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Der Kleinstaat als Akteur in den Internationalen Beziehungen

Verlag der Liechtensteinischen Akademischen Gesellschaft

*Dieses Buch entstand in Zusammenarbeit und mit finanzieller
Unterstützung des Herbert-Batliner-Europainstituts in Salzburg.*

© 2004 Verlag der Liechtensteinischen Akademischen Gesellschaft
FL-9494 Schaan, Postfach 829
ISBN 3-7211-1059-5
Satz: Atelier Silvia Ruppen, Vaduz
Druck: Lampert Druckzentrum, Vaduz

Bibliografische Information Der Deutschen Bibliothek
Die Deutsche Bibliothek verzeichnet diese Publikation in der
Deutschen Nationalbibliografie; detaillierte bibliografische Daten
sind im Internet über <http://dnb.ddb.de> abrufbar.

Can small states influence policy in an EU of 25 members?

Baldur Thorhallsson

Survey

1. *Introduction*
2. *Decisive administrative characteristics*
3. *Little division between policy formulation and implementation*
4. *Relationships with the Commission*
5. *Negotiation tactics in the Council*
6. *Conclusion*

1. Introduction

When the European Communities were founded in the 1950s, a considerable effort was made to allow the small Benelux (Belgium, the Netherlands and Luxembourg) member states to feel at ease with the larger members (Germany, France and Italy). The institutional structures of the Communities bore the hallmark of a balanced decision-making system between the small and large states. It took account of the small states' fear that their larger partners might try to control the agenda and become dominant within the new institutions. The small states, proportionally,¹ gained a bigger voice within the decision-making system compared to the larger ones. This was enshrined in the Treaties and mainly took the form of each member state's right to veto within the Council of Ministers, equal access to the policy-making structure of the European Commission and a proportionally higher number of representatives from the small states in the European Assembly. In addition,

1 According to the number of inhabitants, GDP, territorial size and potential military capability.

Can small states influence policy in an EU of 25 members?

the fact that the new institutions of the Communities were mainly located in small member states (Belgium and Luxembourg) further strengthened their position. Thus, the original institutional arrangement gave the small member states a flying start within the Communities. They not only gained a considerably voice within the new institutions but also influenced their powerful neighbours in the creation of a supranational institutional framework where the interests of small states would be taken account of. Powers were transferred from member states to the new institutions set to govern policy areas mentioned in the Treaties. This framework gave the small states the possibility to influence policy at European level to an extent never seen before.

However, it would have been unrealistic not to expect the large states to have a greater say in the Communities than their smaller partners. The large states had more resources² and were therefore bound to try to guarantee their interests and exercise their influence within the Communities. France and Germany soon took the lead and became the vehicle for steps towards further European integration. The creation of an informal European Council and later a formal one gave national leaders an increased possibility to influence the scope of the integration process. The European Commission, which was supposed to be at the heart of the Communities and lead the way towards greater integration, had gained a challenger for this role, the European Council. The three initial larger members of the Communities, joined by Britain in the 1973 and Spain in 1986, increasingly took the lead either by advocating closer integration or halting its development.

Between 1986 and 1994, the European Union (EU) consisted of five large states (Germany, France, Italy, Britain and Spain) and seven small ones (the Benelux, Ireland, Denmark, Greece and Portugal). The small states were able to guarantee their interests within the framework of individual policy sectors, largely created by the large states and the Commission.³ Thus the two groups of member states were at ease with each other. Alliance formations in EU policy-making were built on political and economic interests in individual policy sectors irrespective of the size of the member states. The small states only formed a stable

2 E.g., financial and administrative capacity at home and abroad.

3 Thorhallsson, *The Role of Small States in the European Union*, 2000.

alliance over treaty reforms, where their common interest was to keep the structure in their favour, as set in the original Treaties.⁴

The enlargement in 1995 brought three small states (Austria, Finland and Sweden) into the Union. As the date of the 2004 enlargement eastwards and southwards approached, the large states became increasingly more worried about their position as nine small states (except Poland) were about to enter the EU. The large states feared that the power balance might shift to the group of 19 small states. The growing anxiety of the large states as to their ability to influence EU decisions came to the fore at the Nice Summit (December 2000). The treaty reform at Nice, seen from the large states' perspective, was of key importance since it was their only chance to shift the balance of power towards the group of large states before enlargement in 2004. The large states wanted to secure their influence in an enlarged Union,⁵ bearing in mind that the small states stick together in defending their position in treaty reform. Dealing with 19 small states instead of 10 in treaty reform is bound to be a bigger challenge.

It is, however, debatable as to what extent the large states managed to strengthen their position at the Nice Summit. The media portrayed the outcome of the Nice Summit as being in favour of the large states. However, more careful analysis of the final outcome of the Summit indicates that small states did not lose out in the new institutional arrangement. Firstly, each of the large states lost one of their two Commissioners while each of the small states managed to hold on to their Commissioner. Secondly, the change in the weighting voting system in the Council of Ministers at Nice did not involve any excessive loss of voting strength for the small states, particularly bearing in mind that member states had already accepted in principle a weighting loss in the Treaty of Amsterdam as compensation for the larger states' abandonment of their right to nominate a second Commissioner. Thirdly, the large states, except for Germany, lost a similar percentage of seats in the European Parliament as the small states.⁶ It would be simplistic to argue that the

⁴ Ibid., p. 40–43.

⁵ See, for instance, *Gray/Stubb*, Keynote Article: The Treaty of Nice – Negotiating a Poisoned Chalice? In: *Journal of Common Market Studies*, Vol. 39, Annual Review, September 2001, p. 5–23.

⁶ *Galloway*, The Treaty of Nice and «Small» Member States'. In: *Current Politics and Economics of Europe*, Vol. 11, No. 1, 2002, p. 11–29.

position of the large states must be better after the Nice Treaty. The small states stood their ground in the negotiations leading to the Treaty and at the Summit itself. They may have failed to form a coherent coalition to protect their interests in the negotiation process⁷ but, at present, there is nothing that indicates that the small states are in a worse position to influence decisions within the EU after the Treaty. For instance, *Wessels* argues that EU policy formation will continue (to remain and) evolve according to the present decision-making processes of the EU. Decision-making in the Union will continue to be consensus-oriented. More actors than ever before are involved in the decision-making process and member states avoid creating a situation that would lead to fundamental cleavages. The Treaty of Nice succeeded to provide a framework where consensus is the decision-making norm.⁸ Nonetheless, it remains uncertain as to what extent this decision-making procedure can function in a Union of 25 states. Some member states might be tempted to establish permanent blocking minorities or permanent coalitions based on regional or socio-economic interests.⁹

The EU is now a Union of (mostly) small states. Table 1 demonstrates that a state is considered small or large, depending on whether its population is below 17 million or 38 million and above, according to its territorial size, Gross Domestic Product (GDP), military expenditure and the number of people working in its foreign service, with only few exceptions.

It is particularly useful to consider the administrative capacity of member states since national administrations most often represent states within EU institutions particularly in the day-to-day policy making of the Union. In order to be more specific on the capacity of national administrations to work within EU decision-making processes, information on the number of people working in each member state's foreign service has been gathered. The fourth row in the table shows the number of employees in each member state's foreign service, excluding personnel employed locally by missions abroad.

⁷ *Gray/Stubb*, Keynote Article, Ibid., p. 19.

⁸ *Wessels*, Nice Results: The Millennium IGC in the EU's Evolution'. In: *Journal of Common Market Studies*, Vol. 39, No. 2, 2001, p. 214–15.

⁹ Ibid., p. 206.

Table 1: Member States of the European Union: Size Index

States	Population (in millions) 1 January 2004	Surface area (in thousands of km ²	GDP (in thousands of millions of euros: 2003	Number of people working in the foreign service: April 2001*	Military expenditure (in millions US\$: 2003)**
<i>Small States:</i>					
Malta	0.4	0.3	4	256	32.6
Luxembourg	0.5	3	23	206	176
Cyprus	0.7	9	11	231	147
Estonia	1.4	45	8	479	123
Slovenia	2.0	20	24	451	324
Latvia	2.3	65	10	455	170
Lithuania	3.4	65	16	440	268
Ireland	4.0	70	132	820	721
Finland	5.2	339	143	1 642	1526
Denmark	5.4	43	188	1 663	2534
Slovak Republic	5.4	49	29	931	391
Austria	8.1	84	267	1 397	1513
Sweden	9.0	450	224	1 500	4363
Hungary	10.1	93	73	1 923 ^{NB}	1003
Czech Republic	10.2	79	76	2 165	1272
Belgium	10.4	31	267	2 103	3005
Portugal	10.5	92	131	2 038	2303
Greece	11.0	132	153	1 810	5241
Netherlands	16.3	34	454	3 050	6055
<i>Large States:</i>					
Poland	38.2	324	185	2 730	3235
Spain	41.0	507	743	2 619	7325
Italy	57.5	302	1.301	4 688	20811
United Kingdom	59.5	245	1.589	5 500	37137
France	59.9	552	1.557	9 800	35030
Germany	82.5	357	2.129	6 515	27169

* Excluding personnel employed locally by missions abroad.

** Figures are in millions US dollars at constant 2000 prices and exchange rates. The figure from Sweden is estimated. NB: March 2004.

Sources: number of inhabitants and GDP: Eurostat (2004), *Eurostat news, monthly news, June 2004*. Available online: <http://europa.eu.int/comm/eurostat> (Accessed 3 July 2004); surface area: Institut national d'études démographiques, *The population of the world* (2003) (ed.) by Pilson G. in *Population & Societies* (monthly newsletter), No. 392, July–August 2003, France: Institut national d'études démographiques; number of people working in the foreign service: the Foreign Ministry in each country; military expenditure: Information from the Stockholm International Peace Research Institute (SIPRI), (2004). Available online: http://first.sipri.org/non_first/result_milex.php?send (Accessed 3 July 2004).

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There is a growing tension within the EU between the small and large states. This became manifest in the negotiations leading to the Treaty of Nice and the European Constitution. For instance, foreign ministers from fourteen small states, along with the Polish foreign minister, met in Prague, ahead of the Intergovernmental Conference which started in Rome in October 2003, in order to prevent the large EU countries to dominate the new Union built on the Constitution. The group was lead by the Czech Republic and Austria. It wanted to preserve each member's right to have a representative in the European Commission, a rotating presidency and a double majority system of both states and populations. However, the small states within the Union were not united on these issues as the Benelux failed to send representatives to the Prague meeting.¹⁰ Moreover, representatives of sixteen small states¹¹ sitting in 105-member Constitutional Convention often got together and in spring 2003 signed a letter to European Convention president Valéry Giscard d'Estaing protesting against what they saw as an attempt of the large states to gain more power in the Union. The letter argued for retention of the rotating presidency and for a Commissioner for each member state.¹²

Groups of small states will to stick together to defend their position in treaty reform. Their views may differ on the increased role of the European Parliament and what should be included in the European Constitution since their policy on these issues largely depends on their elite's view on the supranational character of Union. On the other hand, they will try to guarantee their proportionally higher number of votes in the Council of Ministers, proportionally higher number of representatives in the European Parliament, access to decision-making within the Commission, i.e., a Commissioner per member state, and ensure that there is, as far as possible, equality between them and the larger states in the European Council. The interesting question is how the small states

10 BBC news, (1 September 2003). Available online: <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/europe/3197635.stm> (Accessed 29 June 2004).

11 The group consisted of representatives from Austria, Denmark, Finland, Ireland, Portugal, Sweden, Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Slovakia and Slovenia. Representatives from the Benelux countries did not join the group.

12 BBE news, (16 May 2003). Available online: <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/europe/3035231.stm> (Accessed 29 June 2004).

can best guarantee their interests within an enlarged Union. How can small states guarantee success in the institutional debate and individual policy sectors? What procedures and tactics are best suited for small states to maximise their capacity of influence within the EU? It has to be borne in mind that influencing day-to-day EU policy-making, in particular sectors, may be as important as influencing in treaty reform.

Small states are said to be more vulnerable than large states in political, economic and strategic terms.¹³ They are vulnerable to international pressure and have to adjust domestically in order to cope with political and economic international consequences.¹⁴ Also, small states are seen to have fewer economic, military, administrative and diplomatic resources as regards influencing decisions made at the international level.¹⁵ Thus, small states cannot be expected to be able to exercise as much influence in international institutions such as the European Union as large states. The key question for all small states is how to overcome the vulnerability associated with their smallness. Representation of EU member states in the Union's day-to-day decision-making processes, like in other international institutions, is mainly by national administrations. Politicians may take the final decisions and represent their nation in particular forums within international organisations. However, it is the bureaucrats who are most often responsible for the daily work within international forums. The EU is no exception. It is of fundamental importance that national administrations are capable of working efficiently within EU institutions.

It takes time for all national administrations, small and large, to adapt to EU membership. The ability of small administrations to participate in the Union has often been put in doubt and policy-makers within the EU have been sceptical about the capacity of new small members to engage in the complexity of EU business. The EU, for instance, put

13 For instance, see *Archer/Nugent*, Introduction: Small States and the European Union. Current Politics and Economics of the European Union, Vol. 11, No. 1, 2002. *Commonwealth Secretariat*, A Future for Small States. Overcoming Vulnerability. Report by a Commonwealth Advisory Group, 1997. *Commonwealth Secretariat*, Vulnerability: Small States in The Global Society, Report of a Commonwealth Consultative Group, 1985.

14 *Katzenstein*, Small States in World Markets: Industrial policy in Europe, 1985. *Ibid*, Corporatism and Change: Austria, Switzerland and the Politics of Industry, 1984.

15 For instance, see *Handel*, Weak States in the International System, 1981; *Thorhallsson*, 2000; *Archer/Nugent*, 2002.

considerable emphasis on the need for the states that entered the Union in 2004 to have appropriate administrative capacity. The national administrations of the new member states were examined in detail by the Commission and recommendations made on how to increase their capacity to engage in EU decision-making and implement EU decisions. Efficient administration capable of working within the EU was made preconditional to membership. For instance, Malta had to make considerable changes in its administrative structure in order to qualify for membership.¹⁶ Historically, new small member states such as Ireland, Greece and Portugal faced difficulties in working within the EU framework. Whereas Ireland and Portugal have overcome these difficulties, Greece has not yet because of its traditionally weak administrative structure.

The ability of a state to influence the decision-making processes of the EU may have as much to do with skilful and efficient domestic EU policy-making, negotiation tactic and contacts in the EU institutions and other member states as it has to do with the exact number of votes in the Council of Ministers, the right of veto in particular policy sectors and in the European Council. Small states are caught between the increased complexity of the EU decision-making structure and their limited administrative resources. Small administrations must find a way to participate efficiently within the Union in order to defend their national interests. They must be able to be as successful in EU decision-making as the larger administrations. This major challenge has led small member states to adapt strategies that differ from those of the larger members. There is a fundamental difference between the working methods of small and large states in the EU's decision-making processes, as discussed below. The research on which these findings are based covers the period 1986 to 1994 and the seven small member states at the time: Luxembourg, Ireland, Denmark, Portugal, Greece, Belgium and the Netherlands. It compares their behaviour with that of the large states in two policy areas, i.e., the Common Agricultural Policy (CAP) and Regional Policy.¹⁷

16 *Commission of the European Communities*, Enlargement Strategy Paper: Report on progress towards accession by each of the candidate countries, 2000, Available online: http://europa.eu.int/comm/enlargement/report_11_00/pdf/strat_en.pdf (Accessed 16 May 2003); *Thorhallsson*, Iceland and European integration: On the Edge, 2004.

17 See *Thorhallsson*, 2000, *ibid*.

If the new small member states are able to adopt similar working methods in order to deal with EU business, they should not have major difficulties in defending their national interests. For instance, Finland, whose working methods concerning EU affairs are typical of those used by small states, as described below, has been particularly successful in promoting its interests within the EU. The following characteristics of the administrative working procedures of small states in the EU in the period 1986 to 1994 may provide the key to the successful participation of other small states within the Union. The discussion is divided into four parts: decisive administrative characteristics, little division between policy formulation and implementation, relationships with the Commission and negotiation tactics in the Council.

2. Decisive administrative characteristics

There are four main ways in which small administrations handle EU affairs:

Firstly, small states tend to prioritize within the Union to a much greater extent than large states. As they are highly aware of their limitations in terms of administrative capacity, small states tend to concentrate on policy sectors which they gain direct benefits from. Moreover, they have to focus on particular issues within these policy sectors in order to guarantee their interests. For instance, Ireland has put most of its administrative capacity to securing positive outcomes in the negotiations within the CAP and Regional Policy. The Irish administration has, more specifically, paid most attention to two of the agricultural products under the CAP, i.e., beef and milk, and left the others on the sidelines. Ireland simply has not had the administrative capability to engage in detailed discussion on all products within the CAP. The same can be said of the country's participation in the Regional Policy since it has paid most of its attention to the Objective 1 aspect of the policy.

Small states can allow themselves to prioritize to a much greater extent than the large ones because they have a narrower range of interests within the Union. The economies of small states rely on fewer export products than those of the large states. Also, the range of interests of small states in export sectors is narrower than that of the large states. In 1994, for example, the shares of two or three agricultural products in

the small states accounted for much more in their final agricultural production compared to the large states.

However, the narrower range of interests of small states within the Union only partly explains the prioritization. They are also forced to prioritize because of the smallness of their administrations. Small states can formally take part in the daily tasks of the Union and are represented in most Commission and Council meetings. However, they have to miss a number of meetings due to the limited number of staff. This is particularly the case with preparatory panels, experts and comitology committees in the Commission.¹⁸ To counter this problem, Luxembourg has an arrangement with Belgium – the only such arrangement – to be represented by Belgium in a number of meetings.

Furthermore, officials of small states often attend meetings simply to observe the ongoing debate without any intention to influence it. They either do not have the time to prepare for the meeting or a policy stand on the issue under discussion. On the other hand, the large states tend to take an active part in all meetings, as shown in greater detail below.

Secondly, small states have developed informal and flexible domestic working procedures for handling EU business. The procedure is characterized by informality and flexibility. This response can be considered as a flexible strategic adaptation to the increased demands of the EU. Officials of small states are the first to feel the increased demands and often have to fend for themselves. They have to use the existing models of administration¹⁹ because no major organizational adjustments have taken place within the member states in order to cope with the growing demands of integrating EU policy. Additionally, the Union has not put any formal constraints on national administrations in this regard.²⁰ The only way for officials of small states to cope with the

18 *Lagreid*, Implications of Europeanization on Central Administration in the Nordic Countries. Paper presented at IASIA Annual Conference, Beijing 10–13 July 2000, Working Groups III: Public Service Reform, p. 11–12.

19 For instance, see *Bulmer/Bursch*, Organizing for Europe: Whitehall, the British State and European Union. *Public Administration*, Vol. 76, No. 4, 1998, p. 601–28. *Hanf/Soetendorp*, Adapting to European Integration: Small States and the European Union, 1998; *Harmsen*, The Europeanization of National Administration: A Comparative Study of France and the Netherlands. *Governance*, Vol. 11, No. 1, 1999, p. 81–114.

20 *Page/Wouters*, The Europeanization of National Bureaucracies. In: *Pierre* (eds.), *Bureaucracy in the Modern State*, 1995; *Veggeland*, Delegering, læring og politisk

increased amount of EU legislation has been to adopt informal working methods outside the formal hierarchical structure of the administration. Domestic EU policy-making and handling of negotiations within EU institutions is determined by frequent and informal methods of communication. The small states have tried their utmost to enhance these informal contacts and flexible working procedures, which tend to be typical of small administrations. The officials tend to know each other and have to deal with a variety of issues due to the smallness of the administration. This creates a situation where decisions are made over the phone, by e-mail and in informal meetings except on sensitive issues. These informal working procedures ease the workload of officials. On the contrary, all decisions in the large states are reached through formal decision-making mechanisms. Formal rules and not informality and flexibility have to be followed in the handling of EU matters.

Thirdly, officials of small states have been granted a considerable level of autonomy to formulate the national position and prepare strategies within EU institutions. These officials work at the domestic level, within ministries and their departments and in permanent representations in Brussels. High-ranking civil servants or ministers grant their colleagues at lower or middle-ranking levels unofficial autonomy to formulate domestic policies, deal with the Commission and negotiate in the Council.²¹ Officials working within EU decision-making processes receive guidelines rather instructions except where direct national interest is at stake. The guidelines are more often verbal than not and officials only receive written instructions in cases of real importance.

Moreover, officials from the small states are more likely to be in direct contact with their decision-making colleagues at the domestic level than those from the large states. Most officials from the small states taking part in negotiations in Brussels can directly contact heads of department in ministries who can decide whether a national position can be altered or not. Officials on the ground, in Brussels, can even, when dealing with important matters, directly contact the minister responsible

kontroll i EÖS-arbeidet: Norsk deltakelse i EU-komiteer på veterinær- og næringsmiddelområdet. In: *Internasjonal Politikk*, Vol. 5, No. 1, 1999, p. 81–112.

21 See Thorhallsson, 2000, *ibid*, and Meert, Negotiating in the European Union. Discussion Papers Diplomacy. University of Leister: Department of Politics: Study of Diplomacy, 1995, p. 8–10.

for the issue in question. Also, if necessary, they can without difficulty contact the head of their Permanent Representation and the head of their ministry. These working procedures of small administrations are in direct contrast with the formal hierarchical structure of large administrations. In the latter case, officials receive written instructions on nearly all occasions and are given very limited scope of manoeuvrability to handle EU matters.

Fourthly, permanent representatives of small member states to the EU in Brussels play a particular role in their states' working procedures relating to EU affairs. Their task is unique compared to that of their counterparts from the large states. There are two reasons for this. Firstly, permanent representatives of small member states take an active formal and informal part in EU policy formation at domestic level and play a crucial role in the co-ordination of the national position. They become experts in their area and have a particularly good overview of the development of the EU. This is because they have to handle a greater number of issues and attend a greater number of meetings than their counterparts from large states. Secondly, permanent representatives of small states, while working in EU decision-making processes, sometimes experience a lack information and clarity from their ministries, especially when dealing with issues that are not of direct national interest. They are supposed to find their own way and handle matters without knowing exactly what is expected of them. As a result, they feel that their counterparts from the large states perform better in EU policy-making than them.

3. Little division between policy formulation and implementation

Implementation of EU law can be very time and resources-consuming. A small administration is particularly vulnerable in this respect. However, small member states have been as efficient as the large members in implementing EU law.²² Small administrations have made a particular

22 Soetendorp/Hanf, The Netherlands: Growing Doubts of a Loyal Member. In: Hanf/Soetenforp (eds.), *Adapting to European Integration: Small States and the European Union*, 1998.

attempt to break down barriers between the EU policy-making process at domestic level and the implementation process of EU law. The same officials may be responsible for policy-making, negotiations in Brussels and policy implementation. There are often only one or two officials assuming primary responsibility for a series of directives within the small states. It is common for the same official to be involved in policy-making at domestic level, attend committee meetings in the Commission, attend working group meetings in the Council, advise the minister in the meetings of the Council of Ministers and subsequently be responsible for the implementation of the directive. Moreover, the same official may deal with grants and other payments relating to EU policies. The officials may also establish eligibility criteria in conformity with the Commission's guidelines and take part in the selection of projects to be funded by the Commission. This working procedure makes it much easier for small states to oversee EU affairs than if they had a structure where officials had clear separate tasks. They are able to respond more quickly to new developments in the EU and implement EU law without more difficulties than the large states. Officials of the EU and from other national administrations are also more likely to know the person responsible for a particular subject in a small state than in a large one. They may know that the person is responsible for the entire process from policy-making to implementation and can respond without much delay to their requests. This is an advantage for the small states in negotiations with the Commission and the Council, as demonstrated below. The Dutch administration, the biggest of the small administrations, has made particular efforts to lessen the clear-cut division between policy formation and implementation in order to shorten the implementation process. Officials who are traditionally solely responsible for implementation have additionally been given the task of participating in the early stages of EU policy-making at home. They also participate in the preparations for EU negotiations and negotiate in the Council.²³

²³ Ibid. and Thorhallsson, 2000. *ibid.*

4. Relationships with the Commission

The small member states have always demanded that the Commission act as a mediator between their interests and those of the large states. Small states have for a long time been seen as defenders of the role of the Commission in the Union. This is manifested in the emphasis that they put on the continuing role of the Commission in treaty reform. They often find it easier to get their ideas accepted within the Commission's committees than in the Council, where they face a heavier challenge from other member states.²⁴ However, small states do not get anything for free from the Commission. They, like their bigger partners, have to convince the Commission before it can support their stand.

In order to succeed in influencing EU decision-making, small states need to be able to secure the support of the Commission in the initial stages of negotiation. As a result, small states try to get their ideas accepted in the early stages of policy-making within the Commission. They use the smallness of their administrations to develop a *routine working process* with the Commission in order to get the Commission on their side. A few officials, often just one or two, in a small state are in direct contact with Commission officials for each EU policy sector. Often, there is only one rapporteur for the Commission's proposals. This small number of staff both in the small state and in the Commission simplifies contact. These officials are likely to know each other and it is often easier for the rapporteur to understand the problems which a small state faces because of its narrower interests. Moreover, it is particularly relevant for the Commission to develop a good relationship with officials from the small states since they tend to be involved at all levels of EU affairs. These national officials can make an important contribution to the drafting of proposals within the Commission. They often respond more swiftly to new developments in negotiations and make decisions autonomously. The flexibility and informality of small administrations facilitates mutual understanding between the officials of the small states and those of the Commission. Thus, a *routine working process* between each of the small states and the Commission is created, whereby the small states increase their chances of getting their views incorporated in

²⁴ Thorhallsson, 2000. *ibid.*

policy proposals and the Commission gets a special insight into the situations of the small states and potential support for its proposals. The increased comitology procedures in the Commission have further enhanced the *routine working process*.²⁵

The small states tend to rely on the Commission to a much greater extent than their larger counterparts. This is both in connection with their work within the Commission itself and in the Council. Small states do not have the capacity to gather all the necessary information in policy sectors of limited importance. As a result, they rely on the Commission's sources to take a policy stand in those sectors. On the other hand, small states do not rely on the resources of the Commission in sectors of key interest since their administrative capacity is used extensively in the presentation of their own information. However, the small states are in greater need of support from the Commission in the Council than the larger ones. This is particularly the case with the working groups in the Council because permanent representatives, who often attend these meetings on behalf of their administrations, may rely on information provided by the Commission, while experts from the capitals of the large states attending the same meetings do not. Furthermore, a small state also relies on the Commission in the Council of Ministers because it has no chance of succeeding on its own, while a number of cases indicate that a large state in the same position can press its views. A small state that is able to state that the Commission is on its side is in a much better position than on its own. As a result, small states try to avoid confrontation with the Commission and instead emphasize co-operation with it.

Nevertheless, it has to be kept in mind that the Commission is not a defender of the interests of small states. The small states' tactic is to negotiate a favourable deal with the Commission in order to better their chances of succeeding in the Council. Moreover, small states would prefer to negotiate bilaterally with the Commission instead of multilaterally in the Council. This is, for instance, the case with the negotiations leading to the creation of the Community Support Frameworks of Regional Policy. The small states prefer this form because they are more likely to

²⁵ Ibid., p. 114–160.

succeed in bilateral negotiations with the Commission than in the Council where they face all the other member states.²⁶

5. Negotiation tactics in the Council

The negotiation tactics of small states in EU decision-making processes are influenced by the smallness of their administrations and their special characteristics, as discussed above. Small states cannot expect to become active participants in all EU policy sectors. Their limited resources, compared to those of their larger partners, restrict their scope of action in the policy-making process. The negotiation tactics of a small state can be flexible or inflexible²⁷ depending on whether it regards an issue to be of great or little importance.

This is contrary to the negotiation strategy of the large member states, which tends to be inflexible on all occasions. They have a wider range of interests within the EU, among them, controlling the EU's expenditure and securing their international position. They also have the administrative capacity to focus on all sectors of EU policy and tend to be proactive.

The small states only become proactive in the policy-making process when issues of direct national interest are on the agenda. This is, for example, the case of Greece, Portugal and Ireland in relation to particular aspects of Regional Policy and Luxembourg in negotiations on its tax privileges and banking sector. All the administrative capacity of small states is devoted to guaranteeing a positive outcome in sectors of direct national interest. As a result, small states are reactive within the EU policy-making process in areas of little national interest.²⁸

Although the bargaining behaviour of the Union's members is influenced by national preferences, the personalities and negotiation

²⁶ Ibid.

²⁷ The flexibility of states in EU decision-making processes is defined according to whether they change their original policy position presented at the EU level. A state is regarded to have a flexible negotiation tactic if it alters its original policy stand during the negotiation process. A state is regarded as inflexible if it adheres to its original policy stand to the very end of the process.

²⁸ Thorhallsson, 2000. *ibid.*

skills of civil servants are also important factors.²⁹ Small states try to use their special administrative characteristics, such informal ways of communicating, to enhance the possibility of a favourable outcome in negotiations and stick firmly to their position when their interests are threatened. However, they try to avoid isolation in negotiations. Alliance formation is crucial for them in the Council. It is particularly important because as a number of cases indicate, small states are not regarded as having a veto in the Council while Britain, France, Germany and Spain, have a potential power of veto.³⁰ The assertiveness of Poland in a number of cases in EU decision-making both on treaty reform and individual policy sectors further demonstrates the proactive nature of the negotiation tactics of large states and their use of their right to block decisions.³¹ Small states have to be aware of their limitations because of the small size of their administrations compared to those of the large states. They risk minimizing their ability to influence EU policy in sectors that are most important to them if they do not limit their scope of action to areas of direct national interest.

6. Conclusion

An enlarged Union, consisting of 25 members, poses a considerable challenge for the national administrations of all the member states in general and the small ones in particular. The member states that entered

29 Hosli, The Balance between Small and Large: Effects of a Double-Majority System on Voting Power in the European Union. In: *International Studies Quarterly*, Vol. 3, No. 3, 1995, p. 255–256.

30 See detailed discussion in Thorhallsson, 2000, *ibid.*, 185–208. Also, Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach. In: Bulmer/Scott (eds.), *Economic and political integration in Europe. Internal Dynamics and Global Context*, 1994, 54; Moravcsik, Negotiation the Single European Act: National Interests and Conventional Statecraft in the European Community. In: *International Organizations*, Vol. 45, No. 2, 1991, 25; Henig, Power and Decision in Europe. The Political Institutions of the European Community, 1980; Wallace, Bilateral, Trilateral and Multilateral Negotiations in the European Community: In Morgan/Bray (eds.), *Partners and Rivals in Western Europe: Britain, France and Germany*, 1986.

31 For instance, Poland stuck firmly to its position in the negotiations on the European Constitution in 2003 and its demands delayed the signing of the agreement on the extension of the EEA Agreement to the new member states in 2004.

the EU before the millennium will have to build up contacts with the new member states in order to increase their possibility to influence EU decisions. The older members will have to seek consultation and co-operation with the newcomers to earn the latter's support for their policy stands in EU negotiations. They will need their support in alliance formation in different EU policy sectors. This is also the case with the new member states. It will be a demanding task for the small member states. The large states should not have much difficulty in engaging in such activity and many of them have already established solid contacts in all the new member states. Then again, the informality and flexibility associated with small administrations should compensate for the lower administrative capacity for coalition-building. The small states are bound to make the most out of their informal ways of handling issues in order to get other states to support their cause.

The small member states of the Union in the 20th century managed to guarantee their key interests within it. They should not have more difficulties in succeeding in the first decades of the 21st century if they can prevent the large states from changing the institutional structure, set up in the Treaties, to their advantage. Institutional arrangements do not simply change with new members. Changes will have to occur in treaty reform for formal decisions to be taken through different methods from those used today. Informal procedures outside the formal EU decision-making structure are of course important and may increase in importance if the present structure encounters difficulties in handling 25 members. However, small states have solid ground to build on. Their flexible decision-making and informal ways of communicating with officials of the EU and of other member states are already a considerable part of their operational tactics.

Zum Ausklang