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The dynamics of European integration: a constitutional analysis of the Amsterdam Treaty

Research question: how to explain the choice of European voting rules?

For more than forty years, the dynamics of European integration have promoted a voluntary and peaceful co-operation throughout Western Europe. The integration process, characterised by a stepwise but continuous Treaty reform, has considerably widened the former European Communities' scale of jurisdiction by transferring competencies for many policy areas from the national to the European level (König, 1996: 553). Today's EU has also increased its scope by enlarging its membership from six to fifteen countries with a population of more than 320 million people. In terms of scale and scope, the dynamic feature of European integration, compared to other transnational processes, is its continuous intergovernmental rule-making (Moravcsik 1993: 473). Initiated and adopted by a growing number of member-state governments, intergovernmental conferences have established and strengthened a set of organs and complex voting rules for binding European legislation (Bednar et al., 1996; Pollack, 1997). After the Single European Act (SEA) in 1987 and the prominent reform by the Maastricht Treaty on European Union in 1993, the 1997 Amsterdam Intergovernmental Conference again modified the EU's rules.

Important changes in the EU's institutional framework are necessary for guaranteeing proper functioning of European legislation, particularly in the case of further enlargement. The reform of the rules is especially concerned with two topics, the extension of majority voting and the degree of parliamentary participation. The EU's growing membership, and particularly the forthcoming accession of rather dissimilar Eastern and Southern European countries, requires relaxing the unanimity voting quota in the Council of Ministers in order to decrease the danger of gridlock in European legislation (König and Bräuninger, 1998a). While the European Parliament (EP) already participates in the co-operation and assent procedure (1987) and the co-decision procedure (1993), these procedures are modestly applied to European legislation: only about

fifteen per cent of all articles and about ten per cent of all binding propos-
als are presently provided for EP participation. Regarding proper
functioning of the EU the crucial question is to what extent the
Amsterdam Treaty reforms the rules of Council majority voting and
parliamentary participation in European legislation.

To predict the outcome of Treaty reforms, previous studies have
successfully applied an actor-orientated view stressing the role of member-
state governments for institution-building and transformation. According
to Milner (1997: 203) the governmental preferences on the Maastricht
Treaty were completely determined by the Economic and Monetary Union
(EMU) dimension, while Garrett (1992) emphasises an economic and
institutional dimension of the main governments on the Maastricht draft
Treaty. Moravcsik (1991: 27) proposes an intergovernmental approach,
suggesting investigation of the preferences of Germany, France and
Britain in order to explain the Maastricht Treaty. In his recent publication
(1998), he extends this perspective to previous events, such as the Rome
Treaties (1958) and the SEA (1987). He claims that 'from the signing of
Rome to the making of Maastricht, the EC (EU) has developed through a
series of celebrated intergovernmental bargains, each of which sets the
agenda for an intervening period of consolidation' (Moravcsik 1993:
473). Garrett and Tsebelis support his findings but add that 'if Moravcsik
is correct and if the signatories of treaties are strategically rational, one
must explain why the signatories of a Treaty selected one set of institu-
tional arrangements over another' (1996: 270). According to them, one
must analyse the policy consequences of different constitutional choices of
rule-making.

We follow this idea of a policy-seeking constitutional choice of rule-
making by considering the Amsterdam delegations' policy preferences and
deriving their expected utilities from alternative voting rules – Council
unanimity or qualified majority as well as the participation of the EP in
the (new) co-decision procedure. We consider the long-term implications
of voting rules when transforming the delegation's policy preferences to
preferences regarding the Council's voting quota and the participation of
the EP. To specify actors' expected utilities from future decision-making
we refer to the amount and the relative distribution of coalition gains
under standard and modified co-decision procedure. Our concern is to
test empirically whether the rule-making reforms of the Amsterdam
Treaty improve all member states and, if so, how this criterion is fulfilled.
Does rule-making require individual benefits on each issue or is, allowing
for commitments, an overall improvement for all member states sufficient
to change the Union's rules? We accordingly check whether more status
quo-orientated member states could successfully threaten more integra-
tionist governments by their veto power (Schneider and Cederman, 1994).

The remainder of the chapter first provides an introduction to our

policy-seeking concept of constitutional choice. We use tools of co-operative game theory for measuring constitutional preferences and raise hypotheses that specify the parameters of constitutional choice. In order to present our data, we then introduce the debate on the 1997 Amsterdam Intergovernmental Conference, describing the main issues and actors involved. Finally, we apply our policy-seeking concept to the analysis of the Amsterdam Treaty, concentrating on the reasons for the choice of the Council's voting quota and parliamentary participation.

Model and hypotheses: the analysis of constitutional choice on rules

Studies of the introduction and change of political institutions rely either on evolutionary concepts of spontaneous emergence and social selection at the system level, or the intentional design of purposeful acting entities (Knight and Sened, 1996: 3). The historical institutionalist analysis of European integration, however, mixes both concepts when stressing that 'actors may be in a strong initial position, seek to maximise their interests, and nevertheless carry out institutional and policy reform . . . in ways that are unanticipated and/or undesired' (Pierson, 1996: 126). In our view, the second sentence is not a derivation from a precise set of assumptions but rather an imprecise statement of the assumptions. But if the historical meaning were that (unanticipated and/or undesired) outcomes are shaped – perhaps but not necessarily – by previous events, then a nontrivial theory might be articulated to explain how actors' behaviour – or a system's development – is influenced by which previous events. In this chapter, we follow the idea of institutional rule-making by individualistic intentional design, but we scrutinise the historical perspective when testing which member states best explain the puzzle of the Amsterdam Treaty reform.

Since Buchanan and Tullock (1962: 96), individualistic theory of the constitution assumes consensus as a norm. For the analysis of constitutional choice from an actor-orientated view, it is therefore useful to start with a conceptual distinction between two types of rules: voting rules as institutional settings for deciding on policies and higher-order rules for constitutional matters – including decisions on voting rules. Voting rules are fixed parameters of policy-making, but their introduction and change depends on higher-order rules, as any institutional framework is nested in higher frameworks that define how the institutional setting can be changed (Ostrom, 1990: 52; Tsebelis, 1990: 113). Accordingly, we distinguish between the choice within and the choice on rules, the latter being higher-order decisions on the institutional constraints for future decision-making. These constitutional choices are characterised by actors' uncertainty of future outcomes, generating the question of how to study actors' constitutional preferences for different rules. To examine consti-

tutional preferences, we start from the assumption that rules are not valued on their own merits, but states favour rules that are likely to provide the policies they prefer (Mueller, 1996: 62). Of course, states may prefer different rules and they may even favour rules for other than policy reasons when relying on consistency with their own idea of (democratic) government, particularly in the case of EP participation. We therefore separate the two objects of choice, the Council voting quota and parliamentary participation, and develop a policy-seeking view of actors' constitutional preferences, assuming that the distribution of (non-)integrationist policy positions independently determines actors' rule-making preference on the Council's voting quota and EP participation for any issue. Compared to extreme versions of constitutional analysis assuming a veil of uncertainty in terms of an ignorance of actors' own and others' policy positions, we base this assumption on the rather detailed application of procedural settings to European policy areas, indicating that member states primarily expect rather issue-specific gains from future legislation. This allows us to distinguish between policy and constitutional preferences, the latter to be derived from the former under the uncertain policy impact of different voting rules on future legislation.

The uncertain policy impact raises the major problem in deriving actors' constitutional preferences. Their constitutional choice precedes policy choice, and constitutional actors are often considered to know *ex ante* neither their (one- or multidimensional) policy preferences nor the preferences of the other actors involved in future decision-making processes (Steunenberg, 1998: 3). In analysing the introduction or change of voting rules, however, we do not stress actors' uncertainty of their and others' policy preferences but their uncertainty of policy outcomes that can be obtained under different voting rules. Hereby, we specify actors' constitutional preferences by their expected utilities from future decision-making which are determined by the amount and the relative distribution of coalition gains.

Applying our expected utility concept to derive the Amsterdam delegates' constitutional preferences, we are able to assess the EU's higher-order rules for constitutional decisions on voting rules. Formally, the EU's higher-order rules for introducing and modifying voting rules are repeated in Article 14,1 of the Amsterdam Treaty: the 'Treaty shall be ratified by the High Contracting Parties'. This is based on the legal principle of state sovereignty implying that unanimity is the formal default rule for constitutional decisions of member states as 'masters' of the treaties (Everling, 1997: 290). Consequently, all member states must formally agree on any transfer of their national powers to the EU, including the right to decide on their own, which is limited to their 'voting power' under different rules in the case of a European competence. Such agreement on a Treaty by rational, self-interested member states can only

come about by beneficial expectations from rule enforcement, while consent should not be feasible if one or more expect to be worse off (Mueller, 1997b: 126). If consent is impossible, the former voting rules are assumed to remain, or, if there are no voting rules, another status quo will prevail including member states' right to act on their own. Applied to the topics of the Amsterdam Treaty, the first hypothesis is:

Hypothesis H1   The change in the status quo rule of Council unanimity or parliamentary exclusion by the Treaty can only come about if all member states expect to be better off.

In the words of contracting theory, the Amsterdam agreement requires Pareto-superiority of the Treaty as a whole. Some member states may expect to be worse off on some issues but make commitments to be compensated with expected gains from voting rules for other issues. However, it is not easy to make credible commitments on political markets, particularly in the case of rule-making implying a high degree of uncertainty for future decision-making: actors must share their expectations about future decision-making and find a clearing system to compensate for expected losses. By contrast, a more restrictive criterion would be that member states exclude expected losses on any issue, resulting in the maintenance of the corresponding status quo rule. In order to examine both criteria, we formulate two further hypotheses. Our second hypothesis concerns the number of member states which are required to introduce or change the Council's voting rule and parliamentary integration for each issue:

Hypothesis H2   The more member states prefer Council majority voting or parliamentary participation for a specific issue, the more likely the status quo rule of Council unanimity or parliamentary exclusion is to change.

If fifteen member states are indeed the best predictor for the issue by issue adoption of Council majority voting and parliamentary participation, the commitment assumption has to be rejected. Otherwise, a majority threshold would indicate to which extent the EU's constitutional level allows for compensation – provided that the Treaty as a package promises benefits as a whole.

In addition to overall benefits, previous studies have argued that some member states are more important than others in the EU's constitutional decision-making (Cameron, 1992; Dinan, 1994; Pollack, 1997; Schneider, 1994b). Garrett (1992: 546) states that on the negotiations of the SEA in 1986 neither a southern coalition plus Ireland that preferred resorting to simple majority rule in the Council of Ministers, nor the United Kingdom and Denmark which favoured continuing with unanimity rule, could prevail against the French-German preference on qualified majority

voting. According to Moravcsik (1991, 1993, 1998), European constitutional politics reflect the positions of the three most powerful member states: France, Germany and the United Kingdom. Including Italy, the four largest states with ten votes in the Council of Ministers finance more than three-quarters of all net contributions. Member states that contribute to transfer payments within the EU, and large contributors in particular, may thus have a stronger bargaining position with regard to their smaller and poorer partner states. As a result, both the relative and absolute economic power of member states may enhance their bargaining position.

Diverging interests of southern and northern member states are another observation in the course of Treaty reforms (Lane and Maeland, 1995; Widgrén, 1995; Closa, 1995; Wallace, 1992). Hosli (1996) refers to a differentiation regarding external trade policy between the northern 'free traders' and an opposed southern group, whereas Ireland and Greece were in a intermediate position. She argues that the latest accession of Austria, Finland and Sweden shifted the equilibrium both between larger and smaller member states and between northern and southern member states as the new members are all relatively small and belong to the group of richer countries. A further differentiation concerns membership duration, which may lead to a distinction between original and new member states, where the former not only have divergent attitudes towards the process of integration but can also refer to their seniority in order to steer the political debate (König and Schulz, 1997: 9). According to these findings, the third basic hypothesis on the different importance of member states for constitutional decisions is:

Hypothesis H3   The more the 'important' member states prefer Council majority voting or parliamentary participation, the more likely the status quo rule of Council unanimity or parliamentary exclusion is to change.

In sum, we take actors' constitutional preferences to be a key variable, but also consider that the Amsterdam Treaty may reflect the constitutional preferences of some member states more than others. Before testing our hypotheses, we will introduce our data on the Amsterdam Treaty and the technique for deriving constitutional preferences from actors' policy positions.

Data and measurement: the Amsterdam Treaty

European integration has advanced considerably since its re-launch in the mid-1980s: most of the measures which were deemed necessary to complete the Single European Market have not only been adopted but also extended in both scale and scope, as seen for example in structural and monetary politics, which had often been considered fundamental to

the continuous existence of the nation-state. And even more remarkable, there have been crucial institutional changes stemming from the introduction of the SEA in 1987 and the Maastricht Treaty on European Union in 1993, which have modified the decision-making system of the EU. The most notable of these changes have been the more frequent provision for qualified majority voting in the Council of Ministers and the increased legislative powers of the EP (Nugent, 1996: 1). Only five years after the latest integrative step in Maastricht, the Amsterdam Treaty again revises the EU's framework. To understand the reasons for the new revision, we briefly introduce the 'history' of the Amsterdam Intergovernmental Conference.

The Maastricht Treaty on European Union already provided for an intergovernmental conference (IGC) to be convened in 1997. The official reason for establishing an IGC was to review the provisions introduced in 1993. Unofficially, the review gave assurance to both European integrationists and non-integrationists, who believed that either insufficient or too much integration had been made at Maastricht. Compared to previous IGCs, the European Council decided at its June 1994 Corfu meeting to establish a preparatory Reflection Group, consisting of sixteen delegates of the member states, two representatives of the EP and one of the Commission. Before the group published its report in December 1995, the non-intergovernmental organs – the Commission, the EP and the European Court of Justice (ECJ), which had been invited by the Corfu summit – produced their own reports. Unsurprisingly, the ECJ moderately expressed some concern about legal problems arising from different jurisdictions under the three pillars, and the Commission largely confined itself to analysis supporting the simplification of decision-making. In contrast, the EP's report strongly recommended reducing the number of legislative procedures and the extension of qualified majority voting in the Council of Ministers and its parliamentary rights.

Regarding the problems of the Amsterdam IGC, the dissenting votes listed in the Reflection Group's report already indicated the difficulties in formulating a common draft text. The group still identified the main issue of the IGC as making Europe more relevant to citizens – even in external matters – by increasing the EU's competencies, improving the functioning of the EU by extending Council qualified majority voting and parliamentary participation (Nugent, 1996: 9). However, there was consensus on neither the EP's proposal to reduce the number of procedures nor on the extension of qualified majority voting in the Council of Ministers.

After marathon negotiations the European Council succeeded in reaching agreement in many areas at the Amsterdam Intergovernmental Conference. In addition to the draft Treaty of Amsterdam, the delegates decided on the completion of Economic and Monetary Union (EMU) and the proceedings for further enlargement. They agreed on the regulations

making up the Stability and Growth Pact and confirmed the start of
Monetary Union in January 1999. They also opened the way for launch-
ing the enlargement process by instructing the Commission to present its
opinion on ten candidates. The fifteen member-state delegates of the
European Council, as well as the Commission and EP representatives,
expressed their policy positions concerning 236 issues.[1] The order of the
issues follows the order of subjects set out in the conclusions of the
Presidency of the Turin European Council of 29 March 1996, supple-
mented by a number of other areas referred to in the resolutions of the EP.
The issues are divided into nineteen chapters including Citizen Rights,
Third Pillar Policies, Common Foreign and Security Policy (CFSP),
matters on Subsidiarity and Organs, etc.. For analytical purposes, we
categorise the set of issues into three types: 116 provisions for the func-
tioning of institutions, 50 issues on procedural settings and 70 regulations
of issues. The first category contains rather general institutional provi-
sions, such as the introduction of new instruments or committees. The
second category encompasses general procedural provisions, such as the
extension of the Commission's agenda-setting power or a strengthening of
parliamentary rights. Together, these 166 issues of both categories deal
with institutional settings that may influence the general expectations
regarding further integration, but they do not directly affect the distribu-
tion of policies. For this reason, the following analysis focuses on those 35
of the 70 issues which have been included in the draft Treaty and inte-
grated in the Treaty of Amsterdam.

The left-hand columns of Table 3.1 summarise our data on actors'
policy positions. The first column lists the numbering, the second column
the policy domain of the thirty-five issues. Columns three to five show the
policy positions[2] of the actors involved – the fifteen member-state govern-
ments, the Commission (C) and the EP. It also indicates the location of the
legal status quo (+). Over all issues, we find a rather polarised distribution
of policy positions, with actors either opposed to (0) or in favour of (1)
these policies; but only a few positions are in between. For most issues,
about two-thirds of member states support a modification of the status
quo, while they are reserved in the area of citizens' rights and even more
reserved regarding the introduction of new policies. In almost all cases,
the EP has a pro-integrative policy position and the status quo is located
at the non-integrative position. However, there is no clear pro- or anti-
integrative tendency in the distribution of member-state policy positions.

These policy positions are the basic element for the analysis of the
constitutional preferences that we assume to affect the expected outcome
of the thirty-five issues when allowing unanimous or majority voting in
the Council of Ministers and for parliamentary participation or absti-
nence. How actors' policy positions are transformed into constitutional
preferences and whether their choice of voting rules is determined by

Table 3.1 Policy and rule preferences of Amsterdam delegations regarding 35 policies

No	Issue	Policy preferences			Constitutional preferences			
		0 (No integration)	0.5	1.0 (Pro integration)	Unanimity	QM voting	No participation	EP participation
1	Citizenship	2+	1	12,C,EP	2	13,C,EP*	2*	13,C,EP
2	Citizenship	1+		14,C,EP	1	14,C,EP*	1	14,C,EP*
3	Citizenship	4+		11,C,EP	4	11,C,EP*	4*	11,C,EP
4	Citizenship	8,C+		7,EP		7,EP		7,EP*
5	Citizenship	15,C,EP+			8,C*		8,C	
6	Citizenship	7,C+		8,EP	7,C*	8,EP	7,C*	8,EP
7	Citizenship	4+		11,EP	4*		4	11,EP*
8	Citizenship	8,C+			8,C*	11,C,EP	8,C	11,C,EP
9	Citizenship			7,C,EP	15,C,EP*	7,C,EP	15,C,EP*	7,C,EP
10	Interior/Judicial co-operation	3+	2	10,C,EP	3	15,C,EP*	3	12,C,EP*
11	Interior/Judicial co-operation	+	2	13,C,EP		12,C,EP*		12,C,EP*
12	Interior/Judicial co-operation	+	2	13,C,EP		15,C,EP*		13,C,EP*
13	Interior/Judicial co-operation	+	3	12,C,EP	3	15,C,EP*		15,C,EP*
14	Interior/Judicial co-operation	1+	2	12,C,EP	1	14,C,EP*	1	14,C,EP*
15	Interior/Judicial co-operation	3+	5	7,C,EP	3	12,C,EP*	1	12,C,EP*
16	Interior/Judicial co-operation	10+	2	3,C,EP	10*	5,C,EP	10*	5,C,EP
17	Employment	2+		13,EP,C	2	13,C,EP*	2	13,C,EP*
18	Employment	+		15,C,EP		15,C,EP*	*	15,C,EP
19	Employment	+		15,C,EP		15,C,EP*		15,C,EP
20	Employment	3+		12,C,EP	3	12,C,EP*	3	12,C,EP*
21	Employment	2+		13,C,EP	2	13,C,EP*	2	13,C,EP*
22	Employment	4+		11,C,EP	4	11,C,EP*	4	11,C,EP*
23	Employment	10+		5,C,EP	10	5,C,EP*	10	5,C,EP*
24	General provisions	4,EP		11,C*	11,C*	4,EP	11,C*	4,EP
25	Environment	1+		14,C,EP	1	14,C,EP*	1*	14,C,EP*
26	Environment	+		15,C,EP		15,C,EP*	*	15,C,EP*
27	Environment	1+		14,C,EP	1	14,C,EP*	1*	14,C,EP
28	Environment	3+	1	11,C,EP	3	12,C,EP*	3	12,C,EP*
29	Transparency	2+	2	13,C,EP	10	13,C,EP*	2	13,C,EP*
30	Crime	10+		5,C,EP	10	5,C,EP*	10	5,C,EP*
31	New policies	10+		8,EP	10	8,EP*	10	8,EP*
32	New policies	7,C+		7,EP	7,C	8,EP*	7,C	8,EP*
33	Foreign/Security	8,C+		8,C,EP	8,C*	11,C,EP	8,C*	11,C,EP
34	Foreign/Security	4+		15,C,EP*	4*	15,C,EP*	4*	15,C,EP*
35	Foreign/Security	1+	3	13,C,EP	1*	14,C,EP	1*	14,C,EP

Abbreviations: 1–15 Number of member states with corresponding policy preference; C Commission; EP European Parliament; + Status quo; * adopted by the Amsterdam Treaty.

Source: European Parliament (1997). Summary of the positions of the member states and the European Parliament on the 1996 Intergovernmental Conference, JF/bo/290/97, Luxembourg, 12 May.

intergovernmental consensus, or by the authority or veto power of some member states, will be examined empirically. Before that, we present our approach to constitutional preference formation and how to construct the matrix of constitutional choice, which is the starting point of our empirical analysis of the Amsterdam reform of the EU's institutional framework.

Approach: the formation of constitutional preferences

When modelling the transition from policy positions to constitutional preferences, we use a co-operative game-theoretical approach assuming the existence of external and internal mechanisms that make policy outcomes binding and enforceable. This is not an outlandish assumption, given the binding character of European legislation and the instruments of the ECJ to make outcomes enforceable. We also assume that, when bargaining at IGCs, constitutional actors know their own and other actors' current policy positions and the current location of the status quo, which serve them as 'best estimates' for their future policy positions and the future status quo. However, actors are uncertain about future coalition formation and the policy outcomes that future coalitions will produce. While they have complete information about the procedural settings, the future number of decision-making actors and the policies preferred by this actor set, we assume that they do not know exactly which outcome will finally be realised, but that they do have expectations about possible outcomes and benefits of future European legislation.

Under these assumptions, the formation of constitutional preferences can be explained by expected benefits from future policies regulated by specific voting rules. In accordance with constitutional analysis, we first suppose that constitutional actors lack knowledge about which coalition will finally be formed in the future (Buchanan and Tullock, 1962: 78). Therefore, they consider all feasible coalitions but, in contrast to constitutional analysis, we secondly assume that coalitions are not equally probable – as actors with similar policy positions are more likely to collaborate than actors with dissimilar policy positions. Hence, when deriving their expected utilities from future decision-making, they consider homogeneous coalitions (with actors having similar policy preferences) more likely to form than heterogeneous coalitions (with actors having dissimilar policy preferences). (See appendix to this chapter, equations 2–4.) To measure the impact of voting rules on coalition formation, we take account of two rule-making properties, inclusiveness and conditional decisiveness. The former measures the actor's chances of being included in future winning coalitions, the latter the probability of deciding the outcome – which is conditioned, as it depends on whether the actor is included in the winning coalition or not.

In general, the high status quo bias of the unanimity rule results from

all actors' interest in high inclusiveness, while majority rules decrease the status quo likelihood by offering the exclusion of some actors. Hence, when constitutional actors decide on the voting quota, they trade their individual risk of being excluded against their collective capacity to act in the future. Their collective capacity to act can be measured as the ratio between the number of winning coalitions (able to alter the status quo) and all feasible coalitions (Coleman, 1971: 278) – where coalitions are weighted to their likelihood of occurrence. At the individual level, inclusiveness is expressed by the (weighted) number of times an actor participates in winning coalitions in relation to the (weighted) number of all feasible winning coalitions (see appendix, equation 5). Unanimity thus guarantees every actor a veto-player position with the maximal inclusiveness of 1.0 as no actor can be excluded from the single favourable winning coalition. Conversely, if an actor can be excluded from building any feasible winning coalition, the inclusion of its policy position is determined only by luck (Barry, 1989: 287). Thus, if all coalitions have the same likelihood, an actor's inclusiveness index ranges between 0.5 and 1.0.

Compared to the inclusiveness trade-off, decisiveness has already been studied in many relative voting power analyses (Brams and Affuso, 1985; Hosli, 1996; Lane et al., 1995). In order to measure an actor's relative decisiveness, almost all voting power indices calculate the actor's relative ability to be decisive in transforming a losing into a winning coalition. When measuring the distribution of relative decisiveness with respect to a *single* winning coalition, these values can be interpreted as actors' probabilities of determining the policy outcome. We calculate Shapley–Shubik indices (Shapley and Shubik, 1954) but with respect to *each* winning coalition because different winning coalitions may have different sets of decisive members with different policy positions (see appendix, equation 6). These values indicate the probability with which an actor is able to determine the policy outcome according to his policy position under a specific voting rule. Excluding strategic behaviour, each actor may thus have expectations on possible policy outcomes (see appendix, equations 7–8).

A special feature of our expected rule utility model for the formation of constitutional preferences is that it takes into account actors' utilities for all possible outcomes – maintenance of the status quo, policy change with and without the actor's support. When deriving an actor's constitutional preferences from a policy-seeking rationality, we consider both the expected utilities from possible outcomes and their likelihood, i.e., q_j as the probability of status quo maintenance and $1-q_j$ as the probability of policy change (see appendix, equation 10). In the actor's view, successful coalition-building under the constraints of a specific voting rule j occurs with probability $1-q_j$ and yields outcomes $x(S)$. In this case, an actor is either a member of the winning coalition S and then has an opportunity

to determine the policy outcome, or he is not a member so that his preference is at best reflected by chance (see equation 11). For any voting rule j, each actor also assesses the status quo maintenance to its individual utility function U^i and the corresponding status quo probability q_j. Since outcomes are uncertain, we have the expected utility $EU^i_{j,t}$ of each actor i for any feasible rule j regarding any issue t.
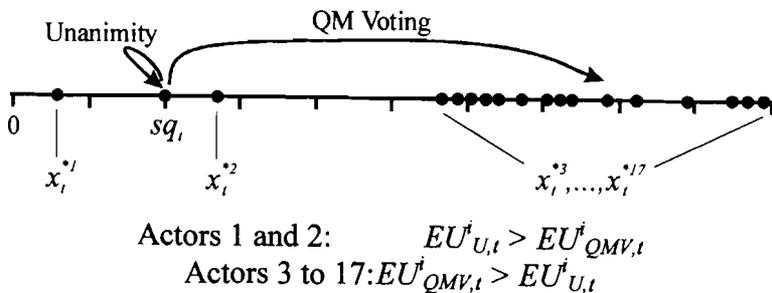

Actors 1 and 2: $EU^i_{U,t} > EU^i_{QMV,t}$

Actors 3 to 17: $EU^i_{QMV,t} > EU^i_{U,t}$

Figure 3.1 Formation of preferences regarding Council voting rules

Figure 3.1 exemplifies our measurement concept of constitutional preferences on voting rules. Regarding the issue t the status quo is located somewhere left of the centre of the policy space. The preference distribution shows a configuration with one actor favouring a position left of the status quo, one actor right but close to the status quo and all other fifteen actors being to the right of, and far from, the status quo. Under unanimity, only the single winning coalition of all actors can change the status quo, resulting in expected utility almost entirely determined by the status quo location. Under qualified majority rule, a large number of winning coalitions often leads to outcomes in between the policy positions of the majority. As a result, expected utilities from qualified majority rule are determined by both the status quo and the expected outcomes at the right side of the policy space. Therefore, both actors 1 and 2 will favour unanimity since they have to expect losses from a change in the status quo to the majority position; conversely, actors 3 to 17 will prefer Council qualified majority voting as they gain more from policy change. They will exclude the EP when it is located at the policy position of actor 1 or 2.

In general, there exist n actors and m different rules for any issue t. Assuming that an actor tries to maximise his expected utility, we predict that for any issue t an actor i will prefer rule j to rule k if, and only if, the expected utility $EU^i_{j,t}$ from rule j is greater than the expected utility $EU^i_{k,t}$ from k. This enables us to arrange expected utilities for each issue t in our matrix of constitutional choice:

$$\Delta EU_t = \begin{pmatrix} EU^1_{1,t} - EU^1_{ref,t} \cdots EU^1_{m,t} - EU^1_{ref,t} \\ \vdots \quad \ddots \quad \vdots \\ EU^n_{1,t} - EU^n_{ref,t} \cdots EU^n_{m,t} - EU^n_{ref,t} \end{pmatrix}$$

In this matrix, the ith row depicts the expected surplus of actor i under the change from the current rule *ref* to the different rules in question; the jth column of EU denotes the expected surplus for actors when the current setting *ref* is changed to rule j, i.e., whether a voting rule satisfies the criterion of Pareto-superiority with respect to issue t. Hence, for each issue t the matrix of constitutional choice ΔEU_t sums up actors' individual policy-seeking assessments of voting rules. It is the starting point of our empirical analysis of the Amsterdam Treaty which introduces or modifies the voting rules for many issues.

Results: the constitutional determinants of the Amsterdam Treaty

The expected rule utility model of the formation of constitutional preferences offers insight into two general aspects. The first aspect concerns the impact of voting rules on the probability of outcomes. The second refers to the consequences of changing a voting rule for the actors' expected utilities. Both can be used to test criteria under which the Amsterdam delegates selected one out of many voting rules. Two topics were particularly important for the Amsterdam rule reform: the extension of qualified majority voting in the Council of Ministers and EP participation. In order to raise parliamentary involvement, the modified co-decision procedure (Art. 2, 44 Treaty of Amsterdam) was considered the most promising voting procedure, requiring not only the consent of the EP, but also giving an agenda-setting function to parliamentary delegates in the conciliation committee. The Amsterdam Treaty proposes to apply the standard and the modified co-decision procedure extensively, while the assent procedure is to be used for legislation on external relations (CONF/4001/97, 119). We therefore investigate the procedural settings of the standard and modified co-decision procedure (with Council qualified majority voting or unanimity) as ideal types for reforming the EU's framework. In order to delineate delegates' constitutional preferences regarding the Council voting quota and parliamentary participation we compare their expected utilities from:

- Council qualified majority voting versus unanimity in the standard procedure, both including the Commission as part of any winning coalition, and
- standard procedure versus modified co-decision procedure, with qualified majority voting in the Council, the latter defined by winning coalitions of the Council and the EP.

The constitutional preferences regarding the Council's voting quota and the participation of the EP are listed in the right-hand columns of Table 3.1. Obviously, the two member states favouring the status quo of the first issue on citizenship prefer unanimity rule enabling them to maintain the status quo, while all other pro-integrative actors will profit from Council qualified majority voting allowing the status quo to be altered. The same holds true for issue 24 where the majority of actors can only preserve the pro-integrative status quo location by unanimity rule. Except for two issues, the EP always prefers to alter the status quo leading to a high similarity between preferences for Council qualified majority voting and EP participation. The asterisks indicate the rule that has been adopted by the Amsterdam Treaty. For most of the issues, we find a majority of member states favouring the Council's qualified majority voting rule. The EP almost always prefers qualified majority voting, while the Commission partly supports member states' unanimity. With respect to the participation of the EP, we find a similar picture: a majority of member states, often the Commission, and nearly always the EP prefer the extension of parliamentary rights.

For hypothesis H1, total net utilities are important from a change of the current rule to the final settings provided in the Amsterdam Treaty.[3] Table 3.2 shows total net utilities of the Amsterdam delegates over all thirty-five issues as derived from our expected rule utility model of constitutional preference formation in the second column. Columns 3 to 6 list total net expected utilities for four other settings providing for either standard procedure with qualified majority voting, standard procedure with unanimity, co-decision procedure with qualified majority or co-decision procedure with unanimity for all thirty-five issues. According to column 2, all member states as well as the two supranational actors may expect gains from the reform of rules by the Amsterdam Treaty. Confirming hypothesis H1, the delegates' constitutional decision is Pareto-superior to the status quo rule of no integration. Actors' expected utilities, however, vary to quite an extent with the supranational actors, the Benelux countries, having a net value of more than 0.4, whereas France, Germany, Ireland and UK have less than 0.2.

Comparing the reform of the Amsterdam Treaty with the four other possible settings reveals that Council unanimity would also fulfil the criterion of Pareto-superiority, but delegates' expected utilities are only marginally greater than zero due to the high status quo bias. Conversely, Council qualified majority would offer higher gains from more likely policy change of the (mostly non-integrationist) status quo to the (mostly integrationist) policy position of a majority of member states. Again, as majorities are changing from issue to issue and none of the constitutional actors fears being outvoted permanently under majority rule, all delegates have a positive assessment of future benefits. Since all total net expected

Table 3.2 Expected utilities from voting rules

Actor	Amsterdam Treaty	Net expected utilities over 35 issues $\sum_{t=1}^{35} \Delta EU_{j,t}^i$			
		Standard/ QM voting for all issues	Standard/ unanimity for all issues	Co-decision/ QM voting for all issues	Co-decision/ unanimity for all issues
Commission	.431	.736	>0	.373	>0
France	.173	.268	>0	.128	>0
Germany	.108	.254	>0	.116	>0
Italy	.413	.842	>0	.433	>0
UK	.199	.250	>0	.115	>0
Spain	.342	.649	>0	.329	>0
Belgium	.441	.823	>0	.423	>0
Greece	.415	.784	>0	.403	>0
Netherlands	.411	.734	>0	.371	>0
Portugal	.247	.529	>0	.265	>0
Austria	.433	.808	>0	.415	>0
Sweden	.335	.473	>0	.231	>0
Denmark	.301	.392	>0	.193	>0
Finland	.349	.614	>0	.311	>0
Ireland	.197	.329	>0	.156	>0
Luxembourg	.429	.764	>0	.389	>0
EP	.449	.926	>0	.483	>0
Standard deviation	*.110*	*.230*	*>0*	*.134*	*>0*

utilities from qualified majority voting in the standard procedure are greater than from the Amsterdam Treaty's rules, the question arises as to why delegates did not provide for this procedure for all thirty-five issues. One answer might be indicated by the standard deviation (last row of Table 3.2), showing that the distribution of actors' expected utilities is even more asymmetric with qualified majority voting under standard procedure (0.230) and under the co-decision procedure (0.134) than under the Amsterdam outcome.

On closer inspection, hypothesis H2 asks for commitments of member states to adopt Council majority voting and parliamentary participation over the issues. To test this hypothesis we use logit probability models estimating different thresholds of the number of member states (T^1 to T^{15}) as predictors for the choice of the Council's voting quota (VQ) and the EP's participation (PP) on thirty-five adopted issues.[4] We also consider the impact of the Commission's preference (C) while we must exclude the constitutional preferences of the EP because of its non-discriminatory attitude to both rules. The logit model estimates probabilities of the two possible events of the dichotomous dependent variables using the cumulative logistic probability function. The probability that the constitutional actors will choose qualified majority voting ($VQ_t=1$) for an issue t, e.g., is given by:

$$P(VQ_t = 1) = \left(1 + \exp(-(\beta_0 = \beta_1 T_t^8 + \beta_2 C_t))\right)^{-1},$$

where the independent variables are the Commission's preference and the eight member-states' threshold variable. A high positive value in a beta coefficient indicates that the variable contributes to a higher probability for Council majority voting and parliamentary participation, while a negative value shows a decreasing likelihood for any issue.
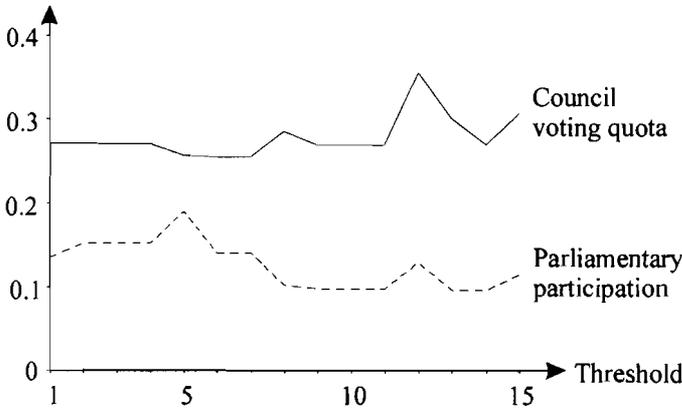

Figure 3.2 Predictive quality of threshold models (Pseudo-R^2)

In order to test hypothesis H2, we look for the most appropriate threshold model to explain the final settings of the Amsterdam Treaty. Figure 3.2 portrays our threshold model findings with the number of member states on the horizontal and their predictive quality on the vertical axis.[5] Due to the distribution of rule preferences, the null-model of fifteen member states plus Commission is worse than the twelve member-state plus Commission threshold model. This means that the probability of an issue by issue adoption of Council qualified majority rule significantly increases when at least twelve member states favour this quota. It is interesting to note that the significance of the Commission's influence increases when the number of member states decreases. However, the twelve member-state threshold model correctly predicts 82.9 per cent of all cases and proves to be the best predictor for the introduction of Council qualified majority voting. In contrast, none of the threshold models sufficiently explains the participation of the EP. Consequently, we can only reject the hypothesis that member states have to consent regarding each single issue for their constitutional choice of Council voting rules. Here, commitments may allow for the adoption of qualified majority voting as twelve of fifteen member states have the highest significance in predicting the Amsterdam outcome. This generates the question of which

member states' preferences best predict the Amsterdam choice of voting rules.

This question is the conjecture of hypothesis H3 referring to the different relevance of member states for constitutional decisions. In order to reveal the impact or 'power' of one delegate to realise his rule preferences against other delegates, ideally we should correlate the delegate's preferences with the final outcome *controlling* for the preferences of all other delegates. However, several delegates have quite similar rule preferences making it difficult to differentiate powerful and lucky actors. Besides, the number of thirty-five cases is small so that a sophisticated analysis using a multivariate logit model is not possible. For this reason, Table 3.3 lists how often actors' rule preferences coincide with the final outcome and shows the corresponding association coefficients: a high coefficient thus indicates either high power to get one's preferences through or simply luck to have preferences similar to a powerful actor.

Table 3.3 Correlation between rule preferences and Amsterdam Treaty outcomes

Actor	*Number of policies where preference coincides with outcome (%)*					
	Unanimity (N=10)	*QM voting (N=25)*	*Association[a]*	*No particip. (N=12)*	*EP particip. (N=23)*	*Association[a]*
Commission	0.60	0.92	0.313***	0.42	0.87	0.105*
France	0.40	0.56	0.001	0.25	0.49	0.068
Germany	0.50	0.60	0.008	0.50	0.61	0.011
Italy	0.20	0.88	0.011	0.25	0.91	0.049
UK	0.80	0.72	0.225***	0.67	0.70	0.121**
Spain	0.30	0.92	0.081*	0.17	0.87	0.002
Belgium	0.40	0.96	0.216***	0.42	1.00	0.319***
Greece	0.30	0.88	0.047	0.33	0.91	0.096*
Netherlands	0.50	0.88	0.167**	0.42	0.87	0.105*
Portugal	0.30	0.68	0.000	0.42	0.74	0.025
Austria	0.40	0.92	0.147**	0.42	0.96	0.221***
Sweden	0.90	0.84	0.479***	0.67	0.78	0.195***
Denmark	0.90	0.80	0.417***	0.67	0.74	0.155**
Finland	0.50	0.80	0.090*	0.33	0.94	0.006
Ireland	0.70	0.68	0.120**	0.58	0.65	0.051
Luxembourg	0.50	0.92	0.225***	0.42	0.91	0.153**
EP	0.10	0.96	0.014	0.17	1.00	0.116**

Notes: [a] Goodman and Kruskal (1954) ($? = (N_c-N_d) / (N_c+N_d)$, where N_c and N_d are the number of concordant and disconcordant pairs in the 2 by 2 table of rule preferences and treaty outcomes). * significant at 10% level; ** significant at 5% level; *** significant at 1% level.

From the total of thirty-five issues, the Amsterdam Treaty provides for Council QMV on twenty-five issues and for parliamentary participation in twenty-three cases. We find a high coincidence between outcomes and a preference for Council majority voting for both supranational actors,

the Benelux countries and also the three Southern European countries Greece, Italy and Spain. Conversely, there is high coherence between the preference of the United Kingdom, Sweden and Denmark for unanimity and the introduction of that rule in the Treaty. As a result, both the Commission and the Benelux countries, as well as the United Kingdom, Sweden and Denmark, have a strong and highly significant correlation between their rule preferences and outcomes. Compared to them, France and Germany were powerless or out of luck at the Amsterdam Intergovernmental Conference. For parliamentary participation we also find evidence for our third hypothesis, positing the different relevance of member states: although the correlation between preferences and outcomes is weaker, the effect of the EP seems to be much higher on this question. As for lowering the Council's voting quota, the support of the small Benelux member states is always positive for parliamentary integration, and some three member states may be responsible for holding on to the status quo rules.

Conclusion: Europe towards a majority system?

Regarding proper functioning, the crucial question was to what extent the Amsterdam Treaty provides Council majority voting and parliamentary participation for reforming the European legislature. The answer is important for the proper functioning of the present and future EU when five or ten applicant countries will have joined the club. For 25 and 23 of the thirty-five adopted issues, the Amsterdam Treaty includes the participation of the EP and applies Council qualified majority voting. When Council unanimity has to be applied, the EP participates in only three of seven issues, while parliamentary participation is fixed in twenty out of twenty-five issues with Council qualified majority voting. We correctly predict the rulemaking outcome for twenty-three of twenty-five issues with Council qualified majority voting, but only six of ten issues providing for Council unanimity. Concerning parliamentary participation we miss half of the twelve policies excluding the EP, while we correctly predict twenty-one of twenty-three policies with parliamentary participation. We are able to predict the EU's move towards a (parliamentary) majority system, but we underestimate its international character of safeguarding state sovereignty by Council unanimity without EP participation.

Besides Pareto-superiority, the pattern of the Amsterdam constitutional choice, especially the choice of the Council's voting quota, can be explained by the commitments of a twelve-member state majority plus Commission, the latter increasing its importance when the number of member states preferring Council qualified majority voting decreases. We found evidence for our first hypothesis (H1) on the consensus requirement

of Treaty reform, but also for the hypotheses on the higher number of member states (H2) and on the different importance of member states (H3). To underpin our results, a possible extension might be a two-step estimation which first predicts whether the European regulation of an issue will be adopted and then determines the likely voting rule. Moreover, the empirical preference structure revealed our difficulty in measuring actors' policy positions. We had to reduce our analysis to the member states' and Commission's role because the EP exclusively voted for more Council qualified majority voting and parliamentary integration. Even though we were able to collect *ex ante* policy preferences of the negotiating actors and to derive their constitutional preferences, a higher quality of data is needed for the (spatial) location of actors' policy positions.

In spite of some empirical shortcomings, the analysis showed a significant pattern of constitutional choice when twelve member states are in favour of introducing or changing the voting rules. Member states take into account their individual expected gains from future policy-making when deciding on the Council's voting quota for future decision-making. The Commission also proved to be influential, but its impact is limited, particularly when the twelve members make commitments on qualified majority voting. This result certainly indicates why policy-seeking member states do not change the Commission's role. The Commission's impact can be drastically reduced when a qualified majority of twelve member states has the same preferences. Compared to the findings on the Council's voting quota, the results on the EP's participation indicate different reasons for its choice. Commitments of a certain number of member states do not sufficiently explain the participation of the EP. We suspect that policy-seeking delegations may be guided by different 'central ideas' when deciding on both voting rules. However, the EU is moving towards a majority system and Pareto-superiority of the Treaty as a whole is enough for further integration.

In sum, our results confirm the basic premises of constitutional analysis, namely actors' policy-seeking view of constitutional matters and the Pareto-superiority requirement of constitutional change. However, our empirical analysis on the Amsterdam Treaty does not confirm previous research on Treaty reforms. Our findings suggest that the introduction of QMV is likely induced by the support of the Benelux countries, Spain, Greece and Italy, while the maintenance of unanimity is due to the extreme policy preferences of the United Kingdom, Denmark and Sweden. This may challenge the insight of intergovernmental institutionalism concluding that European 'bargaining tends to converge towards the lowest common denominator of large state interests. The bargains initially consisted of bilateral agreements between France and Germany; now they consist of trilateral agreements including Britain' (Moravcsik, 1991: 26).

In addition, our findings suggest that the Commission's impact is high in general but limited when twelve member states agree on constitutional changes. This may qualify the view of supranational institutions as autonomous and powerful actors who are necessary for constitutional change. The Commission only has an important and independent causal role in the integration process if member states disagree on the terms of integration.

Appendix

Calculation of inclusiveness and conditional Shapley–Shubik indices
Formally, an arbitrary voting rule can be depicted as a simple game which is a map v_j with $v_j(S)=1$, if S is a winning coalition with respect to the rule, and $v_j(S)=0$, if S is losing, where S is a subset of the player set N. By definition, S is winning if there is a subset T of S that is winning. For any rule v_j, we denote its corresponding set of winning coalitions by

$$1 \quad W_j = \{S \subseteq N \mid v_j(S) = 1\}$$

Given the knowledge of policy preferences, we assume that the likelihood that actors α and β will collaborate in a coalition is related to their spatial proximity of their policy preferences.

Let x^{*i}_t be the ideal point of actor i regarding issue t in the (multi-dimensional) policy space $\Omega_t \subseteq CR^n$ and denote the dispersion of policy references by

$$2 \quad diam_t(N) = \begin{cases} \max\limits_{\mu,\nu \in N} \{s^\mu_t s^\nu_t |x^{*\mu}_t - x^{*\nu}_t|\} & \text{if } \max\limits_{\mu,\nu \in N} \{s^\mu_t s^\nu_t |x^{*\mu}_t - x^{*\nu}_t|\} \neq 0 \\ 1 & \text{if } \max\limits_{\mu,\nu \in N} \{s^\mu_t s^\nu_t |x^{*\mu}_t - x^{*\nu}_t|\} = 0 \end{cases}$$

where s^i_t is i's salience regarding issue t. The homogeneity of a coalition S can thus be defined as the mean similarity of all pairs of coalition members

$$3 \quad h_t(S) = \frac{2}{s(s-1)} \sum_{\substack{\alpha,\beta \in S \\ \alpha < \beta}} 1 - \frac{s^\alpha_t s^\beta_t |x^{*\alpha}_t - x^{*\beta}_t|}{diam_t(N)},$$

where s denotes the number of actors in S. Accordingly, the likelihood $\pi_t(S)$ that a coalition S actually will form depends on how homogeneous it is compared to other coalitions

$$4 \quad \pi_t(S) = \frac{h_t(S)}{\sum\limits_{S \subseteq N} h_t(S)}.$$

Using the concept of simple games, we define the *inclusiveness* ω_t^i of an actor i regarding an issue t as its probability of participating in a winning coalition

$$5 \quad \omega_t^i (v_j) = \frac{\sum\limits_{S \subseteq N, i \in S} \pi_t (S) v_j(S)}{\sum\limits_{S \subseteq N} \pi_t (S) v_j(S)}.$$

If all coalitions are equally probable, inclusiveness of an actor is the number of times it participates in winning coalitions in relation to the number of all feasible winning coalitions (Bräuninger, 1996: 42).

To derive conditional Shapley–Shubik indices with respect to an arbitrary winning coalition S (i.e., $v_j(S) = 1$), we consider subsets T of S. According to the concept of simple games, we let $v_j(T) = 1$ if T is winning, and $v_j(T) = 0$ otherwise. Our conditional Shapley-Shubik indices for all actors i with respect to the coalition S are

$$6 \quad \phi_s^i (v_j) = \sum_{T \subseteq S} \frac{(t-1)!(s-t)!}{s!} [v_j(T) - v_j(T \setminus \{i\})]$$

where s and t denote the number of elements of the sets S and T, respectively.

Calculation of expected outcomes x(S)
To assess expected outcomes in a policy area t and actors' expected profits from outcomes, we distinguish between the status quo (sq_t) and the outcomes, of all feasible winning coalitions. If the coalition supporting a policy proposal is losing, the status quo remains. In contrast, if the supporting coalition is winning, the policy proposal is the decision-making outcome. Formally, we assign every coalition S an expected outcome $x_t(S)$ in the space of all feasible outcomes $\Omega_t \subseteq \mathbf{R}^n$:

$$7 \quad x_t : S \to x_t(S), \text{ where } x_t(S) = sq_t \quad \forall S \notin W_j.$$

Given the knowledge of preferences, we assume that decisive actors are able to realise their first preference in the corresponding winning coalition. Then, the expected outcome of a specific winning coalition S is a linear combination of the first preferences of coalition members where actors' conditional decisiveness indicates how often they are able to realise their own preference within S. Let x_t^{*i} be the ideal point of actor i regarding issue t, then actors expect the following policy outcome:

$$8 \quad x_t(S) = \sum_{i \in S} \phi_s^i (v_j) x_t^{*i} \quad \forall S \in W_j.$$

where the conditional Shapley–Shubik indices of all coalition members sum up to unity:

9 $\quad \sum_{i \in S} \phi_s^i(v_j) = 1 \, \forall S \in W_j.$

Calculation of expected utilities of rules

The status quo is maintained if the supporting coalition does not succeed within the setting defined by rule v_j. Since the probability that a coalition will form depends on its homogeneity, the probability of the status quo in issue t is

10 $\quad q_t = \sum_{S \notin W_j} \pi_t(S).$

As a consequence, the actor's probability of being in one out of all winning coalitions is its individual inclusiveness:

11 $\quad \sum_{S \in W_j, i \in S} \pi_t(S) = \omega_t^i(v_j).$

We now consider a general utility function $U^i = U^i(x)$ with x as a potential outcome in the policy space and $U^i(x)$ as the resulting utility of actor i. Actors behave as expected utility maximisers, i.e. actors try to maximise their expected utility function. Since rules can be depicted as risky lotteries, we have the expected utility $EU^i_{j,t}$ of each actor i for any feasible rule v_j regarding any issue t:

12 $\quad EU^i_{j,t} = \sum_{S \subseteq N} \pi_t(S) \, U^i(x_t(S)) = q_t U^i(sq_t) + \sum_{S \in W_j} \pi_t(S) \, U^i \left(\sum_{k \in S} \phi_s^k(v_j) x^{*k}_t \right).$

Notes

1 The positions of the seventeen participating actors were collected by the EP's Task Force on the IGC. The EP itself has utilised these positions in its regular work (see Parliament's White Paper on the IGC, Vols. I and II, and the briefings on the IGC). The following data stem from the sixth, final update drawn up by memorandums, press reports, etc.. The Task Force emphasises that, despite their provisional nature, the tables of positions 'offer a reasonably reliable summary of the present situation as regards the IGC and should improve understanding of the Conference' (JF/bo/290/97, 12/5/1997, 1). The issues of these tables have been coded as one-dimensional issues with positions on ordinal scales. In addition to the seventeen positions on each issue we coded the status quo, the Amsterdam bargaining result, and the provided institutional settings.

2 Policy positions are conceived as single-peaked utility functions where the ideal point or position indicates the alternative with the highest utility. For the empirical analysis we use the following functional form:

$U^i(x) = 1 - | x^{*i}_t - x |$, where x^{*i}_t is the position of actor i regarding issue t.

3 For all thirty-five issues the current rule is 'no integration' allowing for no policy change; the final settings in the Amsterdam Treaty are indicated in Table 3.2.

4   Dependent variables are coded: $VQ_t=1$ [$PP_t=1$] if the Amsterdam treaty
     provides for Council qualified majority voting [parliamentary participation]
     regarding issue t, $VQ_t=0$ [$PP_t=0$] otherwise. Independent variables are coded:
     $C_t=1$ if Commission prefers Council qualified majority voting [parliamentary
     participation] regarding issue t; $C_t=0$ otherwise; $T_t^x=1$ if at least x member
     states prefer Council qualified majority voting [parliamentary participation]
     regarding issue t; $T_t^x=0$ otherwise.
5   We report Pseudo R^2 as indicators for the predictive quality of the models:
     $R'^2 = 1 - L_1/L_0$, where L_0 and L_1 are the negative log-likelihoods of the initial
     and the current model (McFadden, 1974: 21). R'^2 compares the negative log-
     likelihood of the threshold model to the negative log-likelihood of the model
     where the constant is the only independent variable. Thus R'^2 approaches 1,
     if the predictive quality of the threshold model increases and therefore L_1 is
     much smaller than L_0. If the independent variables T^x and C do not provide
     any further information to explain the choice of rules, L_1 equals L_0 so that
     R'^2 is zero.