

Rationality, Structure and Power in EU Governance:

A Process Dominant Approach

John Peterson

Department of Politics
University of Glasgow
Adam Smith Building
Glasgow G12 8RT
tel: UK + (141) 330 5076
fax: UK + (141) 330 5071
e-mail: johnpeterson1@compuserve.com

Elizabeth Bomberg

Department of Politics
University of Stirling
Stirling FK9 4LA
Scotland
tel: UK + 1786 467 598
fax: UK + 1786 466 266
e-mail: eeb1@stir.ac.uk

Prepared for presentation at the biennial conference of the
European Community Studies Association Centre
Seattle, 29 May-1 June 1997

PRELIMINARY DRAFT - NOT FOR CITATION

ABSTRACT

The rekindling of theoretical debates about European integration has been one of the most striking recent developments in the study of European politics. This paper argues for a 'process dominant' approach to understanding the EU and linking theory and practice. Such an approach rejects the search for a 'big theory' of EU governance in favour of contextual, middle-range theories. It starts by differentiating between 'European integration' and EU policy-making, but then seeks to explain how one process shapes the other. A process dominant approach is nuanced, contextual and draws upon insights from a range of theoretical approaches to understanding the European Union. Perhaps above all, it acknowledges that the EU is a 'moving target' to study, and that process often matters more than outcomes.

The rekindling of theoretical debates about European integration has been one of the most striking recent developments in the study of European politics.¹ Scholars working in other sub-disciplines might question how much new light these debates have shed on the European Union (EU). In their (our) defence, students of the EU have two powerful counterpoints. First, it must be remembered, and is easily forgotten, that early experiments to theorise about European integration were 'called off', above all by Ernst Haas, in the early 1970s.² Subsequently, a lot of time was lost in the development of EU studies as a theoretically-based sub-discipline.

Second, the EU is one of the most complex systems of government ever devised. Historically, each time that its Treaties have been altered, it has become more complex.³ The Union is both a Treaty-based international organization and a system of government in its own right. By its nature, the study of the EU crosses the main sub-disciplines of political science. Explaining what the EU does and why may require a bringing together of theoretical tools from international relations, comparative politics, and public administration.⁴ However, we are still at an early stage of this process: experimentation and cross-fertilisation eventually promises to shed new light on EU governance,⁵ but the short-term effect may be to make the EU literature somewhat murky.

As we hack away at the thicket of EU governance, it bears reminding ourselves of the value of parsimony and prediction in the development of social science theory. But 'good' theory should describe, explain and predict. A central argument of this paper is that muscular positivism leads too easily to a grossly oversimplified picture of EU governance, and sacrifices explanation and understanding on the altar of prediction. It puts us in danger of having no policy relevance and also earns us the ire of non-EU specialists, who could be excused for concluding that our understanding of the European Union remains quite primitive.

¹ We are grateful to Clare McManus and Ricardo Gomez for research assistance and to Wolfgang Dansbeckgruber, Neil Fligstein, Robert Gilpin, Kate McNamara, Andrew Moravcsik, Kalypso Nicolaidis and Marc Smyrl for useful comments. Our work has been supported by support from the Centre for European Policy Studies in Brussels and the Institute of Governmental Studies at UC Berkeley, as well as grants from the British Economic and Social Research Council (grant R000235829), the European Commission and the Joseph Rowntree Foundation.

² Ernst B. Haas, The Obsolescence of Regional Integration Theory (Berkeley, CA: Institute of International Studies), 1975.

³ Recent debates about 'flexibility' in the context of the current IGC suggest that this pattern may well persist despite quite widespread consensus on the virtues of legislative simplification, a hierarchy of norms, simplification of comitology procedures, etc. See Michel Barnier, 'The case for flexibility', Challenge 96: IGC Intelligence Service (Brussels: Belmont European Policy Centre), 10 (September/October 1996), pp.8-9; J.H.H. Weiler, 'The reformation of European constitutionalism', Journal of Common Market Studies, 35 (1) (March 1997), pp.97-131.

⁴ John Peterson, 'Decision-Making in the European Union: towards a framework for analysis', Journal of European Public Policy, 2 (1) (March 1995), pp.69-93.

⁵ We define governance, following Caparaso, as collective problem-solving in the public realm. EU governance thus refers to the full complement of decisions for which it takes responsibility. See James A. Caparaso, 'The European Union and forms of state: Westphalian, regulatory or post-modern?', Journal of Common Market Studies, 34 (1), pp.29-52.

This paper argues for a ‘process dominant’⁶ approach to understanding the EU and linking theory and practice. Such an approach rejects the search for a ‘big theory’ of EU governance in favour of contextual, middle-range theories. It starts by differentiating between ‘European integration’ and EU policy-making, but then seeks to explain how one process shapes the other.⁷ A process dominant approach is nuanced, contextual and draws upon insights from a range of theoretical approaches to understanding the European Union. Perhaps above all, it acknowledges that the EU is a ‘moving target’ to study, and that process often matters more than outcomes.

The focus for this paper is EU decision-making. The virtue of this focus is that it spans the totality of the Union’s activities, from decisions to revise its Treaties to decisions to revise its treatment of pig carcasses. Focusing on decision-making thus allows us to apply one approach to several separate processes. All policies may be approached as a product of discrete but linked decisions. If it is accepted that the EU is a multi-tiered system of government, in which different types of decision are taken at different levels of governance, then there is a strong argument for dissecting EU policies to identify which actors at which levels of analysis are most powerful in making which types of decision.

At the core of a process dominant approach of EU decision-making are three essential elements: an ‘actor-based’ perspective on EU bargaining, the assumption of bargained pluralism within sectoral policy networks, and a theory of power delegation from the national to the EU level. First, an ‘actor-based’ perspective acknowledges that nearly all actors in EU decision-making have multiple identities and thus may be motivated by different rationalities at different times, particularly as they adjust to a process of iterated bargaining. Thus, a rigid conceptual distinction between ‘national governments’ and ‘supranational institutions’ is unsustainable. Second, EU decision-making is highly sectorised and much of it takes place informally within policy networks, which are populated by diverse clusters of actors. The essential character of EU policy networks is determined in large part by intergovernmental bargains, but actors who engage in a process of constant bargaining within sectoral networks often can define the parameters of present and future bargains. Third, a theory of power delegation is offered which predicts that outcomes of future episodes of EU policy-making will be determined primarily by the strength and effectiveness of measures designed to ensure ex post facto control over current policies. To borrow from Lowi, ‘policy determines (future) politics’.⁸

⁶ An earlier version of this paper used the term ‘post-positivist’ to describe the framework which is advocated. However, the label ‘process dominant’ does a better job of emphasising the need to explain how European integration and EU policy-making impact upon one another. We are grateful to Neil Fligstein, Kate McNamara and Andrew Moravcsik for their advice on this point.

⁷ Surely, this lack of differentiation is an important reason why much of the recent literature has featured, in the words of Mark Pollack, EU scholars ‘talking at cross-purposes’: ostensibly debating each other, yet seeking to explain fundamentally different phenomenon. Mark Pollack, ‘The New Institutionalism and EC governance: the promise and limits of institutionalist analysis’, Governance, 9 (4) (October 1996), pp.429-58.

⁸ We are not the first EU scholar to borrow this dictum from Lowi. Kohler-Koch inspired our act of theft, although her own purpose -- to explain interest mobilisation at the EU level -- is somewhat

These three elements focus our attention on three fundamental variables of governance (see table 1): the rationality of agents involved in EU bargaining, the structures which facilitate bargaining between them, and the relative distribution of power between the national and EU levels in different policy sectors. A process dominant approach has a clear purpose: to explain how European integration as an historical process and EU policy-making as a allocative process shape, define and even determine one another.

TABLE 1 - A PROCESS DOMINANT APPROACH

<i>Element</i>	<i>Focus</i>
'Actor-based' perspective	Rationality of agents
Policy networks model	Structures for bargaining
Theory of power delegation	Distribution of power

This paper begins in section 1 by identifying the features of the EU, as a multi-tiered system of government, which must be explained or 'captured' by any viable approach. Section 2 specifies the theories which help explain decision-making at each tier. Section 3 conceptualises a process dominant approach to EU governance and sets out its rationale. Section 4 offers ideas on how 'European integration' and 'EU policy-making' might be linked in theoretical and practical terms.

1. What Makes EU Governance Unique?

Cutting through the complexity of EU decision-making means being clear about what makes EU governance unique, and thus what we are seeking to explain. One defining feature is the blurred line between the 'technocratic' and 'political', which is far fuzzier than in most systems of government. It might be argued that little of importance can be decided without the (usually unanimous) formal agreement of ministers on the Council.⁹ Yet, this argument neglects the way in which many of the Council's powers are wielded by formally non-political officials, as well as importance of informal bargaining which shapes EU policies in potentially crucial ways.

Article 155 of the Treaty of Rome explicitly mandates that the Commission should 'participate in the shaping of measures taken by the Council and the European Parliament'. Yet, most 'policy-shaping' is done in fact by the Council's approximately 150 working groups, which bring together national officials and

different from ours. Beate Kohler-Koch, 'Changing patterns of interest intermediation in the European Union', *Government and Opposition*, 29 (2) (Spring 1994), p.171.

⁹ In this context, a recent (1996) ECJ decision confirmed that 'COREPER is an auxiliary body of the Council and it is not an institution endowed by the Treaties with decision-making power'. Noreen Burrows, 'COREPER, competence and conservation', *European Law Review*, 22 (February 1997), p.65.

experts. Every working day, an average of around 1000 officials or experts attend 20 different Council group meetings. About 70 percent of the EU's legislative output is actually 'decided' at this level,¹⁰ with the percentage of all 'decisions' taken in the name of the Council being even higher.¹¹

Meanwhile, the Commission is more a political system in itself than a single-minded actor. While the statistics on the initial source of Commission proposals should be treated sceptically, they do suggest that the Commission tables very few 'pure, spontaneous' initiatives on its own, and that many are responses to Member State requests.¹² Moreover, the Commission is more than just an apolitical civil service. It has its own 'political' level: the college of Commissioners and their cabinets.

A second defining feature of EU decision-making is its eclectic institutional division of powers. The institutional prerogatives of the Commission and EP not only differ radically amongst policy sectors, but also within policy sectors (i.e. research) depending on the stage of the legislative process which is reached. The power of the Committee of Permanent Representatives (COREPER, which groups together national EU ambassadors), to decide on all but the most contentious issues is striking. Yet, it has little or no prerogative over farm, trade or monetary policy, since they are presided over by other committees (i.e. the Special Committee on Agriculture and the Article 113 Committee). It would be difficult to imagine that any system of government could possibly feature as much variation in the balance of power between institutions.

A third defining feature of EU decision-making is its sectoral compartmentalisation. Not only are there 23 different Councils, which tend to guard their independence quite jealously.¹³ The Commission's services, too, are marked by rigidly vertical command structures, while the college and cabinets strain to provide horizontality, and even more to maintain 'collegiality'.¹⁴

A fourth characteristic of EU decision-making is the extent to which formal rules matter less than informal norms. More precisely, formal rules do not matter much in and of themselves if they are at odds with informal norms. Thus, for

¹⁰ Fiona Hayes-Renshaw and Helen Wallace, The Council of Ministers (London, Macmillan, 1997), p.15.

¹¹ Dietrich Rometsch and Wolfgang Wessels, 'The Commission and the Council of Ministers' in Geoffrey Edwards and David Spence (eds) The European Commission (Essex: Longman Current Affairs, 1994), p.213; M.P.C.M. van Schendelen, "'The Council decides": does the Council decide?', Journal of Common Market Studies, 34 (4), (December 1996) p.535.

¹² Martin Westlake, The Council of the European Union (London: Cartermill, 1995), p.64; Adrienne Héritier, 'The accommodation of diversity in European policy-making', Journal of European Public Policy 3 (2) (June 1996), pp.149-76.

¹³ To illustrate the point, the Agriculture Council goes to great lengths 'to find its own solutions, rather than passing any agricultural dossiers on to the higher "cross-sectoral" General Council, where agricultural interests might be traded off against quite different ones'. Van Schendelen, "'The Council decides'", p.541.

¹⁴ See John Peterson, 'Playing the transparency game: consultation and policy-making in the European Commission', Public Administration, 73 (3) (Autumn 1995), pp.473-92; David Spence, 'Structure, functions and procedures in the Commission' in Edwards and Spence, The European Commission.

example, the move to qualified majority voting (QMV) signalled by the Single European Act 'generally transformed the climate of decision-making'.¹⁵ Yet, the informal norm that the Council should seek consensus whenever possible has meant that even 'since QMV became an entrenched option, votes have been formally taken on only about a quarter of all eligible decisions'.¹⁶

The point is not that formal rules do not matter. It is that they do not matter in and of themselves as much as they do in influencing the behaviour of actors in EU governance when they engage in informal bargaining. 'Settlements' in state aid cases are often decided in three-cornered negotiations between states, firms and the Commission, when in formal terms the Commission has the power to impose a settlement. The amount of fines due to be repaid to the EU's budget by Italy in the celebrated case of uncovered fraud in milk quotas was clear in formal terms, yet was reduced as the acceptable price for Italian concessions in other areas. In EU policy-making, very little is clear and nearly everything is negotiable.

Fifth and perhaps most importantly, the EU is a uniquely multi-tiered or 'multi-level' system of government, marked by 'the existence of overlapping competencies among multiple levels of governments and the interaction of political agents across those levels'.¹⁷ The work of Marks, Hooghe and others on 'multi-level governance' does a good job of taking the first, crucial step and flagging the most important and novel developments in EU governance -- the ones which cry out the loudest for explanation. Yet, the precise meaning and significance of 'multi-level governance' is not very clearly specified. The dynamics of decision-making at different levels of EU governance, and what makes which actors most powerful at each, are not spelled out very clearly.

TABLE 2 - LEVELS OF ANALYSIS IN EU DECISION-MAKING

<i>Level</i>	<i>Type of Decision</i>	<i>Dominant Actors</i>	<i>Rationality</i>
super-systemic	history-making	European Council,	political, legalistic

¹⁵ Weiler, 'The reformation of European constitutionalism', p.107.

¹⁶ Even when votes are taken, the result nearly half the time is that no states vote 'no', and only 1 or 2 states abstain. Hayes-Renshaw and Wallace, The Council of the European Union, p.18 (citation on p.54).

¹⁷ Gary Marks, François Nielsen, Leonard Ray and Jane Salk, 'Competencies, cracks and conflicts: regional mobilisation in the European Union' in Gary Marks, Fritz W. Scharpf, Philippe C. Schmitter and Wolfgang Streeck (eds) Governance in the European Union (London and Thousand Oaks: Sage, 1996), p.41. See also Liesbet Hooghe (ed) Cohesion Policy and European Integration: Building Multi-Level Governance (Oxford: Oxford University Press, 1996); Gary Marks, Liesbet Hooghe and Kermit Blank, 'European integration from the 1980s: state-centric v. multi-level governance', Journal of Common Market Studies, 34 (3) (September 1996), pp.341-78; Liesbet Hooghe and Gary Marks, 'Birth of a polity: the struggle over European integration' in Herbert Kitschelt, Peter Lange, Gary Marks and John Stephens (eds) The Politics and Political Economy of Advanced Industrial Societies, (forthcoming, 1997).

		national govts in IGCs, ECJ	
systemic	policy-setting	Council of Ministers, COREPER	political, technocratic, administrative
meso-	policy-shaping	Council groups, committees, Commission	technocratic, consensual, administrative

A process dominant approach seeks to fill these gaps. It assumes three levels of analysis (see table 2).¹⁸ First, ‘grand bargains’ are struck -- ‘history-making’ decisions are taken -- at a ‘super-systemic’ level, which transcends the EU’s day-to-day policy process. Leaving aside particularly weighty decisions taken by the European Court of Justice (ECJ), history-making decisions usually reflect distinctly political rationality: the desire of national governments to remain in power.¹⁹

History-making decisions change the way that the EU works as a system of government. When the EU operates as a system of government, formal choices are made between alternative courses of action, usually according to one of several versions of the ‘Community method’ of decision-making (i.e. the Commission proposes, the Council disposes, etc.) or intergovernmentally in pillars II and III. At the end of this process, policies are ‘set’.

Power to set policy clearly is shared between institutions. The executive college of the European Commission can ‘set’ policies in some sectors, such as competition policy. But it rarely is dominant at this level because it lacks the resources -- legal, political or financial -- to enforce its will. The Council of Ministers is often a dominant actor owing to its formal legislative power and its political legitimacy. Yet, its remit is not clear-cut: ‘the political territory of the Council is often the subject of dispute with other institutions, most commonly the EP and Commission, occasionally the ECJ, with individual member governments sometimes taking contrasting views’.²⁰

Moreover, the Council itself is a multi-tiered institution: COREPER ‘makes’ far more decisions than the Council does, while the European Council may act as a ‘court of last resort’ when first COREPER and then the Council itself are deadlocked. When policies are set, technocratic or administrative rationality are often crucial, since much EU legislation is highly technical and concerns often arise about whether

¹⁸ The model sketched here is developed in more detail in Peterson, ‘Decision-Making in the European Union’, especially pp.71-6.

¹⁹ See Andrew Moravcsik, ‘Preferences and power in the European Community: a liberal intergovernmentalist approach’, *Journal of Common Market Studies*, 31 (4) (December 1993), p. 517.

²⁰ Hayes-Renshaw and Wallace, *The Council of Ministers*, p.17.

policies can be properly implemented 'on the ground' by national authorities. But political rationality is usually the primary determinant of choices at the policy-setting level.

A third level of analysis -- the 'meso-level' of individual EU policy sectors - is where decisions are taken which 'shape' policy, particularly as policy options are formulated. Often, key actors are formally 'non-political': the Commission's services, or Directorates-General (DGs), national civil servants and private actors who bargain with each other in various types of committee or Council working groups. Most policy-shaping decisions are about means rather than ends, but such decisions often have the effect of narrowing the options available to political decision-makers when policies are 'set'. Technocratic and administrative rationality often dominate at the meso-level. However, the most powerful motivator of behaviour frequently is the perceived need to forge consensus between meso-level actors in order to legitimise the choices offered to political decision-makers.

2. Constructing a Portfolio: Putting Theory in Its Place

If we accept the multi-tiered model of the EU sketched above, it follows that we need a 'portfolio' of mid-range theories to describe, explain and predict decision-making which takes place at each tier. A process dominant approach constructs and builds upon such a portfolio. In particular, it offers conceptual devices which link the outcomes of decision-making at one tier to outcomes at others.

The 'super-systemic' level is clearly where the most crucial, sweeping and dramatic decisions are taken which determine the broad scope and direction of European integration. It is at this level of 'high politics' (or 'high legal politics'²¹) that debates have raged between intergovernmentalists and neofunctionalists. Neofunctionalism is, in the words of one critic, primarily about political control and the way that 'authority [is] gradually transferred from member states to supranational actors'.²² For another, it is about 'integration [which] is in essence a spillover process'.²³ In other words, neofunctionalism is a theory of European integration, not EU policy-making.²⁴

The same could be said about liberal intergovernmentalism (LI). No other general theory of EU governance can match LI's elegance, epistemology and

²¹ Burley and Mattli, 'Europe before the Court'; Geoffrey Garrett, 'The politics of legal integration in the European Union', *International Organization* 49 (1) (Winter 1995), pp.171-81; Walter Mattli and Anne-Marie Slaughter, 'Law and politics in the European Union: a reply to Garrett', *International Organization* 49 (1) (Winter 1995), pp.183-90.

²² Paul Pierson, 'The path to European integration: a historical institutionalist analysis', *Comparative Political Studies*, 29 (2) (April 1996), p.147.

²³ Dorette Corbey, 'Dialectical functionalism: stagnation as a booster of European integration', *International Organization*, 49 (2) (Spring 1995), pp.253-84.

²⁴ Moravcsik has tended to paint all analysts of EU politics who challenge intergovernmentalist assumptions with the broad brush of 'neofunctionalist', when many would certainly resist the label and/or are concerned more with EU policy-making than European integration. See Moravcsik, 'Preferences and power', p.478; Andrew Moravcsik, 'Liberal intergovernmentalism and integration: a rejoinder', *Journal of Common Market Studies*, 33 (4) (December 1995), p.615.

parsimony. Yet, LI is a far from complete theoretical account of how the EU works. One of the primary ambitions of a process dominant approach is to fill in the gaps left by LI.

According to LI, national preferences and power primarily determine decision-making outcomes. For this assertion to be plausible, a number of assumptions must be made. First, it must be assumed that the EU involves ‘the practice of ordinary diplomacy’,²⁵ even if it offers extraordinary opportunities for mutual gains via institutionalised cooperation. National preferences are, in theoretical terms, all that really matter in EU governance. LI offers an original set of insights about the origins of state preferences prior to EU-level bargaining, drawing on liberal approaches to international cooperation. Yet, while LI offers the qualifying adjective liberal, it is a decidedly intergovernmentalist model which explains EU decision-making using the same theoretical tackle used to explain decision-making in any other IO, such as the Council of Europe or United Nations.²⁶

Yet, by now it is clear the EU has decision rules, a system of institutions, and above all a body of enforceable law which make it both unique amongst international organisations and a system of government in its own right. LI thus cuts itself off from theories which link political institutions and policy choices, or decision rules and ‘policy styles’.²⁷ LI appears to assign little weight to the impact of changes in decision rules (unanimity v. QMV) or different institutional power-sharing arrangements on actual EU policies.

It might be argued that these latter variables may be essential components for an accurate description of EU governance, but that LI may not need bother with them if it can predict outcomes without them. Proponents of LI might argue, along with modelers who recently have visited EU decision-making as academic ‘tourists’, that ‘if their models predict accurately, their assumptions must express the real world, for there is no other way to determine what the real world is’.²⁸ Yet, proponents of intergovernmentalist models have failed to deliver any convincing riposte, despite brave attempts,²⁹ to Pierson’s charge that ‘it is almost always possible, ex post, to posit some set of member-state preferences that reconciles observed outcomes with the image of near total member-state control’.³⁰

Second, LI assumes that the EU’s institutions are simply creatures of expediency. Their powers are only those delegated to them by EU Member States to

²⁵ Paul Pierson, ‘The path to European integration’, pp.123-63.

²⁶ LI asserts that ‘European integration can only be explained with reference to general theories of international relations’. Moravcsik, ‘Preferences and power’, p.474.

²⁷ Fritz W. Scharpf, ‘Decision rules, decision styles and policy choices’, Journal of Theoretical Politics, 1 (2) (1989), pp.149-76.

²⁸ Roy Pierce, ‘Introduction: Fresh Perspectives on a Developing Institution’ in Bruce Bueno de Mesquita and Frans N. Stokman (eds) European Community Decision Making (New Haven, CT: Yale University Press, 1994), p.5.

²⁹ See Moravcsik, ‘Liberal intergovernmentalism’, esp. pp.612-3, 625; Andrew Moravcsik, The Choice for Europe: Social Purpose and State Power From Rome to Maastricht (Ithaca: Cornell University Press, forthcoming, 1998), ch.7.

³⁰ Pierson, ‘The path to European integration’, p.125.

enforce the bargains that have been agreed intergovernmentally. LI's preoccupation with inter-state bargaining, which is shared by 'power index' models,³¹ leads it to focus 'myopically on decision-making in the Council of Ministers'.³² It may make sense to seek to explain decision-making concerning the broad sweep of European integration by focusing almost exclusively on national preferences and -- institutionally -- bargaining within the Council, European Council and intergovernmental conferences. However, if EU policy-making is what is being investigated, then its legislative process must be followed and policies dissected down to their lowest common denominator: the individual decision. Put another way, the EU's policy process can be understood 'only through detailed institutional analysis of the interactions among the Council of Ministers, Commission...and the European Parliament, and in particular the sequencing of decisions'.³³

Third, LI assumes that the preferences and demands of domestic interest groups, as expressed in the lobbying of national governments, are the only important non-governmental influences on EU policy outcomes. LI discounts the influence of European level interest groups on EU policy outcomes, despite considerable evidence that considerably more lobbying activity occurs at this level than was the case before the mid-1980s.³⁴ In this context, Moravcsik insists that 'intergovernmental demand for policy ideas, not the supranational supply of those ideas, is the fundamental exogenous factor driving integration'.³⁵ The problem here is that a false dichotomy is drawn between what is 'supranational' and 'intergovernmental'. For example, Cowles offers a convincing case to suggest that the executives of Europe's largest firms were primarily responsible for stoking the demand of national governments for new policy ideas in the 1980s, and moreover organised themselves on a 'supranational' basis to press their case.³⁶

Fourth, LI assumes that only history-making decisions really matter. Choices concerning the broad sweep of European integration -- or decisions about what the EU becomes -- are assumed to determine EU policies, or the outcomes of decision-making

³¹ André Kirman and A. and Mikka Widgrén, "European economic decision-making policy: progress or paralysis?", *Economic Policy*, 21 (October 1995), 423-60; Jan E. Lane, Reinert Maeland and Sven Berg, "Voting power under the EU constitution" in Svein S. Andersen and Kjell A. Eliassen (eds) *The European Union: How Democratic Is It?* (London and Thousand Oaks: Sage, 1996).

³² Geoffrey Garrett and George Tsebelis, 'An institutionalist critique of intergovernmentalism', *International Organization*, 50 (2) (Spring 1996), p.269.

³³ Garrett and Tsebelis, 'An institutionalist critique', p.270.

³⁴ Sonia Mazey and Jeremy Richardson (ed) *Lobbying in the European Community*, Oxford and New York: Oxford University Press, 1993. Moravcsik may find solace in Kohler-Koch's claims that European interest group federations have not developed in parallel with increased EU policy-making powers and that 'in the decision-taking phase of the policy process', which is all that really matters in LI, 'national interest groups are the main actors'. Still, it does not follow that EU-level interest groups - - such as the European Bureau of Consumers' Unions, the European Environmental Bureau, and a hostel of pan-European producer interests have no influence over EU policy outcomes. See Kohler-Koch, 'Changing patterns of interest intermediation', especially pp.168-73.

³⁵ Moravcsik, 'Liberal intergovernmentalism and integration', p.618. Emphasis in original.

³⁶ Maria Green Cowles, 'Setting the agenda for a new Europe: the ERT and EC 1992', *Journal of Common Market Studies*, 33 (4) (December 1995), pp. 611-28.

concerning what the EU does. Quietly, perhaps reluctantly (in a footnote), Moravcsik concedes that his liberal intergovernmentalist (LI) approach is pitched at a 'super-systemic level', although it may give us clues about what happens elsewhere:

The restriction of LI applications to 'grand bargains' is a theoretically justified first step, since such bargains are less constrained by powers delegated to supranational actors or complex domestic policy processes. Nonetheless, this does not foreclose the possibility that LI, properly specified, will be helpful in explaining many everyday decisions as well.³⁷

Certainly, LI helps explain some -- perhaps many -- decisions taken below the 'super-systemic' level, including ones which resist the label of 'grand bargains'.³⁸ However, at a systemic level of analysis, where the EU's legislative process operates, decision-making has become as much a matter of inter-institutional negotiation as intergovernmental bargaining. Even if most everything is negotiable in EU governance, its individual institutions are endowed with formal powers which its other institutions cannot usurp easily, and usually must respect. For example, the Commission's monopoly on the right of initiative means that its institutional agenda must be respected regardless of the initial source of the proposals it tables.

Moreover, while the co-decision procedure has not revolutionised EU policy-making, numerous recent directives -- concerning biotechnology and the power of motorbikes, for example -- have seen the European Parliament (EP) influencing policy-setting decisions in ways which would have been unthinkable before 1993.³⁹ The formal legislative output of the EU has, of course, declined considerably since the frenzied period of the late 1980s. Still, the institutional reforms which preceded and followed this period mean that EU decisions which 'set' policy are more than ever a product of inter-institutional bargaining.

At a systemic level of analysis, we need a 'middle-range' theory in the purest sense of the term. A strong candidate is the so-called 'new institutionalism' (NI). As Pollack⁴⁰ argues,

³⁷ Moravcsik, 'Liberal intergovernmentalism and integration', p.613.

³⁸ For a compelling explanation of decision-making on a highly politicised directive on packaging waste which validates many LI assumptions -- while stressing its inadequacies -- see Jonathan Golub, 'State power and institutional influences in European integration: lessons from the packaging waste directive', *Journal of Common Market Studies*, 34 (3) (September 1996): 313-39. Although focused on a set of decisions which might be considered 'grand bargains', a similarly impressive test of intergovernmentalist theory on decision-making concerning multiannual structural funds rounds is Mark Pollack, 'Regional actors in an intergovernmental play: the making and implementation of EC structural policy' in Carolyn Rhodes and Sonia Mazey (eds), *The State of the EU, Vol. III*. (Boulder and Essex: Westview and Longman, 1995).

³⁹ On the record of co-decision, see European Parliament, 'Implementation of the conciliation procedure (Article 189b EC) in the European Parliament' (Brussels: Conciliation Secretariat), PE 211.525, 23 March 1995; *European Voice*, 6-12 March 1997. On the motorbikes directives of 1995-7, see John Peterson and Elizabeth Bomberg, *Decision-Making in the European Union* (London: Macmillan, 1998) forthcoming, ch.3. On the biotechnology directive, see Elizabeth Bomberg, *Green Parties and Politics in the European Union* (London and New York: Routledge, 1997), forthcoming, ch.7.

⁴⁰ Pollack, 'The new institutionalism and EC governance', pp.?? (emphasis in original).

The primary virtue of the new institutionalism as a theoretical approach...is that it accepts the fundamental intergovernmentalist insight about the initial primacy and continuing centrality of member governments in the creation and amendment of EC institutions, and then works directly from this assumption to determine how, and under what conditions, domestic and EC institutions, once created, serve to structure the individual and collective choices faced by member governments, and thereby influence policy choices in ways that cannot be predicted from the preferences and relative power of the member states alone. EC institutions, in other words, serve as an intervening variable.

Various 'streams' of institutionalism have been deployed for different purposes, from explaining European integration as a broad, historical process to 'day-to-day' EU governance.⁴¹ Yet, institutionalist explanations of EU decision-making are most compelling at a systemic level, where they help specify how 'history-making' and 'policy-shaping' decisions, formal and informal rules, and national and supranational action are mediated. Above all, they help us make sense of a multi-dimensional and often confusing process of bargaining which is, at the same time, both intergovernmental and inter-institutional.

If decisions which formally endorse EU legislation are mainly the end product of inter-institutional negotiation, it is clear that a great deal of 'pre-legislative' bargaining usually precedes this negotiation. At a meso-level, proposals are 'shaped' before they are formally agreed by the college of Commissioners. The formal texts then delivered to the Council and EP are usually the end products of extensive discussion and scrutiny by an eclectic range of actors, some of whom may be 'supranational' in orientation and many of whom are apolitical 'experts' or representatives of the private sector. Yet, the most important actors at this level are usually formally non-political (i.e. unelected national officials) but mandated to act as political representatives of their Member States.

The sort of bargained pluralism that takes place at the meso-level is amenable to explanation by a theory of 'policy networks'. As much metaphor as model, a policy network may be defined as:

an arena for the mediation of the interests of governments and interest groups. The term 'network' implies that clusters of actors representing multiple organisations interact with one another and share information and resources. 'Mediation' implies that networks usually are settings for the playing of positive-sum games: they facilitate reconciliation, settlement or compromise between different interests which have a stake in outcomes in a particular policy sector.⁴²

The emphasis on the sectoral dimension is particularly apt, given the extreme fragmentation of authority and power in EU decision-making. The Commission's

⁴¹ See, respectively, Pierson, 'The path to European integration' and Simon Bulmer, 'The governance of the European Union: a new institutionalist approach', *Journal of Public Policy*, 13, pp.351-80.

⁴² John Peterson, 'Policy networks and EU policy making: a reply to Kassim', *West European Politics*, 18 (2) (April 1995), p.391.

DGs, which usually act as 'ring-leaders' of policy networks, are considerably more specialised than are national ministries (i.e. the splitting of external affairs between DGs I and IA, separate DGs for fisheries (XIV) and agriculture (VI)). Even the DGs themselves are highly fragmented, with most featuring a very large number of divisions or units per employee.⁴³

A properly-specified model of policy networks generates hypotheses about the extent to which meso-level actors can control or determine EU policy outcomes in their sector. Policy networks may be viewed as the guardians of the agenda in specific policy sectors. Their power to control the agenda is primarily determined by:

- the relative stability (or instability) of their memberships;
- their relative insularity (or permeability) *vis-à-vis* non-sectoral influences;
- the relative strength (or weakness) of resource dependencies between its members.

EU policy networks which combine stable memberships, an highly insular orientation, and strong resource dependencies are more likely to control the policy agenda. For example, the clubby, insular nature of the EU's agricultural policy community is legendary. Often, one finds 'overlapping memberships between an advisory committee of the Commission, a working group of the Council and...a management committee of the Commission'.⁴⁴ CAP policy networks facilitate collective action on decision-making related to specific categories of agricultural policy. Commission and national officials, the Special Committee on Agriculture and the Agricultural Council itself are heavily dependent on each other to maintain the generous level of benefits which flow to the EU's farmers.

Competition for control of policy networks occurs primarily between two different types of coalitions. First, the dense web of committees and working groups which prepare dossiers and monitor implementation suggests that allied groups of specialised technicians (or 'technocrats') -- what Peter Haas and others have called 'epistemic communities' -- often seek to control the policy agenda.⁴⁵ Epistemic communities exhibit considerable complicity due to a shared sense of causal understanding and technocratic rationality.

Second, more overtly political coalitions of actors, which may span the EU's institutions, seek to forward the aims of their members by combining resources and sharing information. Here, we find the EU equivalent of what Sabatier has called 'advocacy coalitions', or what Kohler-Koch terms 'political networks'.⁴⁶ In EU

⁴³ Edward C. Page, *The People Who Run Europe* (Oxford: Clarendon Press, 1997), esp. chapter 2.

⁴⁴ G.J. Buitendijk and M.P.C.M. van Schendelen, 'Brussels advisory committees: a channel for influence?', *European Law Review*, (??) (1995), pp.37-56.

⁴⁵ Peter Haas, 'Epistemic communities and international policy coordination', *International Organization*, 46 (1) (1992), pp.1-35.

⁴⁶ See Paul A. Sabatier and H.C. Jenkins-Smith (eds) *Policy Change and Learning: An Advocacy Coalition Approach* (Boulder and Oxford: Westview, 1993). In an article devoted mostly to remarking on the undernourishment of EU-level interest associations, Kohler-Koch argues that 'European political networks have become far more important'. A good example of an advocacy coalition in Brussels is the 'Ardennes Group' formed in 1993 by Italians working in the EU's institutions 'to encourage reflection on the central themes for European Union', with support and encouragement from the Italian Permanent

governance, important coalitions are based on the major ‘families’ of European political parties -- the Christian Democrats and Socialists -- while Member States encourage their own nationals in the EU’s institutions to uphold national goals and priorities.

TABLE 3 - Putting Theory in its Place

<i>Level</i>	<i>Type of Decision</i>	<i>Bargaining Mode</i>	<i>‘Best’ Theory</i>
super-systemic	history-making	intergovernmental	liberal intergovernmentalism; neofunctionalism
systemic	policy-setting	inter-institutional	‘new’ institutionalism
meso-	policy-shaping	bargained pluralism	policy network

A process dominant approach builds on the portfolio (see table 2) set out in this section. As such, it does not pretend to be a ‘new theory’ of EU governance, but rather a novel synthesis of existing theories. Above all, as the next section makes clear, it offers conceptual linking devices which help us explain how decisions taken at one level shape, constrain or even determine decisions taken at others.

3. A Process Dominant Approach: Filling in the Gaps

A process dominant approach offers an ‘actor-based’ perspective on EU bargaining. It highlights the multiple identities of nearly all actors in EU decision-making and the variety of decision rules (formal or informal) which apply in different sectors and at different stages in the EU’s policy process. As such, ‘it is useful to hold open the question of the orientations of political [and non-political] actors to the rules that constrain them’.⁴⁷

In this context, LI tells us both less and more about EU governance than its proponents claim. Less because LI assumes a clear dichotomy, in theoretical terms,

Representative. See Kohler-Koch, ‘Interest intermediation in the EU’, p. 174; *Agence Europe*, 21-22 March 1994.

⁴⁷ Our ‘actor-based’ perspective on EU bargaining has been inspired mainly by Richardson and Marks. See Jeremy Richardson, ‘Actor based models of national and EU policy-making’ in Hussein Kassim and Anand Menon (eds) *The European Union and National Industrial Policy* (London: Routledge, 1996); Gary Marks, ‘An actor-centered approach to multilevel governance’, presented to the APSA meeting, San Francisco, August 29-September 1 1996 (citation here from p.5 of the latter).

between 'national governments' and 'supranational actors'.⁴⁸ An actor-based perspective assumes that the rationality of actors involved in EU decision-making is determined not only by their institutional or political affiliation, but also by their acclimation to the process of repeated bargaining at the EU level. For example, repeated interactions between national officials and experts in specific EU policy sectors often leads them to identify with the interests of their sector, or 'epistemic community'. As such, the rationality and motivation of ostensibly 'national' actors may not always be 'national'.

However, LI also tells us more about EU governance than it appears to do. An actor-based view of EU institutions reveals that they are permeated and penetrated by national preferences. Commission officials -- particularly in cabinets -- often defend 'their' Member State's interests on issues which touch upon national sensitivities, despite their formally 'supranational' orientation.⁴⁹ The idea that officials in the EU's institutions abandon entirely their national orientation and act purely in the EU's 'supranational' interest is belied by the fierce bargaining which occurs over placement of officials in the upper echelons of the Commission. Counterintuitively, given the underdeveloped system of private interest lobbying in France (at least in Anglo-Saxon terms), the managing director of Shandwick Europe, Europe's largest public affairs agency, argues firmly that 'the best lobbyists in Europe are the French'. Why? Because French interest groups 'make their influence felt through the [EU's] institutions themselves via civil servants and political networking'.⁵⁰ An actor-based perspective thus assumes that advocacy coalitions which are essentially national in character are active at the meso-level in seeking to shape policies in ways which serve national interests.

Yet, it would be apocryphal to claim that EU governance is pure and simply a matter of intergovernmental bargaining.⁵¹ The second element of a process dominant approach -- a model of policy networks -- draws our attention to the way in which the behaviour of actors may be different at different stages of decision-making. The same Commission officials who may effectively act as agents for national interests within policy networks become far more compelled to defend the perceived 'interest of the

⁴⁸ Take, for example, Moravcsik's claim that '[w]here the preferences of supranational authorities are more stable than those of governments...the former may be able to act incrementally to increase their power'. 'Liberal intergovernmentalism and integration', p.622.

⁴⁹ The same goes for MEPs, who may act in very different ways depending on whether a certain issue is perceived as more consequential for their Member State, their party, or the interests of the EP.

⁵⁰ See interview with Volker Stoltz in European Voice, 20-26 February 1997. This assertion probably would come as no surprise to Page, who notes Ezra Suleiman's description of the role of the Grands Corps in France's domestic administration as 'part of a network within and beyond the administration, which enables them to arbitrate conflicts and coordinate policies' (p.16). Page also notes that France appears to defend its 'national flags' in the Commission's upper administration more effectively than any other Member State (p.55). See Page, People Who Run Europe.

⁵¹ To illustrate the point, COREPER appears to be characterised by as much complicity as any nominally 'intergovernmental' forum possibly could be. See Lionel Barber, 'The men who run Europe', Financial Times, 11-12 March 1995, pp.I-II; Hayes-Renshaw and Wallace, The Council of Ministers, 72-84.

Commission' (or their Commissioner) once a proposal is agreed and submitted to the Council and EP for a policy-setting decision. At this level of analysis, the new institutionalism moves us away from the atomistic or epiphenomenal view of institutions taken by intergovernmentalists, who tend to view EU institutions as simply the accumulation of individual choices based on the utility-maximising preferences of its Member States. Actors within them may effectively act as agents for national governments. But the new institutionalism reminds us that most actors represent institutions, and that EU institutions also have their own agendas, resources and objectives.

While acknowledging the insights of the new institutionalism, a process dominant approach to EU decision-making assumes that once an issue is placed on the agenda, then policy proposals are 'shaped' by bargaining between and within policy networks according to a process which is not reducible to inter-institutional bargaining. An actor-based perspective allows that national preferences may be critical in determining outcomes at all levels in EU governance, but what matters most is how skilled actors are who seek to realise national preferences. All, regardless of their affiliation, must 'sell' policy ideas, build coalitions and exploit resources.⁵²

In particular, these skills are crucial in determining the fate of proposals which are subject to QMV. In a sense, QMV is the single EU 'institution' which has the most powerful impact on the EU's decision-making process and the policy outcomes it produces.⁵³ It makes the relatively early stages of the policy process crucial, particularly because QMV makes it possible for interests to have influence in several national capitals at the end of the process, and still lose.

QMV also transforms the nature of negotiations which are formally intergovernmental in nature. Unfortunately, most work on the effects of socialisation in EU decision-making fails to specify clearly how or why iterated bargaining can alter state behaviour or preferences over time.⁵⁴ But it is plausible to suggest that state actors -- particularly non-elected national officials who outlast governments -- learn over time that it pays to avoid become isolated under conditions of QMV. If a compromise is likely to be struck, as is usually the case under QMV, all interested actors have incentives to be part of it.

Keen to get in on the analytical act at the meso-level, many institutionalists claim that the policy network approach is part and parcel of their own approach since it is 'concerned with the "institutionalization" of relations between governmental and non-governmental actors...Network theory paints a picture of institutions which are

⁵² Laura Cram, Policy-making in the EU: Conceptual Lenses and the Integration Process (London and New York: Routledge, 1997), forthcoming.

⁵³ Note, for example, H eritier's insight that Member States have far more powerful incentives under QMV to secure 'first mover' advantages in regulatory competition and put forward policy proposals of their own which, they hope, the Commission will formally pursue. H eritier, 'The accommodation of diversity in European policy-making', p.153.

⁵⁴ See Bart Kerremans, 'Do institutions make a difference? Non-institutionalism, neo-institutionalism, and the logic of common decision-making in the European Union', Governance, 9 (2) (April 1996), pp.217-40.

disaggregated, informal, policy-specific and relatively stable over time'.⁵⁵ However, policy networks are, by their nature, non-institutionalised, informal and ad hoc, even if some may be relatively stable over time. More often than in most systems of government, decisions which shape EU policy in crucial ways are taken in committees, corridors and conference calls, as opposed to in formal institutional settings. Helen Wallace cites 'the partial or incomplete coverage of European institutions' as one of the reasons why "policy networks", currently amongst the most attractive and rewarding areas of study, have become so important'.⁵⁶

Crucially, a policy networks model allows for the possibility that interest groups organised at the supranational level can become influential players in meso-level bargaining. In a majority (13 of 17) of sectors they investigate, Fligstein and McNichol find 'transnational groups and the Commission to be equal partners to nation state governments' in influencing EU legislation.⁵⁷ In social policy, it is clear that the peak level European Trades Unions Congress, together with continental Socialist party members and DG V of the Commission, have been important actors in an advocacy coalition which has produced surprising advancement of social policy (i.e. Works Councils and a directive on maternity leave) in the post-Maastricht period. In research policy, as in others, there are rewards built into EU programmes for industry associations which can organise transnationally.⁵⁸

The wider point is that neofunctionalist predictions about the mobilisation of interests at the supranational level cannot be rejected out of hand, although a more nuanced view probably holds in most policy sectors most of the time:

Pressure groups have surrounded the national core, and while they still identify with and remain rooted to the Member States, they both affect extra-national

⁵⁵ Vivien Lowndes, 'Varieties of new institutionalism: a critical appraisal', *Public Administration*, 74 (2) (Summer 1996), pp.189-90. Notably, key to Pierson's institutionalist treatment of the EU's historical development are '[t]he development of complex social regulations [which] require...the assembly and coordination of dense networks of experts', 'the emergence of social and economic networks', and 'dense networks of social, economic and political activity which have grown up around past institutional and policy decisions'. See Pierson, 'The path to European integration', pp.133-46.

⁵⁶ Helen Wallace, 'Politics and policy in the EU: the challenge of governance' in Helen Wallace and William Wallace (eds) *Policy Making in the European Union* (Oxford: Oxford University Press, 1996), p.27. On policy networks in EU governance, see also Adrienne Héritier (ed) *Policy-Analyse: Kritik un Neorientierung* (Oplanden: Westdeustcher, 1993); Daphné Josselin, 'Domestic policy networks and European negotiations', *Journal of European Public Policy*, 3 (3) (September 1996), pp.297-317. For a recent (and stinging) critique of the policy networks approach, see Patrick Le Galès and Mark Thatcher (eds) *Les Réseaux de Politique Publique: Débat Autour des Policy Networks* (Paris: l'Harmattan, 1995).

⁵⁷ Neil Fligstein and Jason McNichol, 'The institutional terrain of the European Union', University of California at Berkeley, mimeo, January 1997, p.35

⁵⁸ Wayne Sandholtz, *High-Tech Europe* (Berkeley: University of California Press, 1992); Margaret Sharp and John Peterson, *Technology Policy in the European Union* (London: Macmillan, 1998), forthcoming.

politics (in other Member States and at the peak level), and also soften the inter-state rivalry which might otherwise prevail.⁵⁹

We should expect pressure groups to mobilise at the 'peak level' when they find that their interests are not sufficiently protected through links to the 'national core'. The third element of a process dominant approach -- a theory of power delegation from the national to EU level -- helps us identify the sectors where we are most likely to find transnational interests present and active.

4. Exploiting 'Control Gaps': Linking Multi-Level Governance

Thus far, we have specified how a process dominated approach conceptualises the different types of rationality which may motivate actors in EU decision-making. We have stressed the importance of the structure of policy networks for outcomes in different sectors. It remains to grapple with one of the most daunting challenges facing any analyst of EU decision-making: addressing the question of how and why power is distributed in EU governance. To come to grips with the question, we must specify why EU Member States delegate power to the Union, and what determines how much control they retain over policy-making once power has been delegated.

The question is crucial because different types of actor, with different priorities, objectives and rationalities, dominate decision-making at different tiers. EU Member States themselves retain most of the power to determine history-making decisions, while power to 'shape' EU policies is shared at the meso-level by a diverse variety of mostly non-political actors. As we have argued, history-making decisions determine the pace and direction of European integration as an historical process; while policy-setting and shaping decisions determine outcomes of the EU's policy-making process. We require a theory of power delegation which links these processes.

Arguably, there is no shortage of theories to help us explain why West European states delegate power to the EU. Corbey offers a 'dialectical functionalist' model, which posits that national governments delegate power to the EU in order to escape from the demands of domestic groups.⁶⁰ Building on Milward's historiography, Moravcsik argues that European integration 'strengthens the state': EU Member States pool sovereignty in order to enhance their abilities to control the economic policy environment under conditions of complex European interdependence and intense foreign competition.⁶¹ Pierson notes that governments which discount the future may find that delegating power to the EU brings them policy benefits, which outweigh any perceived risk of losing control over future policy.⁶²

⁵⁹ Mark Aspinwall, 'International integration or internal politics? Anatomy of a single market measure', *Journal of Common Market Studies*, 33 (4) (December 1995), pp.475-97.

⁶⁰ Corbey, 'Dialectical functionalism', p.254.

⁶¹ Andrew Moravcsik, 'Why the European Community strengthens the state: international cooperation and domestic politics', Center for European Studies Working Paper, 52, 1994, Cambridge: Harvard University. See also Alan Milward, *The Rescue of the European Nation-State* (London and New York: Routledge, 1994).

⁶² Pierson, 'The path to European integration'.

Yet, missing from all of these accounts are devices which can show how European integration as an historical process and EU policy-making as an allocative process are linked. A process dominant approach offers such a device: a theory of power delegation based on three fundamental premises. First, it is assumed that power is not delegated to the EU's institutions as much as to policy networks. Thus, the preferences of any government faced with a decision about whether and how much power to delegate in a particular sector thus will be determined in large measure by the extent to which it believes that its perceived interests are represented in EU policy networks. Its calculations will be influenced profoundly by whether or not it has well-placed and reliable nationals in the Commission's services, in the Council General Secretariat, or at the level of the college of Commissioners or cabinets.

However, most EU policy networks features a unique form of 'bargained pluralism' which is, by nature, difficult to control tightly. EU actors must bargain with each other because, more than in other systems of government, they must share resources. 'Winning coalitions' in EU politics are normally very large and diverse. Actors who are notionally 'national' in their identity are endowed (potentially) with the enormously crucial resource of legitimacy: being able to claim 'I speak for France' or 'my Minister wants this directive'. But they cannot force the Commission to table a proposal, or ensure that an EP committee chair will not oppose them, or be certain that other national actors will support them. The Commission and MEPs may have attractive policy ideas, but both are extremely resource-poor in important respects⁶³ and anyway must practice 'engrenage' if they wish to influence or change policy.⁶⁴ Interest groups may help legitimise policy options, but must offer valuable expertise or otherwise endear themselves to 'public sector' actors. The point is that it is not the Commission nor interest groups nor Member States which control meso-level decision-making. It is that EU policies are shaped by bargaining between all of them within policy networks, which act as guardians of the policy agenda.

The relative autonomy of an EU policy network in a given sector is determined primarily by the strength and effectiveness of measures for national control incorporated into policies when they are set. Provisions are usually attached to policy-setting decisions which aim to control the operation or implementation of policies. These provisions are expressed above all in statements attached to Council

⁶³ Depending on how one counts, about one-quarter of the EP's budget is needed to pay for the Brussels-Strasbourg-Luxembourg merry-go-round. EP officials or members speak wistfully and jealously of the institutional resources enjoyed by the US Congress, which it lacks (i.e. the Congressional Research Service, Congressional Budget Office, etc.). The extent to which Member States continue to starve the Commission of resources is evidence by the recent radical shake-up of the PHARE and TACIS programmes to limit the Commission's utter dependence on private consultants, a pending court case concerning the long-standing black market in 'undeclared' labour hired by the Commission as subcontractors, and Helen Wallace's estimate (back in 1993) that 'some 20 per cent of Commission staff are "irregulars"' (i.e. seconded employees from national ministries or the private sector'). See European Voice, 23-29 January 1997; Helen Wallace, 'European governance in turbulent times', Journal of Common Market Studies, 31 (3) (September 1993), p.296.

⁶⁴ On engrenage, see David Coombes, Politics and Bureaucracy in the European Community (London: George Allen and Unwin, 1970).

declarations, derogations granted to specific Member States or categories of agents affected by a policy and, especially, by choices concerning comitology.⁶⁵ These provisions may go far towards altering or even determining the structure of policy networks in specific sectors by specifying how much leeway the Commission has, which national actors can 'opt out' of Brussels-based networks, how stringently penalties for non-compliance are applied, etc. Thus, in an iterated system of decision-making, the conditions attached to a decision to delegate power to the EU at one point in time will condition the ability of policy networks, which 'grow up' around EU policies, to control the policy agenda the next time that a major policy initiative is pursued. In this sense, policies determine (future) politics. Put another way, the very process of delegating power to the EU induces the creation (or modification) of policy networks. Subsequent policies will be shaped in important ways by bargaining within them.

A second fundamental premise about power delegation concerns the extent to which policy networks can move one step beyond shaping EU policies. This premise offers an answer to the question: when can policy networks shape history-making decisions about power delegation itself? The answer is: when broad coalitions of policy 'stakeholders' in a given sector can:

- agree on goals and strategies,
- present a cohesive argument about the benefits of collective action,
- mobilise a critical mass of their members,
- secure access to the highest political levels.

Policy networks may influence the process of power delegation when they are 'captured' by advocacy coalitions, epistemic communities or some combination thereof who seek a rewriting of the rules, a new 'grand bargain' in their sector, a transformative or 'history-making' decision. Witness the mobilisation of 'greener' Member State governments, Green parties (including in the EP), non-governmental organizations and other actors with interests in environmental policy to push a critical mass of Member States to embrace increased QMV for environmental policy in the Maastricht Treaty.⁶⁶ Or, take the mobilisation of the European Round Table of Industrialists -- in alliance with the Commission and EP -- in support of the 1992 project.⁶⁷

⁶⁵ On comitology, the arcane system of committees of national representatives who monitor the implementation of EU policies, see Kieran St Clair Bradley, 'Comitology and the law: through a glass, darkly', Common Market Law Review, 29 (1992), pp.693-721; Christopher Docksey and Karen Williams, 'The Commission and the execution of Community policy' in Edwards and Spence, The European Commission, ch5.

⁶⁶ Peterson and Bomberg, Decision-Making in the European Union, ch.7; Richard Corbett, Title??, unpublished PhD thesis, University of Hull; Alberta Sbragia, 'Environmental policy' in Helen Wallace and William Wallace (eds) Policy-Making in the European Union (Oxford and New York: Oxford University Press, 1996).

⁶⁷ Cowles, 'Setting the agenda for a new Europe'; Maria Green Cowles, 'The politics of big business in the European Community: setting the agenda for a new Europe', PhD thesis, American University.

In this context, an important point of debate between intergovernmentalists and their critics concerns the extent to which West European nation-states control the process of European integration. Pierson emphasises the importance of 'control gaps' which emerge when national governments -- electorally-motivated and short-term in outlook -- are unable or unconcerned to predict the future consequences of their current decisions concerning power delegation. Moravcsik retorts that '[u]nintended consequences and miscalculations have played a role at the margins...But the EC is no accident. It has been, for the most part, the deliberate creation of statesmen and citizens, sustained over 40 years'.⁶⁸

Again, governments may clearly calculate the extent to which their interests will be represented in policy networks which are created or empowered when they delegate power to the EU. Yet, there is plenty of evidence to suggest that it is not always, or even usually possible, for governments to foresee the future EU policy effects of their current 'grand bargains'. Mrs. Thatcher's confession that she never would have signed the Single European Act if she could have foreseen its consequences is an anecdotal, if still powerful piece of evidence.⁶⁹ So is Lord Cockfield's hilarious recounting of Thatcher's apparent ignorance of specific provisions of the Treaty of Rome, to which she agreed as a member of the British cabinet in the 1970s.⁷⁰ Kurzer's thoughtful analysis of the erosion of executive power in Belgium leads her to conclude that '[b]ecause the process of European integration and institution-building over time exhibits a high degree of unpredictability, it is hazardous to infer what motivates or shapes Member State preferences'.⁷¹

Theorising about why control gaps emerge is a daunting task. In a sense, the analytical question is: why do accidents happen? However, a process dominant approach offers two insights which help us answer the question as it is applied to specific cases. First, policy networks may emerge in nascent form even before powers are delegated to the EU level. As is suggested by the cases of environmental policy and the 1992 project, groups which believe that their interests may be served by the delegation of power from the national to EU level may engage in collective action to push the pace of European integration. Pressures may emerge 'from below' which induce history-making decisions.

Second, while 'control gaps' may emerge for a wide variety of reasons, they may be 'widened' or exploited by policy networks. To illustrate the point, it is plausible to argue that the Treaty of Rome's original commitment to the 'common market' in the 1950s represented an act of power delegation whose future consequences were impossible to foresee. By the 1980s, the commitment was framed by a radically different context: a Community of twice as many Member States facing intense new competitive pressures from beyond Europe, and inclusive of several

⁶⁸ Moravcsik, 'Liberal intergovernmentalism and integration', p.626.

⁶⁹ Margaret Thatcher, *The Downing Street Years* (London: Harper Collins), pp.??.

⁷⁰ Lord Cockfield, *The European Union: Creating the Single Market* (London and New York: John Wiley and Sons, 1994), pp.56-7.

⁷¹ Paulette Kurzer, 'Decline or preservation of executive capacity? Political and economic integration revisited', *Journal of Common Market Studies*, 35 (1) (March 1997), p.50.

politically important states which were responding by embracing neo-liberal economic agendas. Arguably, the result was a control gap which was exploited by a broad coalition of national, supranational and (especially) private actors and which could meet all of the conditions specified above for policy networks which seek to shape 'history-making' decisions.⁷² In short, control gaps may be viewed as 'windows of opportunity' for policy networks, even nascent ones.

Finally, a third premise about power delegation is offered by a process dominant approach: the EU's institutions are not just 'intervening variables', but may be properly viewed as mediators in an ongoing struggle over the power and prerogatives of national governments versus policy networks. Most accounts of power delegation in EU governance stress the importance of 'policy leadership' by EU institutions, particularly the Commission and Court, in convincing national governments to agree history-making decisions which push European integration forward.⁷³ However, an actor-based perspective reminds us that EU institutions may become agents for national preferences, and national actors may become advocates of stronger EU policy prerogatives. The circumstances under which control over the policy agenda shifts back and forth between national governments and policy networks are difficult to specify with much precision. But the point is that we are best able to witness this process of shifting through close empirical study of the EU's institutions, and their behaviour as political agents at all stages, but particularly when EU policies are 'set'.

⁷² Sceptics might argue that the internal market is an objective more than a policy sector, and that the 1992 project (and 'common market' before it) is far too broad to ever have given rise to an identifiable 'policy network'. However, the way in which transnational elites successfully pushed for market liberalisation, which in turn led to Treaty revisions, suggested that the mobilisation of actors across economic sectors and policy networks offers the most potential for radical change in EU governance. In the event, the internal market became its own policy 'sector' insofar as it has its own Council, Commissioner, service in the Commission, etc. Moreover, it is possible to identify a policy network which corresponds to nearly all economic sectors where EU policy has an impact. See John Peterson, 'Prise de décisions dans l'Union Européenne: le Marché Unique', Revue Politiques et Management Public, 15 (1) mars 1997, pp.??.

⁷³ See Cowles, 'Setting the agenda for a new Europe', Wayne Sandholtz and John Zysman, '1992: recasting the European bargain', World Politics, 42 (1989), pp.95-128.

Conclusion

A process dominant approach to EU decision-making seeks, above all, to analytically distinguish between European integration as an historical process and EU policy-making as a governance process, but also to link them. It specifies the dynamics which govern decision-making at different tiers of EU governance and constructs a portfolio of theories to explain outcomes at each. Above all, it offers conceptual devices which link decision-making at different tiers by focusing on the rationality of key EU actors, the structure of bargaining between policy-concerned actors, and the delegation of power from states to the EU. Its emphasis is on process more than outcomes, and particularly on how actors become socialised by iterated bargaining in a highly sectorised system of government which often features non-unanimity as its primary decision rule.

It is easy to anticipate the charge that a process dominant approach is unwieldy and lacks parsimony. On the other hand, a process dominant approach may appeal to a 'second generation' of scholars who learn, borrow and follow on from those who first became interested in the EU in the 1980s. The rapid and 'massive expansion of EC decision making'⁷⁴ which took place after the Single European Act came into effect meant that, for a time, 'pluralism ran riot,'⁷⁵ Theorising about EU governance was risky and probably premature. It may now seem a quieter and safer time to theorise as the EU's legislative output has been significantly reduced. But the EU continues to evolve in ways that makes the EU more complicated and complex. In Kohler-Koch's view:

this transformation process...will have long-lasting effects on the shape of policy-making in Europe. It can be assumed that new types of networks between private and public actors will evolve, that the process of fragmentation will be accelerated, and that the already considerable degree of complexity of the negotiating system...will be increased.⁷⁶

This complex reality resists parsimonious theorising of the kind that may be appropriate to decision-making in other international organizations.

A second generation of EU scholars may act, more or less collectively to lower the expectations of social scientific analysis of the EU putatively raised by the previous generation. In some respects, this development would be a natural one as students trained in the sub-discipline of comparative politics become more interested in the EU, which traditionally has been the domain of international relations specialists.⁷⁷ In this context, the next generation of EU analysts may well form part of

⁷⁴ Pierson, 'The path to European integration', p.137.

⁷⁵ Wallace, 'The challenge of governance', p.33.

⁷⁶ Kohler-Koch, 'Interest intermediation in the EU', p.176.

⁷⁷ Andrew Hurrell and Anand Menon, 'Politics like any other? Comparative politics, international relations and the study of the EU', *West European Politics*, 19 (2) (April 1996), pp.386-402.

a broader movement, which rejects the search for general or parsimonious theories in the social sciences favour of contextual, middle-range theories.⁷⁸

One of the virtues of a process dominant approach is that it offers a meeting ground for intergovernmentalists and their critics. Pointedly, Moravcsik has defended LI from the criticism that it is 'insufficiently formal and hence indeterminate' by emphasising the 'value of "mid-range" theory'.⁷⁹ Still, he and other defenders might respond to the critique of LI offered here by insisting that their model is able to explain and predict at least some outcomes of EU decision-making (and many of the most important ones), even if decisions which set policy, or alter and 'shape' them, may be determined by factors other than national preferences and power. The defence, in short, would be to deploy the Downsian argument that '[t]heoretical models should be tested primarily by the accuracy of their predictions rather than by the reality of their assumptions'.⁸⁰ As we have seen, proponents of mathematics-based models of EU decision-making are not afraid to push the boat out even further.⁸¹ The argument has intellectual appeal, but it condemns us to remaining stuck at a stage where our understanding of the EU as a system of government remains superficial, or at least incomplete.

⁷⁸ Witness, for example, the emergence of the 'foreign policy analysis' school of international relations, which eschews 'macro-theories' of IR in favour of 'micro' study of the foreign policy dimension, while arguing that to do so moves the discipline closer to an exact science. See Laura Neack, Jeanne A K Hey and Patrick J Haney (eds) Foreign Policy Analysis and Change in its Second Generation, Englewood Cliffs, NJ: Prentice Hall, 1995.

⁷⁹ Moravcsik, 'Liberal intergovernmentalism', p.613.

⁸⁰ Anthony Downs, An Economic Theory of Democracy, 1957, p.21.

⁸¹ See Bueno de Mesquita and Stokman, European Community Decision Making.