

Being Small in a Big Union: Structural Disadvantages, Counterbalancing Strategies, and the Varying Success of Small States in European Policy Making¹

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- first draft, comments most welcome-

Abstract:

Compared to big states, small states face resource-related disadvantages in European negotiations. They have fewer votes, less economic power, fewer administrative resources and less staff and experts in policy fields. This leads to disadvantages in negotiations. Yet small states can concentrate their limited resources on issues of great importance and can punch above their weight. This is especially effective through argumentative instead of bargaining-based strategies and requires that arguments resonate well with the views of the Council, the Presidency, the Commission or the Parliament. The Vodka-case illustrates how small states applied a broad variety of policy-shaping strategies and achieved a compromise outcome very close to their wishes and far away from the Commission's policy proposal, although the UK-led oppositional coalition had more bargaining leverage than the Vodka-purists.

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I. Introduction

While we know much about the negotiation behaviour and successes of big states, small states are less often at the centre of attention. Therefore, this paper analyses the following research question: how and under which conditions do small states punch above their weight and influence EU policy outcomes?

The policy interests of big states are often accommodated during the final stages of Council negotiations, even if a minimal winning coalition could do without them (Thompson and Hosli 2006). Accordingly, states with fewer votes face structural disadvantages in EU negotiations because they cannot rely on the shadow of their voting power to influence the content of European directives or regulations. In addition, small states tend to have slimmer administrations and have consequently fewer personnel and financial and administrative resources available than big member states to swiftly prepare instructions that are well-supported by expertise. As a consequence, small states have more difficulties in successfully using argumentative and bargaining-based shaping activities. Nevertheless, they are not inactive, but seek to redirect their limited capacities to the most important issues (e.g. Laffan 2006, interview Permanent Representation#12, 07-07-08) and to engage in a broad variety of negotiation strategies in such negotiations (e.g. interview Permanent Representation#15, 15-07-08). The Vodka-case² is an instance of a high-priority negotiation for the Nordic and Baltic states as well as Poland and the UK and is a good case study to analyse how small states try to punch above their weight and under which conditions different strategies are effective.

In December 2005, the European Commission proposed to revise the regulation on spirit drinks from 1989. In this dossier, the Commission introduced a distinction of three different types of spirit drinks, developed definitions of those drinks, made rules for their presentation and labelling and proposed the protection of geographical indications. The most controversial was the part on Vodka. The European Commission defined Vodka as a "spirit drink produced of ethyl alcohol of agricultural origin" (Commission of the European Communities 2005b: 29) and proposed that the raw materials used to produce Vodka should be printed on the label (Commission of the European Communities 2005b: 29,d). Very quickly, Poland as

² Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labeling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89, *OJ L 39*, 13.2.2008, p. 16–54.

well as the three Baltic states, Sweden, Finland and Denmark voiced their disagreement. Poland and the others argued that that “true vodka could only be made from potatoes or cereals” (Mercer 2006a). The UK and some Southern European countries, however, opposed this narrow definition of Vodka (Mercer 2006a). The UK is the second largest Vodka producer after Russia (BBC News 2007) and approximately 25-30% of Scottish Vodka is produced out of beets (European Communities 2006). Hungary, Bulgaria and Cyprus are not big producers, but were recently producing Vodka out of wine grapes and other fruit (Mercer 2006a). Hence, if the vodka purists would manage to shape the spirit drink regulation fully in accordance with their interests, the UK and all other countries that use raw materials other than cereals or potatoes for the distillation could no longer sell their products as "Vodka".

The following section introduces an array of negotiation strategies and theorises under which conditions they are potentially successful (II). This reveals that some strategies (e.g. bargaining) are indeed more effective for bigger than for smaller member states, while others (e.g. arguing) require scope conditions other than size to be successful. Furthermore, the latter offers an opportunity for small states to eventually punch above their weight. The developed hypotheses are then put to an empirical test (III). This shows that small states are indeed very active for issues of great importance and – as expected – successful via arguing-based strategies when their arguments resonate well with prior beliefs of the addressees (IV). Not all applied strategies worked out well for both sides if the necessary scope conditions were absent. While the UK and Poland as big states used bargaining-based strategies, they did so unsuccessfully because their threats lacked force since the addressees did not believe in interferences with their own action plans. Arguments in the Council were likewise unsuccessful. Hence, lobbying the Commission, the Presidency and the European Parliament (EP) became crucial. In this regard, small states were successful. Most notable, the small states on the purist-side effectively worked through an EP committee and with contacts with the German Presidency and finally achieved a compromise outcome very close to their ideal point, although the UK-led opposition coalition had more bargaining leverage than the purists.

II. Theorizing Shaping Strategies

Negotiation research has shown that states usually apply many strategies at a time to influence policy outcomes. For example, arguing and bargaining usually coexists (Risse 2000), states often engage in coalition building, and if issues are very important they frequently tend to contact the European Commission, the Presidency, and the European Parliament. There are differences in the overall activity pattern between the states. For example, Denmark and Sweden tend to be considerable more active than the Baltic states (Panke 2008b). Yet, the application of shaping strategies is not the same as success, but merely its very precondition (interviews Permanent Representation#43, 13-01-09, Permanent Representation#49, 12-02-09). Therefore, this section theorizes under which scope conditions the different strategies are effective.

Arguments (claims that give reasons related to the intersubjective world) and bargaining acts (threats, demands and concessions that might be supported by reasons related to the subjective world, c.f. Panke 2009 forthcoming) coexist in international interactions and facilitate a debate on contextual conditions conducive to either arguing or bargaining. A substantive body of research tackled the question of under which conditions arguing is effective (Risse 2000). Some approaches inquired whether contexts facilitate the recurrence of communicative action (Elgström 2000, Müller 1995). Others focus on the scope conditions under which arguments make a difference. They deduce scope conditions from the Habermasian discourse theory, which is concerned with proper decision-making procedures for modern societies which allow for deliberation and, thus, for legitimate outcomes (Habermas 1983). Accordingly, high norm density and high institutionalization approximate a common life world which, in turn, serves as a presupposition to successful communicative action and effective arguing (Deitelhoff and Müller 2005). Yet, these approaches assume that contextual variables encourage more argumentative speech acts, which is presumed to automatically translate into persuasion. Even though the institutional context remains constant, some arguments cannot influence a policy outcome while others are persuasive. We will see this in the Vodka case. Hence, even though interactions create opportunities for persuasion by increasing the flow of ideas, the making of an argument alone is not sufficient to persuade addressees. Therefore, it is crucial to inquire into the quality of arguments. What makes an argument compelling?

Simply put, the answer is that good arguments have to resonate with the addressee's prior scientific, normative or value-based beliefs to be regarded as persuasive (Habermas 1995a, Habermas 1995b). This requires a speaker to frame an argument in a manner that the addressees' regard as compelling based on their cognitive predispositions (on truth, normative or value related matters or based on the good reputation of the speaker, c.f. Panke 2005).

This leads to the following hypothesis: The more the arguments resonate with the prior beliefs of addressees, the more effective they will be in influencing the positions of others (H 1).

Bargaining is also prominent in EU negotiations (Bailer 2004, Thompson and Hosli 2006). But again, making an explicit or implicit threat (e.g., with a 'no' vote in the Council), voicing a demand, or offering a compromise is not sufficient to get concessions. Similar to arguing, bargaining can only be effective if the speaker frames the bargaining act in a manner that resonates well with prior factual beliefs of the audience (e.g. Panke 2005). For example, if a state makes a particular demand with reference to domestic veto players, who would never accept any other outcome, the bargaining act will only be effective if the addressees know that domestic veto players are present. The addressees must also believe that the domestic veto players are ready to do harm by advocating a position contrary to their own. When the speaker realizes the threat, he will pull out. While the first parts require shared knowledge about what constitutes bargaining power in a particular context, the second requires that the addressees believe that threat will be carried out and negatively impact their self-interests.

We can, thus, hypothesize that bargaining acts need to be based on a shared conception of what constitutes bargaining power in a particular context and are more effective when the addressees believe that the explicit or implicit threat will be carried out and will interfere with their own action plans (H 2).

Next to arguing and bargaining in working groups, COREPER and ministerial levels of the Council of Ministers, states also engage in corridor-based strategies. These include coalition building and contacting the Commission, the European Parliament and the Presidency.

Coalition-building can serve different purposes: creating a minimal winning coalition or a blocking minority as well as increasing the bargaining leverage to push forward selected points vis-à-vis third parties (Elgstöm et al. 2001, Kaeding and Seleck 2005). In order to create coalitions, the initiator either approaches like-minded states or seeks to attract neutral ones. The former is more likely successful if a common denominator is present or if the coalition-builder can offer side-payments or issue linkages in exchange for getting additional self-interested states on their own side. The latter is more likely successful if the initiator can evoke solidarity norms or norms of diffuse reciprocity. Yet, coalitions can only effectively shape negotiation outcomes if their internal coherence is sufficiently high to have a common position and if they created a critical mass (e.g. a blocking minority requires a lowest common denominator preference, a winning coalition requires a common goal). Hence, we can develop two hypotheses; The stronger the similarity of preferences over outcomes among the partners and the greater the added power of all coalition partners, the more successful the minimal winning coalitions (H3a). Similarly, the greater the coherency of the minimum acceptable outcomes among the partners and the higher their collective leverage, the more successful are blocking minority coalitions (H3b).

Contacts to the European Commission can serve several purposes because the Commission not only develops the policy proposal, but also participates in Council negotiations where it has a voice but no vote. In approaching the Commission, states can seek to influence the content of their policy proposal in the first place, draw on the Commission's expertise, or influence the Commission to use its institutional authority to support a state's concerns during negotiations (interview Permanent Representation#3, 10-04-08). To influence the Commission, good arguments are crucial (Bunse, Magette and Nicolaidis 2005, Panke 2008a, interview Permanent Representation#9, 29-05-08). Hence, we can hypothesize that contacts to the Commission are the more successful to gain influence over outcomes, the better a state's arguments resonate with Commission priorities and beliefs (H4).

Working through the European Parliament is another means to influence policies that are decided via the co-decision procedure, which gives the Council and the Parliament equal weight. Contacts to a country's Members of the EP (MEPs) can be influential if the arguments fed into the Parliament resonate well, which is especially likely if the MEPs are members of the committee dealing with the subject matter. In addition, contacts to the rapporteur or the shadow rapporteur of the relevant

committee are very important to diffuse ideas and proposals (interview Permanent Representation#49, 12-02-09). Thus, contacts to the Parliament are more likely to successfully shape policies that are decided via co-decision if the approached MEPs are members of the committee dealing with the issue, especially if they are rapporteurs or shadow rapporteurs (H 5).

Since the Presidency chairs the meetings, prepares the minutes, and drafts proposals, this office can influence outcomes as well (Elgström 2003). Hence, lobbying the Presidency is also a strategy used to shape European policies. States can approach the presidency with arguments or bargaining acts. This requires that arguments resonate well or that a mutual perception of what constitutes bargaining power and a credible threat are present. Yet, since the office of the Presidency is linked to a norm of neutrality (Bengtsson, Elgström and Tallberg 2004: 319, interview Permanent Representation#13, 07-07-08), its responsiveness to arguments and bargaining threats declines, the stronger and the more obvious the self-interests of the state holding the Presidency are (interview Permanent Representation#57, 19-03-09). Thus, this hypothesis states: Shaping outcomes via contacts to the Presidency is the more likely, the better the arguments resonate or the more credible explicit or implicit bargaining threats are, if the Presidency is not obviously self-interested in the same way as the approaching state (H 6).

The next section tests the hypotheses in the negotiations of the spirit drinks regulation. It inquires which conditions small states can shape outcomes despite the structural disadvantages they face and when they are doomed to fail. Testing negotiation hypotheses faces the methodological difficulty that the success of shaping attempts does not only depend on a single strategy and the presence of the enabling scope conditions, but also on the distribution of preferences and votes in the broader context. In the end, effective influence on the content of policy outcomes is not determined by the success of a single strategy vis-à-vis its target, but also dependent upon whether enough actors are convinced of a particular position or prepared either to compromise from a minimal winning coalition or to create a blocking minority. In order to tackle this challenge, the next section applies process-tracing and analyses the failures and effectiveness of individual strategies. In addition, states with the necessary resources usually apply more than one strategy for issues of high priority.

Consequently, the extent to which a state has success in negotiations is based on the aggregate of these strategies.

III. Successes and Failures of Small States in the Vodka Case

Given the large size of the spirit drinks industry in the Vodka-production countries (interview organised interests#1, 02-04-09), the stakes were high on both sides and all countries involved had strong incentives to invest their resources in shaping strategies (interview PM office#1, 18-02-09). These included contacting the Commission, the Presidency, and the EP, engaging in coalition building; and arguing and bargaining. The negotiations lasted from December 2005 until December 2007 and discussions on raw materials for Vodka were intense. Accordingly, the Council working parties met approximately once a week. Despite the issue being framed as an agricultural rather than a trade matter, it was decided under co-decision procedure. The European Parliament had its first and only reading in June 2007 and opted for a compromise that called for the labelling of the ingredients of the Vodka for sale (e.g., “Vodka made of”), if it was not distilled from potato or cereals (European Parliament 2007). The Council met six months later, and approved the compromise against two negative votes and one abstention (Council of the European Union 2007).

The initial distribution of preferences was the following: The UK as the second largest Vodka producer in the world was in favour of a broad definition, because 25-30% of the Scottish Vodka production uses beets and not cereals or potatoes (European Communities 2006). Hungary, Bulgaria and Cyprus have much smaller Vodka industries that mostly rely on grapes. Not surprisingly, they also preferred a broad definition of the spirit drink sold under the label of “Vodka”. On the other side were the “Vodka purists” that only use cereals and potatoes in Vodka distillation: Poland, Estonia, Lithuania, Latvia, Sweden and Finland. All other states had minor or no self-interest in Vodka, but were more concerned with other elements of the spirit drink regulation (e.g. Austria’s Hüttentee, the Czech Slivovitz, or the French cognac, interview Permanent Representation#43, 13-01-09). Four states then were trying to keep a broad definition and were opposed by six states who wanted to narrow the Commission’s proposal to cereals and potatoes only. The outcome was a compromise, but one which did not favour two states, Poland and Lithuania. Sweden also voted ‘no’, but did so not because they could not accept the compromise, but

because of a translation error in the final version of the regulation in relation to brannvin which could have affected their internal spirit drink market (interview Permanent Representation#60, 30-03-09).

How did the states get from the Commission's initial very broad definition of Vodka, according to which it is a spirit drink made of agricultural raw materials, to the considerably more specific definition of Vodka (i.e., Vodka is "Vodka" if it is produced out of potatoes and cereals and labelled "Vodka made of ..." if it is produced with other agricultural raw materials)? Which strategies had been successful and which ones failed? To what extent had small states been active in the negotiations, which strategies did they apply and when were they effective?

Arguing (H1)

Arguments between the states were exchanged in each and every working group meeting. But not all arguments equally resonated with the audience of neutral states.

Poland, Finland, Sweden, Estonia, Latvia and Lithuania argued that Vodka production and consumption had a long tradition in their countries and is part of their culture (interviews PM Office #1, 18-02-09, Permanent Representation#42, 12-01-09, Permanent Representation #56, 19-03-09, European Voice 2006). As such, it should be protected by the European Union though a definition that does not allow selling spirit drinks produced of raw materials other than potatoes or cereals under the label "Vodka". Yet, this argument was instantly challenged by the proponents of a broader definition. The UK extensively drew on arguments of a UK-based interest group, the European Vodka Alliance (EVA), and argued, "our point was that Britain had been making vodka for long enough, longer than, for example, Sweden" (interview EP#2, 02-04-09).³ In addition, they emphasized that "northern European countries have sometimes also used other ingredients than grain and potatoes. Vodka has been made out of sugar beet or swede in Poland, the alliance says, and Swedish brannvin was sometimes made out of a waste product of the paper industry" (BBC News 2006). On balance, the tradition argument was only valid for some of the "Vodka-belt" countries and did not persuade neutral countries to support them (interview Permanent Representation#56, 19-03-09).

³ Similarly, the EVA spokesperson Scott-Wilson stated that "tradition could play very little part considering Sweden only launched its first 'vodka' product in 1958, and Finland in 1965." (Mercer 2006a).

Sweden and organised interests from Poland made an analogy between Vodka and Whiskey, arguing that both are culturally embedded spirit drinks, but the definition of the latter is much more specified than the former (interviews Permanent Representation#60, 30-03-09, organized interests#2, 02-04-09). In line with this, a Finnish MEP stated “Scotch whisky has a very strict definition - it can only be made out of grain and malted grain - and my argument is that we need equality. Vodka needs to be defined much like whisky.” (A Stubb cited in BBC News 2006). However, the Scottish Deputy Enterprise Minister argued that “the difference between the two drinks was that you could taste the raw materials in whisky, but not in vodka.” (Wilson cited in BBC News 2006).

This then shifted the debate to a question of taste. Poland, which was very active and constantly took the floor, claimed that the taste of Vodka produced of cereals and potatoes is special and not identical with Vodka made from grapes or molasses (interview Ministry of Agriculture#2, 30-03-09, interview Permanent Representation#60, 30-03-09). It was essential, therefore, to limit the raw materials only to cereals and potatoes. In order to underline this point, the Polish delegation organised Vodka tastings in the corridors (interview Permanent Representation#54, 18-03-09). Yet, this did not convince many delegations: “you had all these panels tasting vodka, trying to find out the difference and I mean at every meeting we went to there would be somebody with bottles of vodka saying ‘try this, taste that, do this and see they are so different’ and we would just be going ‘this one did not taste that good, neither did this one’. Sort of ‘where is the umbrella and the pineapple to go with it?’” (interview Permanent Representation#54, 18-03-09). The UK together with the EVA reacted to this tasting practices in underlying its claim that “most of the taste from the raw materials is lost during vodka distillation” (Mercer 2006a). Neither the UK argument nor the Polish one induced position shifts of neutral states (e.g. interview Permanent Representation#56, 19-03-09, interview Permanent Representation#60, 30-03-09). Even a Finnish MEP who stated early in the discussion that “Vodka made of ingredients other than potato and grain tasted "very different"” (Alex Stubb quoted in BBC News 2006) modified his argument in later stages of the debate and emphasized that a narrow definition is necessary to protect the quality of

the product:⁴ “I don't want vodka to be a product which can be made of all agricultural products, which basically means you can use it to wash your windows.” (Alex Stubb quoted in Kroegger 2007). This brought the debate back to square one. While some delegations conceded that “only a very small percentage of people can actually taste the difference” (interview Permanent Representation#54, 18-03-09), others remained neutral and did not react to the Whiskey-analogy (e.g. interview Permanent Representation#56, 19-03-09).

In sum, none of the arguments resonated reasonably well with the audience in Council negotiations. As expected by the arguing-hypothesis, persuasion did not pull neutral states in either direction (e.g. interview Permanent Representation#56, 19-03-09, interview Ministry of Agriculture#2, 03-04-09).

Bargaining (H2)

Bargaining was important during the negotiations as well, not the least since the Vodka-issue was highly politicized.

Even though opposed by the UK, the Polish and Swedish demanded to restrict Vodka to cereals and potatoes as raw materials. The Scottish Deputy Enterprise Minister regarded this as a “commercial attack on the UK white spirits industry” (Allan Wilson in BBC News 2006). Due to the limited individual and collective bargaining leverage of those states, the UK did not meet this threat with concessions. Instead, they voiced a threat themselves, flagging that “such restrictions could also land the Commission with another battle at the World Trade Organisation” (Mercer 2006a). This was backed up by South-Africa, a former British colony, which emphasised that a narrow definition of Vodka creates obstacles to free trade and would have to be dealt with by the WTO (interview Permanent Representation#60, 30-03-09, Mercer 2006b). This threat was not credible for the opponents, who believed that there were no legal problems involved and did not trigger concessions (interview Permanent Representation#60, 30-03-09). Likewise, the neutral states did not react. They did not regard the WTO as a bargaining-chip because a dispute settlement procedure in front

⁴ “Even Finnish MEP and vodka traditionalist Alexander Stubb admits it can be difficult to guess which vodka is made from what raw materials in a blind tasting. But he argues it is about quality.” (Kroegger 2007).

of the WTO and a negative outcome with sanctions would not have harmed their spirit drink industries (interview Ministry of Agriculture#3, 03-04-09).

Poland adapted its tactics in the negotiations and played ‘hard ball’ (interview Permanent Representation#61, 02-04-09, interview organised interests#1, 02-04-09). They made it clear that they would vote against the regulation if their interests would not be accommodated (interview Permanent Representation#60, 30-03-09, interview Permanent Representation#61, 02-04-09). Poland also emphasized that “during most of the negotiations time, countries which wanted a more narrow definition of vodka had a blocking minority” (interview Ministry of Agriculture#2, 30-03-09 referring to PL, SE, FI, DK, EE, LT, LV, SI) and that they wanted “to call attention to the importance of proper definition of vodka” (interview Ministry of Agriculture#2, 30-03-09). While it was never contested that the shadow of votes constitutes an essential element of bargaining power, the effect of a potential Polish negative vote was very limited in the Council because this alone was not sufficient to block the regulation. The blocking minority would have been a different story. However, countries such as Sweden, Finland and Denmark, were not prepared to block the regulation and did not voice such a threat in the end (e.g. interviews Permanent Representation#60, 30-03-09, Permanent Representation#54, 18-03-09, Permanent Representation#42, 12-01-09). Furthermore, the Polish threat of hinting at a unified blocking minority was not credible and did not trigger concessions.⁵

The UK pulled all strings as well. They emphasised vis-à-vis Poland, Sweden, Finland, Lithuania, Latvia and Estonia that a ‘no’ outcome of the negotiations would leave these countries worse off since the status quo would be continued and Vodka would not be defined at all (interview Permanent Representation#61, 02-04-09). In this sense, the UK counteracted the Polish threat and thereby pushed Estonia and Latvia towards making concessions and accepting compromises (similar to Sweden and Finland).⁶

⁵ Several interviewees argued that Poland harmed itself with these hard ball tactics, since it signalled their unwillingness to make concessions, to which other member states reacted in no longer negotiating for compromises with Poland (interview Permanent Representation#60, 30-03-09). Instead of triggering positive responses, Poland was regarded as being“(..) way beyond any kind of reasonable.” and “(..) in the end they were isolated” (both quotes interview Permanent Representation#54, 18-03-09).

⁶ In addition, Poland, the UK and Sweden offered side-payments to formerly neutral countries in exchange for support in the Council (interviews organised interests#1, 02-04-09, Permanent Representation#60, 30-03-09).

In sum, while Poland issued the threat of a ‘no’ vote on several occasions, it was – in line with the hypothesis – not successful because it did not negatively interfere with the majority of the Council members. Also, since Poland made clear that their position was not open for compromises, concessions were not offered to bring them into the boat (interview Permanent Representation#60, 30-03-09). At the same time, the UK flagged that any outcome would leave the Vodka producers better off than the status quo of EU legislation. This could have been interpreted by some as a subtle hint towards the blocking minority of a UK-led coalition (interview Permanent Representation#61, 02-04-09), but emphasized at the same time that there were common interests of Vodka producing countries and that the UK was willing to compromise in order to upgrade common interests.

Coalitions (H3a, H3b)

The UK supported by Hungary, Cyprus and Bulgaria initially opted for a definition of Vodka that allows for using molasses and grapes as raw materials. Other wine producing countries sympathised with them, simply to have an alternative to producing wine from grapes (interview Permanent Representation#54, 18-03-09). In addition, the European Vodka market was regarded to have a potential for growth and was, therefore, attractive to non-traditional Vodka producers, especially since the European wine market faced increased competition from non-European wine producers (interview Permanent Representation#54, 18-03-09). Poland as well as the Baltic states, Sweden and Finland had commercial interests at stake: If Vodka can only be produced out of potatoes and cereal, competition is less fierce and the potential wins are greater. Against this background, a Finnish MEP stated: “This is a battle of the vodka belt against the wine belt, and in between lies the beer belt, which will get to decide” (L. Lehtinen cited in BBC News 2007).

The Vodka-purists, namely Poland, Sweden, Finland, Latvia, Lithuania and Estonia got support from Denmark which did not have too much at stake, but was willing to help Sweden out of solidarity (interview Permanent Representation#54, 18-03-09). This somewhat increased the collective leverage of the “Vodka-belt” whose common ideal outcome was a narrow Vodka-definition based on potatoes and cereals only, but which lacked a lowest common denominator preference. Most states were willing to accept compromises other than the ‘potatoes and cereals-only’ outcome, but Poland and Lithuania had red lines that were identical with the ideal outcome. As a

consequence, the Vodka-purist coalition (even if it would have increased in size) never had a chance to operate as a blocking minority, since the states had different ideas of minimum acceptable outcomes. This severely weakened the coalition (interviews Permanent Representation#60, 30-03-09, Permanent Representation#54, 18-03-09).⁷

The “wine-belt” coalition started off with only four countries (the UK, Bulgaria, Hungary and Cyprus) that did produce Vodka out of beet, molasses, sugarcane or grapes instead of cereals and potatoes only. The UK as the coalition leader was very successful to gather additional supporters in the course of negotiations (interview Permanent Representation#61, 02-04-09). Through “payments” in the form of support on other issues, the Netherlands, the Czech Republic France, and Ireland supported the British claim for a broader Vodka-definition (interview Permanent Representation#60, 30-03-09). However, the internal coherence of the coalition was not very high in regard to a common goal (in which raw materials should be allowed) while the partners shared a notion of which outcome would not be acceptable (potatoes and cereals only). The UK’s primary interest was to include sugar beet as a raw material for the Vodka production, while France, Hungary and Bulgaria primarily wanted to include grapes, sugar-cane and to some extent citrus fruits (interview Ministry of Agriculture#3, 03-04-09).

At the beginning of negotiations, the Vodka-belt coalition (66 out of 345 votes) was stronger in size than the Wine-belt coalition (55 out of 345 votes). While the former did not gain additional supporters and de facto lost Finland (59 votes), the latter gained additional 61 votes and had a combined leverage of 120 votes. Hence, neither side achieved a qualified majority, but the UK and its allies had a blocking minority to prevent a narrow definition of Vodka allowing for potatoes and cereals as raw materials. While, the UK-led coalition had the potential to successfully cast a shadow of a blocking minority over the negotiations, the Vodka-purists were not in

⁷ Since Poland signalled that they would not make compromises, coalition partners started to engage in negotiations on two fronts: internally with Poland and externally with everyone else (interview Permanent Representation#60, 30-03-09). The Lithuanian delegation also flagged that they would not be willing to accept outcomes other than a Vodka-definition based on cereals and potatoes and, thus, also became isolated in the negotiations (interview Ministry of Agriculture#3, 03-04-09). Moreover the coalition was weakened because Finland was limited in their engagement for the group due to their Presidency: “it got very difficult also because it was Finland that had the presidency at the time and they were part of the alliance and they couldn’t go against it because they didn’t want to and they couldn’t support it either because they were the presidency” (interview Permanent Representation#54, 18-03-09, similar interview Ministry of Agriculture#3, 03-04-09).

opposition to act in concert vis-à-vis third parties to promote or prevent a particular definition of Vodka (interviews interview EP#2, 02-04-09, Ministry of Agriculture#3, 03-04-09).

In line with the expectation, the UK-led coalition did not push for a common positive Vodka definition in the endgame of negotiations. The leading committee of the EP had proposed a compromise according to which Vodka should be made out of potatoes, cereals and sugarbeet molasses while other products should be labelled as ‘Vodka out of’ (“Schnellhardt report”, c.f. paragraph on the EP). While this was a win set for the UK as well as the Nordic and Baltic countries, it was too broad for Poland and Lithuania as well as for France and the other Vodka producers in the UK-led coalitions using cane-sugar molasses, grapes or fruit. Hence, the anti-purists no longer acted in concert and lost influence in the course of the dialogues between the Commission, the EP and the Presidency that hammered out the final compromise. As a result, the outcome shifted towards a narrower definition of Vodka (all products not made of cereals and potatoes had to be labelled as ‘Vodka made of’). This was a win for the anti-purist coalition (which gained the concession that ‘non-traditional’ Vodka was listed on the same rank as ‘traditional’ Vodka and not treated differently (interview Ministry of Agriculture#3, 03-04-09)) so that the German presidency avoided a blocking minority, and brought, at the same time, as many of the new member states into the boat as possible (leaving only the uncompromising hardliners Poland and Lithuania aside).

Contacts to the Commission (H4)

All involved states wanted to influence the negotiations via the European Commission before the Commission’s proposal was officially out.

Once the proposal was on the table, the UK and its allies argued that a narrow definition of Vodka—as exclusively distilled from potatoes and cereals—would violate WTO law since it would effectively prevent third countries from selling their products of Vodka (based on molasses, grapes or citrus fruit) on the European market (Mercer 2006a). The WTO argument of the UK flagged barriers to free trade and was also backed by South Africa in later stages of negotiations (interviews Permanent Representation#60, 30-03-09, Ministry for Agriculture#3, 03-04-09). It resonated well with the Commission’s orientation to avoid trade clashes, an orientation already outlined in initial proposal of the Commission (Commission of the European

Communities 2005b, interview EP#2, 02-04-09, interview Permanent Representation#54, 18-03-09). Thus, it is not surprising that the European Commission voiced this argument themselves during the negotiations (interview Permanent Representation#60, 30-03-09, Commission of the European Communities 2007).

On the other side, mainly Sweden but also Poland contacted the Commission with the argument that consumer protection issues were at stake (interview Permanent Representation#54, 18-03-09, interview Ministry of Agriculture#2, 30-03-09). In particular they claimed that a broad Vodka definition was misleading, putting customers in a situation where they would not know whether the quality and taste expectations would be met if they bought a bottle with the Vodka-label on it. The Commission responded well, not the least because it has a long tradition of being concerned with the protection of consumers (interviews Permanent Representation#54, 18-03-09, European Parliament#2, 02-04-09). As a result, the Commission requested data on the expectations of consumers since only if consumers had clear expectations they would be protected (interviews Permanent Representation#60, 30-03-09, Permanent Representation#54, 18-03-09). The multiple-choice surveys were not standardized and not conducted in all member states, but only in a few such as the UK, France, Sweden, Poland, and the Baltics, and usually paid for by the respective Vodka-producing industry. Even though the results failed to be fully representative, they basically showed that expectations differ across countries (Permanent Representation#54, 18-03-09). Hence, the consumer protection argument, though initially resonating well with the Commission, became less compelling and lost importance in the subsequent discussions (e.g. interview Ministry of Agriculture#3, 03-04-09, Commission of the European Communities 2005a, Commission of the European Communities 2007).⁸

Another argument was advanced by Denmark: they emphasized that most of the Vodka-belt countries were new member states. Poland, Lithuania, Latvia and Estonia did not use the accession negotiations to protect Vodka as a drink with geographical indications. Other states that joined after the 1973 Northern and before the 2004 Eastern enlargement got concessions that de facto protected parts of their

⁸ This argument also did not resonate well with other member states “Let’s be clear, I don’t think it was a question of consumer expectation for any of those countries which were doing the survey, I think it was a question of protecting their industries. In our case, we didn’t have an industry to protect so we did not need to go into that kind of logic.” (Permanent Representation #56, 19-03-09).

domestic markets (e.g. the Finnish concessions re very high salmonella standards that products such as chicken or egg have to meet before they can be sold in Finland). Denmark argued that “it would have been fair to them as a new member state, they don’t have that many rights and they are not protected in the proposal of spirits in that many senses. It would have been fair to give it [a definition of Vodka that protects their interests and domestic industries, comment DP] to them.” (Permanent Representation#54, 18-03-09). However, the argument did not resonate well with the Commission (interview Permanent Representation#60, 30-03-09), not the last because Sweden and Finland already received concessions for other matters during their accession negotiations while Hungary, Cyprus and Bulgaria as new member states also produced non-potato or non-cereal based Vodka. In line with this, even the initiator of the fairness argument stated “if only it could have been a product with a certain flavour, then it would have made sense for the rest of us to say fair enough Poland this is a traditional thing you have been doing it forever, of course you have the right to sort of dictate to the rest of us how this product should be produced, but in the sense that it was it did not have a flavour and it was sort of saying you can produce it out of anything” (interview Permanent Representation#54, 18-03-09).

Despite the sensitivity to consumer protection issues and the initial sympathy of the Danish Commissioner, Mariann Fischer Boel, to the Vodka-purists concerns (interview organised interests#1, 02-04-09), the arguments of the UK on free-trade and the WTO resonated the strongest within the Commission and the DG Agriculture as a whole (e.g. interview European Parliament#2, 02-04-09). This is in line with the hypothesis.

Contacts to the EP (H5)

Even though the spirit drinks file was framed as an agricultural matter in the Council, it was decided under co-decision. Thus, the EP turned into a player with an equal weight than the Council. Three EP committees were involved: the Committee for Agriculture and Rural Development, the Committee on the Internal Market and Consumer Protection (IMCO), and the leading Committee on Environment, Public Health and food Safety (interviews Ministry of Agriculture#2, 30-03-09, European Parliament#2, 02-04-09). The advocates of a narrow and of a broad definition of Vodka approached the EP to lobby for their positions.

A very important committee was the one on agriculture. Here, Denmark acted as a broker. Although they had no Vodka-related self-interests, they supported the purists because of a diffuse reciprocity norm between Denmark and Sweden in this policy area (Permanent Representation #54, 18-03-09). Since Sweden did not have an MEP in the agricultural committee, Denmark activated its good contacts to the Danish MEP, Niels Busk, who happened to be the rapporteur of in the agricultural committee and “(..) lobbied parliament a lot, fed into them and told them to do this and that to see if it could fly (..)” (interview Permanent Representation #54, 18-03-09). Basically “all the arguments that were mentioned in the Council working groups were copied in parliament so it was WTO points came up and it was the fairness of treating a new member state, giving them something that other member states had gotten at the time when we had introduced the legislation” (interview Permanent Representation #54, 18-03-09). At the beginning of the debate, the claim concerning tradition and quality was successful, and the committee proposed amendments of the Commission’s proposal exactly in line with a narrow Vodka-definition (European Parliament 2006c).⁹ While the MEPs responded extremely well to the purists in March 2006, their influence declined a bit (European Parliament 2006a). In September 2006, none of five amendment proposals of the committee reflected the narrow Vodka-definition anymore but mainly opted for sugarbeet, molasses, potatoes and cereals or in two instances even for no specifications at all (European Parliament 2006b: 13-16). This shift was due to the fact that the arguments of the UK-led camp disseminated into the committee as well (interview Permanent Representation#61, 02-04-09). The claims that the UK Vodka-tradition was older than the ones in Sweden or Finland, that the regulation should not violate WTO law and that the labeling regulations was never designed to exclude established products from the market resonated well with many

⁹ The March draft opinion entailed only the narrow Vodka definition (cereals and potatoes as raw materials only) and proposed to delete the Commission’s proposal of defining Vodka as “a spirit drink produced from ethyl alcohol of agricultural origin”. This was justified through “Vodka is traditionally produced from grain and/or potatoes, and it is therefore crucial that vodka should be given the same protection as other types of spirit such as rum or whisky, etc. The choice of raw materials is important for the organoleptic (taste) qualities of the drink and should therefore be restricted to grain and/or potatoes, thus making it unnecessary to place an extra burden on vodka producers by requiring them to specify the raw materials on the label. If the objective of such labelling is to give consumers information on the ingredients used for the production of the spirit drink, this should be done across the board for all spirit drinks in accordance with the Labelling Directive, which already requires a list of ingredients for other foodstuffs.” (European Parliament 2006c: 10).

of the MEPs in the Committee.¹⁰ Although Denmark was sympathetic to purists-arguments, they were neutral enough to accept the fact that MEPs in the Committee were divided. In the course of negotiations, the Danish rapporteur successfully fostered a compromise between both camps according to which “Vodka is a drink which is traditionally produced from grain, potatoes and/or sugarbeet molasses, and it is therefore very important that vodka should be accorded the same protection as other spirit drinks such as rum, whisky, etc.” (European Parliament 2006b: 16).¹¹

The Committee on Environment, Public Health and Food Safety was the leading committee in the EP. The rapporteur, Horst Schnellhardt, was German and the shadow-rapporteur, Linda McAvan, was from the UK. Hence, the UK had a strong advantage vis-à-vis the Vodka-belt countries in terms of access to and influence in the Committee. The UK used this window of opportunity to argue that the current Vodka products should not be excluded from the market and that the regulation should not create barriers to free trade. Instead, the UK argued for reasonable labelling that keeps customers informed of unusual contents and that the UK had an older Vodka-tradition than Finland and Sweden so that beet molasses was a traditional raw material as well (European Parliament 2006b: 13-14, interview European Parliament#2, 02-04-09). Poland’s influence on the committee was never as strong as the UK’s to begin with, but further declined over the course of negotiations: “The biggest defeat was Germany. At the starting position, they were supporting our position, but because of a difficult situation in Poland where we had that one guy become Minister of Agriculture, then he said he did not want to speak with Germany.” (interview organised interests#1, 02-04-09). While Poland did not exert influence via the environmental committee, Sweden, Finland and Denmark did disseminate ideas (interviews Permanent Representation#53, 18-03-09, Permanent Representation#58, 19-03-09, Permanent Representation#59, 19-03-09). However, even though their MEPs had very good reputations as food safety experts, they were not successful in

¹⁰ Accordingly, the justifications for broader Vodka-definitions stated: “To resolve the question of the raw materials from which vodka can be made this amendment ensures that these proposals are not a mechanism for the exclusion of legitimate products from the vodka market” (European Parliament 2006b: 13).

¹¹ He further argued that: “The choice of ingredients affects the organoleptic (taste) characteristics, and they must therefore be restricted to grain, potatoes and/or sugarbeet molasses, in conjunction with which it will also be unnecessary to compel vodka producers to accept an additional burden in the form of a requirement to indicate the ingredients on the label. If the aim of this requirement is to provide consumers with information about the ingredients used to produce a spirit drink, this should apply across the board to all spirit drinks in accordance with the labelling directive, which already requires lists of ingredients for other foodstuffs.” (European Parliament 2006b: 16).

launching convincing quality-related arguments because Vodka is a distilled product and does not consequently touch food safety (interview Ministry of Agriculture#2, 03-04-09). However, the rapporteur of the committee for agriculture, the Dane, Niels Busk, gained influence in the environmental committee as well. Although the environmental committee had the lead, according to EP statutes the committees had to cooperate. In the course of this, the agriculture rapporteur presented the compromise formula (three traditional raw materials, not two) as developed during the committee-internal negotiations. The appeal of this outcome to the rapporteur of the environmental committee, Horst Schnellhardt, was additionally strengthened by the Council's legal service. Based on their reasoning, it is legally possible to differentiate between traditional and non-traditional Vodka, if and as long as the principle of proportionality is not violated (interview Ministry of Agriculture#2, 03-04-09). In effect, it is not unlawful to select some raw materials as traditional ones and label the product Vodka as long as non-traditional products would not be excluded from the market and could be sold under a different label (e.g. stating 'Fruit-Vodka' or 'Vodka made out of') (interview Ministry of Agriculture#2, 03-04-09). Against the background of these developments, the environmental rapporteur supported specifying the broad initial proposal from the European Commission to some extent and successfully advanced the compromise in their own committee. Thus, the final report of the environmental committee entailed a compromise according to which "the description, presentation or labelling of vodka not produced from potatoes, cereals or sugar beet molasses shall bear, in the same visual field as the sales denomination, the indication 'produced from...', supplemented by the raw material utilised to produce the ethyl alcohol of agricultural origin" (European Parliament 2006d: 28).¹²

Also in response to its declining influence in the EP, Poland did not only use its direct contacts in some of the committees (interview Ministry of Agriculture#2, 30-03-09), but also organized Vodka tastings in the EP lobby to illustrate taste differences (interview Permanent Representation #59, 20 March 2009). However, these tastings

¹² This compromise formula was justified though "Vodka made from cereals, potatoes or sugar beet molasses may be described as a product produced by traditional methods. It should therefore bear the name vodka without any additional information. As the ethyl alcohol in vodka may also be produced from other agricultural products, it is necessary to indicate the agricultural products used in order to enable a clearer distinction to be made. Many special vodka varieties consist of ethyl alcohol from various agricultural products. In order to differentiate so-called traditionally-produced vodka, blends should be indicated." (European Parliament 2006d: 28-29).

did not bring the success the Polish delegation wished for (interview European Parliament#2, 02-04-09). Even the representative of the Polish spirit drinks association conceded that taste differences due to the raw materials used are sometimes only recognizable by experts, but argued that this applies to other spirit drinks as well.¹³

In line with the EP-hypothesis, the UK was successful in exerting influence due to its strong links to the shadow rapporteur of the leading committee, which increased the resonance of its arguments in the EP considerably. Finland, Denmark and Sweden had all access to the environmental committee, but since the Vodka issue was not about food safety, their MEPs could not use their good reputation as food-safety experts to make compelling quality-related arguments. However, due to the responsiveness of the Danish rapporteur of the agricultural committee to the purists-arguments and the appeal of the British arguments to many other MEPs, the agriculture committee developed a compromise. Accordingly cereals, potatoes and sugarbeet molasses are considered raw materials for Vodka. This compromise was diffused into the lead environmental committee and became especially compelling since the Council legal service established that it was possible to distinguish between traditional and non-traditional raw materials within limits of proportionality (e.g. not excluding products from the market, using labelling to differentiate between traditional and non-traditional Vodka). In the end, the environmental rapporteur, Horst Schnellhardt, successfully passed the compromise that Vodka not made out of potatoes, cereals or sugar beet molasses has to be labelled as ‘Vodka made out of’.

Influencing the Presidency (H6)

At different points of time, all states with interests at stake had been in contact with the respective Presidency. Yet, since Finland held this office during crucial stages of the negotiations, states on the purist’s side had no good chances to influence Finland via either arguing or bargaining. The office acts as a neutral mediator and Finland

¹³ “What was quite interesting is that people can’t recognize whether it was molasses, whether it’s grape vodka or some other spirit. (...) We can’t recognize it, even there are some great brandies without sugar of the high rectification level, so quite pure, but the colour is the same as in whiskey because it contains caramel, but it is not sweet. It has a similar taste to whiskey, and many people are misleading by those products. There is rum based on molasses, but for example, Barcardi superior, sometimes is very difficult to recognize, even not for a real expert, there is a few that are real experts, but a customer from a blind testing could not tell the difference.” (organised interests#1, 02-04-09).

could not take sides in this highly politicized debate (interview Ministry of Agriculture#3, 03-04-09). “It got very difficult also because it was Finland that had the presidency at the time and they were part of the alliance and they couldn’t go against it because they didn’t want to and they couldn’t support it either because they were the presidency.” (Permanent Representation#54, 18-03-09). The UK and its coalition partners had no good chances to influence the Finish Presidency either, because their arguments in favour of a broad definition would not resonate well with Finish convictions about taste, quality, consumer protection or traditions and the necessity for a narrow definition (interview Permanent Representation#61, 02-04-09).

The German presidency did not have self-interests concerning Vodka and was slightly more sensitive to arguments from the Vodka-belt countries (Permanent Representation#60, 30-03-09, Permanent Representation#54, 18-03-09). Sweden in particular approached the Presidency with general support-offers in exchange for an understanding of the Swedish sensitivities and was relatively successful in the end (interview Permanent Representation#60, 30-03-09). Yet, since the UK-led coalition had a blocking minority, the German presidency was also responsive to them and did not support a position according to which Vodka can exclusively be made of potatoes and cereals (Permanent Representation#61, 02-04-09). As a result, the German presidency strongly supported the compromise that became more and more apparent in EP deliberations and the trialogue meetings with the EP and the Commission. Namely, that Vodka from raw materials other than cereals and potatoes has to be labelled as “Vodka made out of ..” instead of simply “Vodka” (interview Ministry of Agriculture#3, 03-04-09).

“It was surreal that you had been negotiating something for such a long time and member states really disagreed and in the end you just have the compromise and the Presidency had enough courage to say this is the compromise we will take a vote.” (Permanent Representation#54, 18-03-09).

Hence, as expected by the Presidency-hypothesis, Sweden, Denmark and the other purist-countries had little success in influencing the Finish presidency due to the neutrality norm, while the UK was not very successful due to the low resonance of their arguments with Finish convictions. The German presidency was eager to close the file and, thus, supported a compromise that accommodated the purist’s interests to some extent and, at the same time, avoided a negative vote of the UK and its allies.

IV. Conclusions

How can small states shape European policies according to their interests despite fewer votes, fewer MEPs, slimmer administrations in their respective ministries, and smaller delegations in Brussels? This paper developed a set of hypotheses explicating the scope conditions under which argumentative, bargaining-based and several compound strategies should be effective. Although the success of bargaining and coalitions is influenced by the size of the actors, the success of the other negotiation strategies, such as arguing and contacting the Commission, the Presidency or the EP depends to a large extent on the resonance of arguments. In accordance with this, the highly contentious negotiations of the EU spirit drinks regulation illustrated that small states can use the same array of strategies as their bigger counterparts and can shape outcomes if the scope conditions are met.

Arguments are only successful, if they resonate well with prior beliefs of the addressees (H1). Yet, the Vodka case showed that more often than not, arguments failed to convince neutral addressees. Not even countries with a reputation of having good and scientifically up-to-date arguments and as being food safety forerunners, such as Denmark, was able to argue successfully in the Council. This is not surprising because the Vodka case was not about scientific expertise, but a political question.¹⁴ In line with the bargaining hypothesis (H2), threats did not induce position shifts in the Council either. While states had a common idea of what constituted bargaining power and mostly believed that the Polish or Lithuanian ‘no-votes’ or a UK/South African-triggered WTO litigation were realistic scenarios, neutral states did not fear interferences with their own interests and action-plans and did not react with concessions. As expected, coalitions can be effective support tools in approaching the Commission, the Presidency or the EP if the internal coherence and the collective leverage are high (H3a,b). The UK-led coalition casted a shadow of a blocking minority over the negotiations and thereby ruled out a very narrow definition in the end-game (interview EP#2, 02-04-09, interview Permanent Representation#61, 02-04-09). At the same time, the purist-coalition was too weak to form a blocking minority

¹⁴ “There is no science in this. This is not science at all. This is a matter of whether you would give something to the vodka-producing countries, if you would give them a protection. Just like you could say there is no science behind the fact that you produce champagne in northern France and you produce cava in Spain or whatever you do. There is no science in this whatsoever. This is purely a political question” (interview Permanent Representation#54, 18-03-09).

and additionally suffered from internal heterogeneity concerning a minimally acceptable outcome. Contacts to the Commission were important (H4). In particular the UK made arguments that resonated well with the liberal market orientation of the Commission and gained influence as expected. The Swedish consumer protection argument resonated well at the beginning. But since the Commission requested data on consumer expectation, which then showed mixed results, the argument became less compelling and lost influence. Finally, the EP was a very important battleground. As expected, states with direct contacts to the rapporteur or shadow rapporteur of an involved committee had good chances to disseminate their ideas (H5). Denmark was very successful in working through the agriculture committee, as was the UK in working through the environmental committee. Both induced a compromise formula that then became the basis for the final negotiation outcome. Lobbying the presidency had limited success for big and small states from both camps while Finland had the office since they remained neutral (H6). Once Germany took over, nearly all states did seek influence. Germany responded to some of the purists' arguments, most notably tradition and fairness. But since the German presidency was at the same time aware of the blocking minority of the non-purist coalition, they opted for a compromise. Thus, all Vodka made not out of potatoes or cereals has to be labeled accordingly, while, at the same time, the non-traditional Vodka was not regarded as of lesser quality than the traditional Vodka and listed under the same number in the regulation instead of further down (interview Ministry of Agriculture#3, 03-04-09).

Thus, although Sweden, Finland, Denmark, Estonia, Lithuania and Latvia all have fewer votes, fewer MEPs, slimmer administrations in the respective ministries, and smaller delegations in Brussels than the UK or Poland, they can be influential actors in issues of great importance. The Vodka case illustrated that small states can use the same array of strategies as their bigger counterparts. Although the success of bargaining and coalitions is influenced by the size of the actors, the success of other negotiation strategies, such as arguing and contacting the Commission, the Presidency or the EP does not depend on size but to a large extent on the resonance of arguments or conceptions of power and threats.

The Vodka case also showed that small states can sometimes punch above their weight and gain more than one might expect based on their political or economic weight in the EU. While size matters for the effectiveness of some policy-shaping

strategies (e.g. bargaining and coalitions), it is no scope condition for the success of arguing vis-à-vis the Council, the European Parliament, or the Commission. Hence, small states that redirect their limited resources to files of high priority can be very active in negotiations. This is especially crucial when bigger coalition partners are absent or not helpful. The Vodka case is an instance in which the smaller Nordic and Baltic states could not piggyback on a bigger coalition partner. Poland was a member of the purist-coalition, but due to its uncompromising and hard-bargaining behaviour, it became isolated and was no great help or at worst even did more harm than good in the negotiations (interviews Permanent Representation#60, 30-03-09, Permanent Representation#54, 18-03-09, EP#2, 02-04-09). Against the background that Sweden, Finland, Denmark, Estonia and Latvia faced, the UK and its coalition partners achieved a remarkable success in pushing the negotiation outcome from the very broad Commission's proposal (raw materials of agricultural origins) to the relatively narrow outcome (raw materials: cereals and potatoes, other materials require the label 'Vodka made of') (interview Permanent Representation#42, 12-01-09). This success cannot be attributed to one grand strategy of one small state, but to the concert of different activities. Sweden and Denmark especially and to a lesser extent the Baltic states were very active and argued in the Council, fostered coalitions, worked with the EP, and contacted the Presidencies and the European Commission. Some of those endeavours failed to induce favourable position shifts of the addressees (e.g. arguing in the Council). Others were effective, such as the arguing-based efforts of Sweden and Denmark vis-à-vis a large array of addressees and in multiple arenas. In particular Denmark's contact to the EP agricultural committee and the Nordic states' contacts to the German presidency were significant for the negotiation outcome.

Since states cannot trust that a single successful strategy alone will influence policy outcomes (e.g., because an argument in the Council – even if it persuades all other member states – does not in itself impact the EP or the Commission) small and big states apply several strategies during negotiation processes. Hence, EU negotiations are mixed-manoeuvre games in the same and across multiple arenas. In order to achieve favourable outcomes big and small states with important interests at stake use as many strategies as necessary (vis-à-vis the same or different actors) to either ensure a minimal winning coalition or a blocking minority in all relevant negotiation arenas (Council and Parliament, eventually also the Commission). In this sense, individual successes and failures of strategies add up to the overall negotiation

performance of a state,¹⁵ which, in turn, is closely linked to the chances of shaping a policy.

Big states have power-based advantages in the Council, vis-à-vis the Presidency and the Commission. They have more MEPs in the EP and, thus, a greater chance to diffuse ideas into the involved committees. And big states possess more administrative resources and more staff in the ministries back home and the Permanent Representations to develop sound positions backed up by arguments or threats. Thus, they are structurally in a better position to shape policies via bargaining or arguing than small states. But small states can concentrate their limited resources on issues of great importance, such as Denmark, Finland, Sweden and the Baltic states in the Vodka case. This allows small states to be equally active than big states and allow them to apply different policy-shaping strategies. Since the effectiveness of argument-based shaping strategies is not dependent on the size of the acting country, but the resonance of ideas, small states can punch above their weight. The Vodka case is an instance in which small states succeeded. Small states prevented an outcome resembling the Commission's initial very broad Vodka-definition although the collective bargaining power of the purists was far less than the bargaining leverage of the proponents of a broad definition.

¹⁵ Negotiation performance equals the number of actors that changed positions in a favourable manner minus the number of actors that did not change their positions in a favourable manner.

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