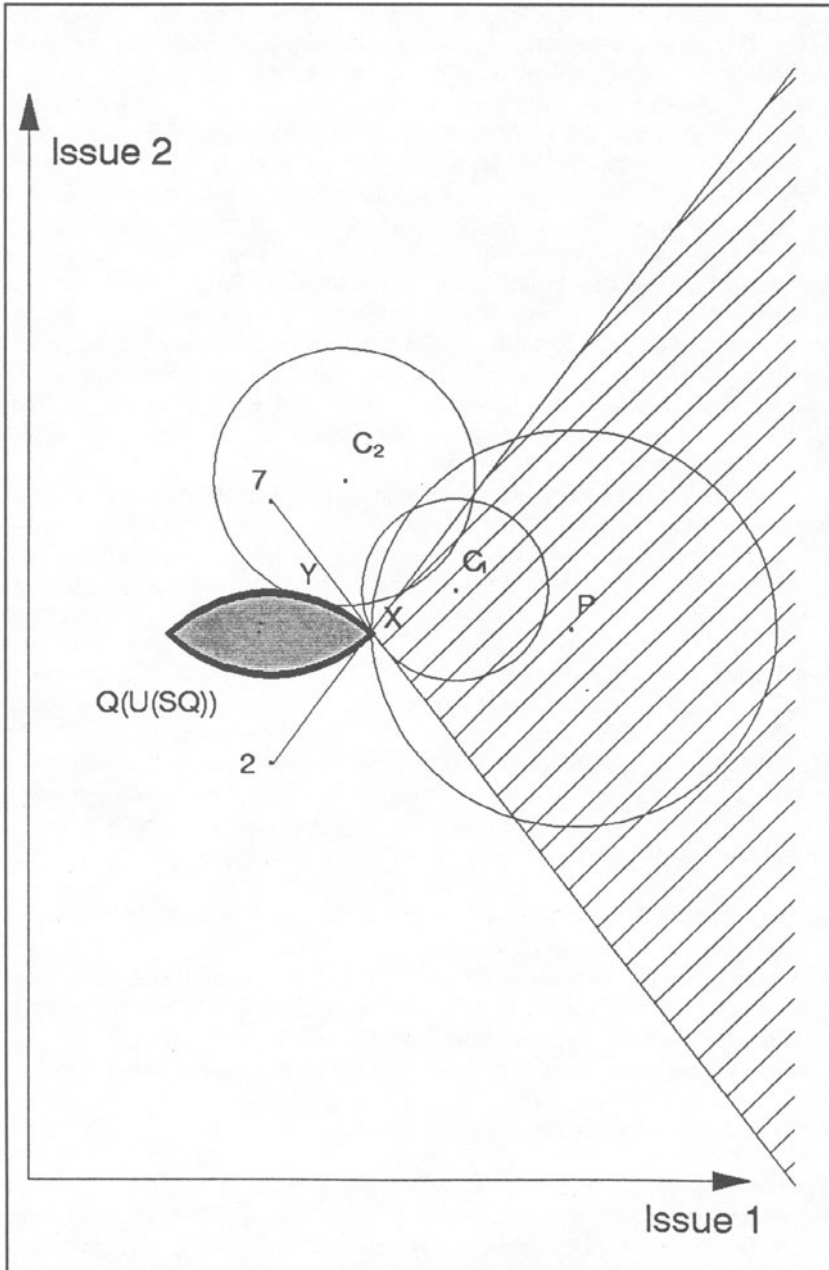


Figure 5: Location of parliamentary majority for existence of a unique winning proposal.

More than two thirds of EP members (68%) serve on only one committee, while most of the rest serve on two committees. The general rule is that each member serves on one committee as a full member and on another as a substitute (I discuss the role of substitutes below). The composition of committees is proportional to both nationality and party affiliation (Bowler and Farrell, forthcoming; Table 2). In this sense, committees are representative of the parent chamber in every respect. However, there is a tendency of committees to be composed of individuals sympathetic to the purpose of the committee (e.g., more members from the south are on the agriculture committee).

Each committee has one chair and three vice-chairs, who together constitute its bureau. They are elected at the committee's constituent meeting (normally during the July session of a new parliament). Their term is for two-and-a-half years. In the middle of the legislative term, the whole parliamentary leadership is replaced or rotated. Other powerful members within each committee are its coordinators (leaders and spokespersons of each political group). Once a bill has been delegated to one particular political group (see below), the coordinator of that group selects the rapporteur.

The institution of rapporteurs is unknown to Anglo-Saxon parliaments but common in continental Europe. Rapporteurs are responsible for preparing initial discussion within the committee, presenting a draft text, and amending it, if necessary, according to the positions developed in the committee. Once the report is adopted by the committee, the rapporteur presents it on the floor of the EP. He or she also speaks on behalf of the committee on any plenary amendments. In the cooperation procedure, the rapporteur follows the developments concerning the bill and prepares a recommendation before the second reading. The rapporteur may also ask the commission's point of view before the final vote of a proposal by the EP (Jacobs, Corbett, and Shackleton, 1993: 116).

Discussions in committees were informal before 1981, when committees met in small rooms in the building on Boulevard de l'Empereur (in Brussels). They have since become more formal, with new committee meeting rooms at Rue Belliard, where the bureau of the committee faces the rest of the committee members, who are organized in groups. Some of the meetings are open while others are closed (depending on the committee and the subject), but in general, EP committee meetings are more open than corresponding national parliament committee meetings on the Continent. Because exchange of opinions is more spontaneous, it is frequent that committee members use each other's language instead of the official translating system, and in meetings of group coordinators there are sometimes no translators as all-English or French is used (Jacobs, Corbett, and Shackleton, 1993: 112).

It is standard practice for committee reports to be put to a vote on the floor of EP. It is possible (although for the time being rare) that the committee deliberates *instead* of the EP. According to Rule 37 of the EP's Rules of Procedure, a report can be adopted by the committee without involving a vote on the floor. This rule originates in the Italian parliament, where committees can legislate (*sede*

legislativa). A request for such a deliberation is made by the committee itself, by the President of the EP, or by 23 members. The EP decides on the request, but the decision is negative if 10% of members object to the delegation. Even if the delegation is granted, one member of the committee can refer the matter back to the plenary session (Jacobs, Corbett, and Shackleton, 1993: 123).

These are the relevant rules of the formal organization of the EP. A closer examination, however, reveals a process that is closely followed and controlled by the political groups of the EP. I now turn to this point.

4.2. The Role of Parliamentary Groups

There are currently 10 political groups in the EP. The Left Unity, the United European Left, the Greens, the Rainbow, the Socialists, the Independents, the Liberals, the Christian Democrats, the European Democratic Alliance, and the European Right. These parliamentary groups design what happens in the committees and on the floor of the EP.

First, the groups agree on the division of committee bureaus, and they enforce their agreement. The actual allocation is determined proportionally (d'Hondt system) to the size of the groups. Once a chair is offered to a particular group, the individual who receives it is selected on the basis of the size of the national delegation and expertise (oddly enough, seniority does not play an important role in the process). The same procedure is followed for the selection of the first, second, and third vice-chairs. Nominations backed by this system are very rarely disputed. If they are, the nominee backed by the pact of political groups gets elected, and the challengers get punished. For example, after 1989 the group of the European Right challenged the nomination system and placed candidates against the official nominees in most committees. The outcome was that not only were these nominees defeated but also the only official nominee of the group (for the position of the third vice-chair of the Transport Committee) got challenged and was defeated, leaving the group with no representation in committee bureaus (Jacobs, Corbett, and Shackleton, 1993: 105).

Committee membership is also agreed on by the parliamentary groups. While, as stated above, the composition of most committees is proportional to the whole EP, position trading can result in alternate committee structures. For example, after the 1989 election, the Socialist and the Christian Democratic groups, which together control a majority in the EP, agreed to trade some positions in the agriculture and the environment committees. As a result, the Christian Democratic group is overrepresented in the former and the Socialist group on the latter. However, the foremost way that parliamentary groups control committee assignments is through the institution of substitute members.

The 1972 Rules specified that substitution was in the hands of individual committee members: "Any member of a committee may arrange for his place to be taken at meetings by another Representative of his choice. The name of the substitute shall be notified in advance to the chairman of the committee" (article 40.3). In the 1989 version, the right to appoint substitutes is granted to party

groups: "The political groups may appoint a number of permanent substitutes for each committee equal to the number of full members representing them in the committee" (article 111.1) (quoted from Bowler and Farrell, forthcoming). This transfer of powers is particularly significant since there is no difference in rights between full and substitute members. Substitutes can participate in the meetings and speak. They cannot vote when their vote would cause the number of their group's votes to exceed the number of full members of their group. Consequently, both committee membership and leadership are in the hands of political groups. The question of the rapporteurs, who are so important for the legislative work of committees, remains.

The appointment of rapporteurs is also in the hands of parliamentary groups through the following auction mechanism. Each group receives a number of points proportional to its size. The group coordinators decide the number of points each subject is worth. Following the announcement of the official price of different bills, the different groups are allowed to bid against each other (with a maximum of five points per bill). If two groups offer the maximum price, they are supposed to trade different bills with each other. This mechanism is quite often subject to the "winner's curse" characteristic of auctions: the winners pay too much in order to get a bill from other groups who are not interested in the bills but who want their opponents to use their points so that they will get their preferred bills cheaper. If a group has a member who is considered a specialist on a particular issue, it announces the name of the rapporteur to discourage other groups from bidding.

To conclude this (partial) description, it becomes clear that the EP is very well-organized as a legislative body; its decisionmaking procedure approximates very well cooperative decisionmaking. Not only is its committee system almost as developed as that of the U.S. Congress, but in addition, all the essential processes of selection are in the hands of parliamentary groups that control committee membership, committee leadership, and committee rapporteurs. The rapporteurs, once selected, are responsible "to build coalitions in committees" (Bowler and Farrell, forthcoming). Consequently, it is the duty of the rapporteurs to see that the amendments they propose not only get the support of the committee but also clear the floor with the required majority and, finally, get adopted by the commission and the council.

It is possible that rapporteurs adopt partisan views, in which case their position is defeated in the committee (but their point of view becomes a matter of record). However, more frequently, they try to put together a majority coalition supporting their proposal. Particularly with respect to the second reading of the cooperation procedure (or, in the future of the codecision procedure) where an absolute majority is required, the effort is made in committee to create a broad consensus so that the final text will receive the required majority. For obvious reasons, the role of rapporteurs is very important in this process. They must meet with party coordinators and the bureau of the committee in order to assure broad support of the amendments that they propose. Committee meetings are informal, with more spontaneous exchange of opinions, so that different proposals can come under consideration without being eliminated by stringent agenda requirements.

Consequently, amendments to a rapporteur's report that are voted in the committee are preferred by a majority to actually replace x.

In short, the decisionmaking mode of committees in the EP approximates cooperative majority voting, with the rapporteur responsible for drafting the legislation that can be supported by a coalition and the rest of the members proposing alternatives that can actually replace a rapporteur's proposal.

5. Conclusions

I began this article with a very restrictive assumption: that the EP is a unitary actor. Under this assumption, I demonstrated that the EP has an important power that I call conditional agenda-setting. In the second section, I demonstrated that this power exists even if we relax the unitary-actor assumption and replace it by cooperative majority voting. In the third section, I demonstrated that the committee system of the EP, and in particular the institution of rapporteurs, enables the EP to make cooperative decisions. Consequently, all the conclusions made under the restrictive and unrealistic assumption of a unitary EP are valid under the more general setting of cooperative majority voting in parliamentary committees (which is a very realistic assumption).

However, the whole argument should be understood as an exploration of the *possibilities* open to the EP, not of its actual practices. In order to see whether members make use of all these powers, one should follow the legislative process more closely and examine the frequencies with which these possibilities become realities. How frequently do rapporteurs' proposals get defeated in the committee or on the floor? How frequently do they propose partisan alliances as opposed to broader ones? How easy is it for a committee report to get the required (by the cooperation and the codecision procedures) absolute majorities on the floor? These empirical questions will be the subject of subsequent investigations.

Endnotes

1. Parts of this chapter are reprinted from "The Power of the European Parliament as a Conditional Agenda-Setter" in *American Political Science Review* 1994, 88: 128-142; other parts are reprinted from "Conditional Agenda Setting and Decisionmaking *Inside* the European Parliament" in *Journal of Legislative Studies* (forthcoming). They are reprinted here with permission from those journals, respectively. This research was supported by a Guggenheim fellowship and a grant from the Study Group on the Political Economy of European Integration of the Center for German and European Studies of the University of California, Berkeley. I would like to thank Jeff Frieden for many useful comments. I also thank Neal Jesse, Amie Kreppel, and Monika McDermott for editorial and research assistance.

2. All of these articles were written before the Maastricht treaty. See also the discussions on the "democratic deficit" of European institutions, which among other things imply a weakness of the EP (Bogdanor, 1989; Thomas, 1988; Williams, 1991; Bowler and Farrell, 1993).

3. In this article, I will limit my analysis to the cooperation procedure, which is responsible for the laws of the single market. For a comparison between this procedure and the codecision procedure introduced by Maastricht, see my "Will Maastricht reduce the 'democratic deficit?'" (Tsebelis, no date), where I make the argument that despite good intentions, the treaty reduces the potential role of the EP because it replaces the agenda-setting role with a veto.

4. I use here the term "cooperative decisionmaking" in its technical sense, that is, that agreements are enforceable.

5. This section presents the main points made in Tsebelis (1994). The interested reader should consult that article for proofs of the propositions, conditions under which they apply, examples of conditional agenda-setting powers, as well as the implications of this analysis for European integration.

6. I select a two-dimensional representation instead of the (marginally simpler) one-dimensional one for several reasons. First and foremost, because one-dimensional models typically produce equilibrium results (Shepsle, 1979), while two-dimensional models not only generically lack such equilibriums but they produce chaotic behavior, that is, cycles all over the space (McKelvey, 1976), the model here includes a mechanism for equilibrium selection that the reader will not be able to identify unless the generic model has the possibility of producing chaotic results (i.e., is at least two-dimensional). Second, the results from two dimensions are easily generalizable to more than two dimensions, which is the most realistic assumption in the politics of the European Community. Third, two dimensions is the minimum required to give EP the possibility of selecting a supporting coalition inside the council. Finally, as it will become clear later, the

one example of the cooperation procedure I will present cannot be represented in a less than two-dimensional space (in fact, at that point it will become clear that the representation of the status quo requires more than one dimension).

7. According to the standard argument, the EP and the Commission are more pro-integration than the members of the Council (Garrett, 1992).

8. What Denmark does in this case is nest the international game of European policy making inside its domestic politics game in order to achieve a credible threat (Tsebelis, 1990; Putnam, 1988).

9. Exceptions include tripartism in post-World War II France, the Grand Coalition in Germany (1966-1969), post-1960s coalitions in Italy, and coalitions in Belgium and the Netherlands.

10. Notably the "Health and Safety at Work" directive (89/391/EEC), the "Machinery" directive (89/392/EEC), and the "Display Screen Equipment" directive (90/270/EEC). For a detailed analysis of the importance of these directives and the contributions of the EP, see Tsebelis (forthcoming).

11. See Tsebelis (1994), but further empirical studies are needed to assess the political significance of these amendments.

12. In the remainder of this analysis, we will assume that $Q(U(SQ))$ exists, otherwise there is no agenda-setting power whether the EP is composed of 518 members or of one.

13. For technical definitions, see below.

14. Cooperative decisionmaking assumes that agreements are enforceable (so that proposals can be compared in any possible way, regardless of the agenda).

15. Both assumptions are violated by spatial modeling, but one can imagine a finite set of points inside $Q(U(SQ))$ that would satisfy these assumptions.

16. The analysis here rests heavily on two recent sources that describe committees inside the EP (Jacobs, Corbett, and Shackleton, 1993; Bowler and Farrell, forthcoming).

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