

**Through the Needle's Eye.**

**Leadership and Institutional Dynamics in the EU Council of Ministers**

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The Council Presidency has substantial leeway in setting the priorities of legislative work, but only limited formal powers to increase its bargaining strength. I argue that the Presidency is steering the legislative agenda and enjoys proposals power. Consequently it has a notable impact on what kind of issues are resolved in the Council and a disproportionate influence on policy outcomes. The underlying institutional design allows the Council members collectively to benefit from the leadership of the Council and the member states holding the Presidency to benefit from the possibility of realizing its legislative priorities without overriding the concerns of other member states. Drawing upon general bargaining theory, I demonstrate how the Council Presidency can overcome the 'negotiator's dilemma' and help to reach agreements in protracted negotiations. However, I argue that it will direct its limited resources according to its own priorities. In some policy fields, such as environmental policy, any European-wide regulation is preferable for some member states to the prevalence of different national legislations. If a member state is striving for common European legislation in a given field, it will use its time at the helm to facilitate negotiations in this area. The hypotheses derived from my theory identify two effects of the leadership function of the Council Presidency:

1. The effect of the salience of a policy field to the Presidency and its function as a process manager on legislative activity in this field
2. The effects of the preferences of the Presidency and its prerogatives on decision outcomes

The empirical results were derived from an exploratory case study, quantitative data analysis of an original data set on legislative activity from 1984 – 2003, 32 partly-structured interviews and document analysis.

With regard to the *effect of the Presidency on legislative activity*, I carried out a regression analysis (Poisson) for 316 proposals in the field of environment that were pending between 1984 and 2001. It shows that the importance the member state holding the Presidency attaches to environmental policy has a significant effect on the number of proposals on which an agreement is reached during a given Presidency.

To address the question of *whether or not the Presidency benefits disproportionately from decision outcomes* made during its term of office, I developed a measurement technique for the influence of an actor given the presence of several other potentially influential actors. A secondary (logit regression) analysis of the data of the 'Decision-making in the European Union' project reveals that member states do profit disproportionately from decisions reached during their term in office. However, this is only true for the last stages of the negotiations.

In my conclusion, I discuss the implications of my findings for the current debate on institutional reform in the Council. This thesis shows that member states indeed do not feel themselves sufficiently bound by the norm of the impartial Presidency to act as a 'benevolent dictator' in the common interest. The representatives of smaller member states in the constitutional Convention were right in suspecting a shift in power with the move to an elected long-term Presidency, which would presumably be dominated by larger member states. This puts a stark choice to the framers of a future constitution: the rotating Presidency can be replaced by a neutral office of a mere legislative clerk or its powers can be acknowledged and the Presidency can be made politically accountable.