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Comparing European Union Decision-Making before and after Eastern Enlargement

Abstract

In this paper, we analyze European Union (EU) decision-making before and after Eastern Enlargement. Theoretically, we take up the debate on whether and under which conditions a growth in group size leads to a formalization or an informalization of political decision-making. We test two hypotheses related to this question by comparing the fit of established decision-making models on a pre- and post-enlargement dataset of EU decision-making. For the pre-enlargement period we utilize the dataset from the *Decision-Making in the European Union (DEU)* project. Additionally, our dataset includes the ideal points of the 27 member states, the European Commission and the European Parliament on 120 issues from the post enlargement period. Against our initial expectation, we do not find an improved fit of the procedural model as compared to the compromise model after enlargement. While the paper is primarily a process-oriented contribution to the growing literature on how enlargements affect political decision-making, we also present first evidence for a growing status-quo bias pointing towards qualitative effects of enlargement.

Introduction[1]

Eastern enlargement is a major step of recent European integration. In 2004 ten and in 2007 two new member states – Romania and Bulgaria – acceded to the European Union (EU). While this certainly highlights the success story of the European integration project und shows the tremendous attraction the EU exerts on its Eastern neighbor states, many question were and still are asked today about the consequences of enlargement for EU decision-making. Accordingly, this paper is concerned with the effects of EU enlargement; we will not engage in the discussion about the reasons for enlargement (cf. on this issue Schimmelfennig 2003; Schneider 2009). Theoretically, our paper builds on a sociological group theory; in particular, we further elaborate a theory of formalization initially developed by Georg Simmel. By adding a micro-logic to Simmel's theory we formulate conditions under which we expect formalization but also informalization to occur. In this paper, we propose a first test of this theory by comparing the empirical fit of theoretical decision-making models on a dataset of EU decision-making under the EU15 (Thomson et al. 2006) and a newly established dataset covering lawmaking processes under the EU 25 and 27. This new dataset covers the positions of all member states, the European Parliament and the Commission on 120 issues decided after Eastern enlargement in 2004.[2] We compare the fit of the compromise model (Achen 2006b; Van den Bos 1991) with the parliamentary version of the procedural model (Steunenberg and Selck 2006). We also compare the fit of the models for different procedures and policy areas. In contrast to our theoretical expectations the procedural model does not generally perform better after enlargement. We discuss these findings against the backdrop of our theory. While this is thus another finding pointing towards the continuity of EU decision-making after Eastern enlargement, our data also allows us to explore qualitative changes relating to the output of the EU policy-making process. We, indeed, we present first systematic evidence for a status quo bias after enlargement.

The paper is structured as follows: We start off with a brief revision of the literature on EU enlargement effects. We then introduce and develop our theory of formalization and derive our main hypotheses. After introducing the method and the new dataset, we empirically test the fit of two decision-making models before and after Eastern enlargement. In addition, we compare how the output of EU lawmaking has changed after enlargement. We end with an analysis and discussion of our results.

[2] The 120 issues include 70 issues provided by Robert Thomson. These are based on data collection efforts by J. Arregui, R. Thomson, and R. Hertz.

Theory

Before Eastern enlargement, the effects of the accession of the then candidate states were widely discussed (cf. Zimmer et al. 2005; König and Bräuninger 2004; Baldwin et al. 1997; Steunenberg 2002; Bailer et al. 2009). Most accounts based on veto player theory or on a-priori-voting power theory predicted an increase of policy stability. Including new member states with a diverse economic, political and cultural background should lead to a growing heterogeneity which should, in turn, make decision-making more cumbersome. Surprisingly, almost six years after the first round of Eastern enlargement, there hardly are any empirical studies that find 'negative' effects of enlargement (cf. Bailer et al. 2009).

Elsewhere we have shown that there is no significant reduction of EU legislative output linked to the issue of group size (Hertz and Leuffen 2009). While the amount of legislation in recent years has slightly declined, this is also due to an effort of the Commission to streamline its proposal activity (cf. Kurpas et al. 2008; Peterson and Birdsall 2008). The Council continues to make decisions by consensus. Studies have failed to detect an increase in the level of confrontation within Council bargaining followed by more frequent explicit voting. By linking roll-call data to information from the Council minutes, Hagemann (2008) does not find a growth of conflict in the Council after enlargement. She analyzes data from 1999 until 2006 and only detects a slight increase of the use of formal statements – through which countries critically comment a Council decision. Mattila (2009) also analyzes Council roll-call data and agrees with Hagemann (2008) that voting in the Council has not become more controversial after enlargement. As to the voting patterns he presents some first evidence that the old North-South dimension might have been replaced by a new North-South-East pattern. This finding is supported by Naurin and Lindahl (2008) who analyze coalition building in the Council before and after enlargement on the basis of network data collected in 2003 and 2006. They find that the old geographical North-South dimension is complemented by a new East-West dimension of network relations. Partly in line with Mattila's (2009) findings, Thomson (2009) observes new member states to conflict with some of the old member states on redistributive questions while they seem aligned on such issues with the Southern member states. His analysis is based on a subset of the dataset used in this paper. Evidence for a 'business as usual' scenario is presented for the European Parliament by Hix and Noury (2009). Members of the European Parliament (MEPs) after enlargement continue to vote predominantly with their parliamentary groups and the main conflict line is left-right party positioning. Donnelly and Bigatto (2008) show that the MEPs from the new member states are proportionally represented in the main party groups (with the exception of the Greens and the Nationalists), and that they dispose of high educational and professional attainments.

From this literature we can conclude that Eastern enlargement has not led to a watershed in EU decision-making. We do not observe an increase of gridlock, voting has not become more conflict-laden and the picture on actor alignments at the moment is still far from conclusive. It is against this backdrop, that we turn towards more general social science theories on group size and decision-making.

Bailer et al. (2009) have identified three general sociological theories that link group size and decision-making: oligarchization, adaptation and formalization. The theory of oligarchization goes back to Robert Michels' party sociology. It argues that as groups grow in size, power is increasingly concentrated in the hands of a few. Transferred to the case of the EU, the iron law of oligarchization predicts that larger member states should become more important during each enlargement round. Elsewhere we present some first evidence for this effect (cf. Hertz et al. 2009). Adaptation focuses on the new member states' behavior and expects new members of an organization to adopt behavioral norms and practices. This theory is rooted in a sociological institutionalist view of international organizations and behavior (cf. DiMaggio and Powell 1981). Finally, the theory of formalization, which goes back to (Simmel 1908), focuses on the procedures of decision-making. The remainder of this paper focuses on the theory of formalization and empirically tests an application to the case of EU decision-making after Eastern Enlargement.

Formalization

Georg Simmel is one of the first sociologists to have theorized the issue of group size. Part II of his "On sociology" is titled "Quantitative Aspects of the Group" (cf. Simmel 1950). Simmel's starting point is the following observation:

> It will immediately be conceded on the basis of everyday experiences, that a group upon reaching a certain size must develop forms and organs which serve its maintenance and promotion, but which a smaller group does not need. On the other hand, it will also be admitted that smaller groups have qualities, including types of interaction among their members, which inevitably disappear when the groups grow larger. (Simmel 1950: 87).

The author in the following stresses the importance of "numerical conditions" for group behavior and discusses a wide range of small groups such as religious sects or aristocracies and large groups that are formed by masses.[3] He goes on to argue:

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[3] References to Greek and Italian cities and the Swiss cantons show that Simmel also considers the ability of collective actors to engage in group building (cf. Simmel 1950 93). When discussing the characteristics of dyads he argues: "[…] these forms exist as much between two groups families, states, and organizations of various kinds as between two individuals." (Simmel 1950: 123).

> The formal difference in the individual's group behavior, as it is determined by the quantity of his group, is not only of factual but also of normative and moral significance. This is perhaps most clearly evident in the difference between custom and law. (Simmel 1950) 99.

For Simmel custom plays an important role in group behavior:

> A group secures the suitable behavior of its members through custom, when legal coercion is not permissible and individual morality not reliable. […] This indicates the sociological locus of custom. Custom lies between the largest group, as a member of which the individual is rather subject to law, and absolute individuality, which is the sole vehicle of free morality. In other words, it belongs to smaller groups, intermediate between these two extremes. (Simmel 1950: 101).

Thus according to Simmel, actors' behavior follows different guiding principles and logics depending on the group context. The size of the community matters. He stipulates that "the enlargement of the group favors the transition of its norms to the form of law" (Simmel 1950: 103). This transition from customary behavior based on norms and established practices to law and more formal procedures is called formalization.

While Simmel underlines that the interactions between group members differ subject to group size, the specific mechanisms behind the process of formalization are less clearly elaborated in Simmel's work. There is some functionalist reasoning when he speaks of the necessity of adjustments for the sake of a group's "maintenance and promotion" (Simmel 1950: 87). However, we can also find references to actor-motivational assumptions, for instance, in the following paragraph:

> The principle of socialism - justice in the distribution of production and reward – can easily be realized in a small group and, what is surely quite as important, can be safeguarded there by its members. The contribution of each to the whole and the group's reward to him are visible at close range; comparison and compensation are easy. In the large group they are difficult, especially because of the inevitable differentiation of its members, of their functions, and claims. (Simmel 1950: 88).

To us, Simmel's argument here approaches Olson's (1965) logic of collective action by assuming a utility-orientation of individual group members. He refers to rewards and control and sanctioning mechanisms. These demand other solutions in smaller than in larger groups. This is how a functionalist observation on the macro-level might be grounded in a micro-logic (cf. Coleman 1990; Elster 1982). If actors find that due to specific changes in the environment – in our case, the growth of group size – their performance based on customary behavior changes for the worse, they might readjust their behavior (cf. graph 1).

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Customary pratice                     New modes of
of decision-making                    decision-making
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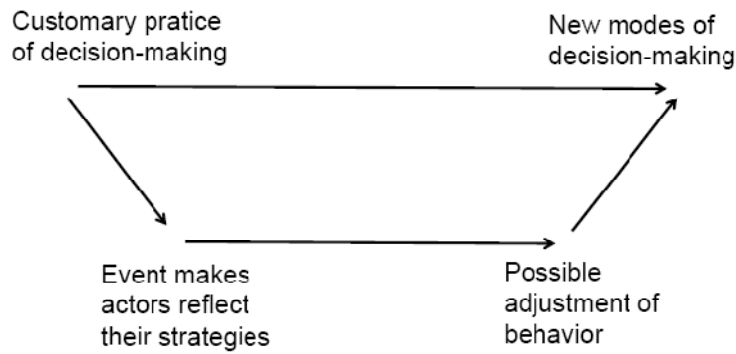
Graph 1: Macro- and micro-level model of changes in modes of decision-making

However, based on Olson (1965) we argue that this does not necessarily lead to an increase of efficiency. But what matters for us, is that actors have incentives to change their behavior if they find that their customary behavior seems to 'work less well' than in the past. A changing environment might thus lead to changes in behavior. How this affects formalization will become clear in the next section.

Formalization and EU Enlargement

EU enlargement represents important changes in the setup of the EU. With twelve new actors around the table in addition to the old fifteen member states, each actor is faced with a new decision-making environment. Enlargement thus is a potential critical juncture for EU decision-making. While the EU, without any doubt already can be considered a highly legalized organization, many observers have stressed the survival and importance of informal norms for EU decision-making in the Council and in the Committee of Permanent Representatives (cf. Heisenberg 2005; Lewis 2005, 2000). Think, for instance, of the consensus norm; today voting in the Council still is the exception despite the existence of qualified majority voting. Against a formal setup of rules, informal processes of decision-making thus still seem to prevail in Brussels.

In the most complete test of EU decision-making models executed until today, a model called the compromise model performed best (Achen 2006a). This model is based on a two-step conceptualization of political decision-making processes and, in a nutshell, argues that the first step comprising the bargaining processes between the actors is more important than the formal

enactment of the second step (cf. Achen 2006b).[4] Based on Simmel's theory of formalization we here argue that enlargement might incite EU member states to change this pattern of decision-making. If enlargement makes informal decision-making processes more cumbersome due to increased heterogeneity and complexity – and actors fear to perform worse in the future when sticking to the customary, informal mode of decision-making –, actors might favor the fall-back option of following more stringently existing formal procedures.

Thus, in our theory changes of actors' behavior depend on their expectations about their performance under the new environment and the starting conditions. If they already follow very formalistic procedures and they find that they are constricted too strongly by them, i.e. these procedures are costly, they should have incentives to search for new solutions that can either take the form of institutional reforms and if this is not possible of finding informal solutions. In our theory, we thus expect changes of decision-making procedures to occur, if

a) a change in the environment and/or the institutions takes place,
b) (a critical number of) individual actors find that their traditional behavior works 'less well' under these new conditions and therefore have incentives to modify their behavior,
c) these actors are not constrained in the choice of action (either through institutions, power or other forms of sanctioning).

As to the question of whether we should observe formalization, we can distinguish three scenarios under the above conditions.

a) If formal rules exist, and informal practices have prevailed in the past, actors turn to formal rules (formalization).
b) If formal rules exist, and formal practices in line with those have prevailed in the past, actors might turn to informal modes of decision-making (informalization); especially if a reform of institutions is not possible.
c) If no formal rules existed, actors might strive to institutionalize such rules (formalization; cf. the functional theory of institutions).

An EU-example for the informalization scenario b) would be the growing importance of the so-called trilogues. Trilogues are informal coordination meetings between Council, European Parliament and Commission representatives at an early stage of the co-decision procedure with the intention to shorten and facilitate the decision-making process (cf. Kurpas et al. 2008; Hagemann and

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[4] One of the authors, Hertz, has recently designed a model that builds on the assumptions of appropriate behavior and that – on the basis of a reformed micro-logic – agrees with the predictions of the compromise model. The new model is called the Procedural Appropriateness Model.

De Clerck-Sachsse 2007). If numerous readings tediously extent the duration of decision-making, trilogues are an informal way of speeding up the process.

An example for scenario c) is the Ioannina Compromise. The Ioannina compromise is an informal agreement that allows a pause within the legislative process whenever member states feel that a decision strongly opposes some of their intensely held preferences. Initially, a gentlemen's agreement decided at an informal meeting of EU Foreign Ministers in Ioannina, Greece, in 1994, it was recently clarified and restated in the Lisbon Treaty.[5] Since this has been linked to Eastern enlargement, the growth in group-size thus stipulated the formalization of a gentlemen's agreement.

In the following we will empirically test an example of scenario a). We argue that enlargement should make informal bargaining and coordination between now 27 member states more difficult. Therefore, we expect the compromise model (Achen 2006b; Van den Bos 1991) to perform less well after Eastern enlargement **(H1)**. Instead, procedural models should perform stronger after Eastern enlargement **(H2)**. Procedural models are based on institutional rational choice theory and as Steunenberg and Selck (2006: 55) argue "[i]nstitutional rational choice theory assumes that institutions structure the decision-making process, which will be reflected in the outcome, i.e. in the policies that will be enacted." Thus in such models formal institutions are key factors in structuring the political process and negotiation outcomes.

Method and Data

In order to detect whether formal procedures have gained importance in shaping the legislative outcomes of the EU decision-making process after enlargement, we test the predictive accuracy of a procedural model of EU decision-making before and after enlargement. Similarly, we compare the performance of the compromise model before and after enlargement in order to assess the role of the informal bargaining process. Numerous scholars have presented various procedural models of EU decision-making (e.g. Crombez 1996, 2000; Tsebelis and Garrett 2000). Each of the models focuses on one specific decision-making procedure. Since the most widely applied decision-making procedures of the EU legislative process are the Consultation and the Codecision procedures, the focus of our analysis lies on these two procedures. We implement the well accepted version of the Consultation Procedure presented by Crombez (1996) and the parliament version of the Codecision Procedure presented and empirically tested by Steunenberg and Selck (2006). The latter is preferred to other model versions of the Codecision Procedure, because its predictive accuracy scores best in the application of Steunenberg and Selck (2006). Both models assume entirely rational actors and

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[5] See http://www.dw-world.de/dw/article/0,,2827025,00.html for further details.

perfect information. In the Consultation Procedure, the Commission makes a proposal that maximizes its own utility, passes the Council, but cannot be amended by the Council. In Steunenberg and Selck's parliament version of the Codecision Procedure, parliament makes the first proposal. In the case of qualified majority voting within the Council, the parliament chooses a proposal which maximizes its own utility, passes the Council and Parliament, is accepted by the Council Presidency, but cannot be amended by the Council Presidency, a qualified majority in the Council, and the European Parliament.[6] These solutions to both models are derived through backward induction. The models propose a schematic picture of the true decision-making steps. They focus entirely on the formal rules of the game. Our expectation is that if the importance of formal procedures in shaping decision outcomes has increased after enlargement, the procedural model should obtain better scores on our post-enlargement dataset than on the old DEU dataset.

In contrast, the compromise model presented by Van den Bos (1991), emphasizes the informal process of reaching a cooperative bargaining solution. Formal rules play a subordinate role within this model. In the compromise model, all actors influence the final outcome – it is simply the weighted average of the actors' positions, weights being the actors' salience and capabilities. Since the model focuses on the informal processes of EU decision-making, we expect this model's predictive accuracy to decrease after enlargement. We expect the informal norms identified prior to enlargement – such as the culture of compromise (Lewis 2000, 2005) – to be too costly thereafter.

The research design takes up the approach presented by Thomson et al. (2006) in *The European Union Decides* (DEU). We analyze day-to-day decision-making in Brussels, rather than negotiations about changes in primary law. As Thomson and Hosli (2006) have argued, these 'small' decisions are an important, incremental part of EU integration. They touch on practically all aspects of EU citizens' lives. And it is therefore essential to understand how the EU functions in its daily affairs. We utilize the pre-enlargement dataset of the DEU project and extend it with data collected for the post-enlargement period. The dataset contains information on the Commission, the European Parliament, and the Member States positions, the saliences, the actors' capabilities and the final negotiation outcome as well as the reference point of the discussions on 282 controversial issues identified by experts in the context of the negotiations of 107 Commission proposals. An issue is defined as a controversial point of discussion within the bargaining process. In semi-structured interviews, experts were asked to identify controversial issues. These are defined by the two most opposing positions held in the negotiations, which determine the range of the issue and are classified at 0 and 100 of the issue scale. All other actors' most preferred policy alternatives were subsequently located by the experts on this very issue space. Two legislative procedures – the Consultation and

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[6] For a formal treatment of both models see Steunenberg and Selck (2006).

Codecision Procedures – and three types of legislative acts – Regulations, Decisions, and Directives – are covered by the dataset.

The initial pre-enlargement DEU dataset contains information on 162 issues and 66 Commission proposals adopted between January 1999 and December 2001. Several scholars have extended this dataset to cover the time period after Eastern Enlargement in 2004. Generally and in accordance with the pre-enlargement proposal selection process, the binding legislative acts were selected by three criteria: the time period in which they were adopted, the procedure by which they were adopted, and the degree of controversy within the bargaining process (Arregui and Thomson 2009). In the extended DEU dataset used here, all acts were approved after the accession of 10 new Member States in 2004. The acts were adopted by the Consultation or Codecision Procedure. To capture political importance and controversy within the bargaining process acts were selected that had been covered by news reports in European Voice or were treated as controversial in the databank Agence Europe.

The extended dataset contains information on 41 proposals and 120 controversial issues. 22 of these proposals containing a total of 70 controversial issues were provided by Robert Thomson (see Arregui and Thomson 2009). In addition, our research group at ETH Zurich collected information on another 19 proposals containing 50 controversial issues. In our semi-structured interviews – conducted in Brussels in 2009 – we mainly interviewed experts from the Member States' Permanent Representations, but also from the Commission, and the Council Secretariat. In general, the interviews lasted between 1 and 1½ hours. Several interviews were conducted for every proposal, in order to obtain a more objective view on the individual controversial issues.[7] Due to missing values of the reference point and the final outcome, and indifferent agenda setters (salience = 0) the number of controversial issues used for the analysis below reduces to 114 before enlargement and 90 thereafter. The analysis is thus based on 204 controversial issues.

Missing positional values are interpreted as an indication for indifference on the part of an actor.[8] Interestingly, the data for the post-enlargement period contains more missing positional values for the new member states as compared to the old member states. While 18% of all positional

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[7] We here refrain from presenting a more complete discussion of the specificities of the dataset and how it was collected, since the data collection was explicitly modeled on the DEU procedure introduced by Thomson et al. (2006) and Arregui and Thomson (2009)

[8] Missing positions and saliences were treated as follows: If both the position and the salience of an actor for a specific issue were missing, we argue that the actor was indifferent on the issue. The actor's position is set to 50 and its salience to 0. In the case of the compromise model this means that the actor is simply ignored. In the case of the Procedural Model the actor can be ignored whenever the status quo is at 0 or 100. In such cases the actor will be in favor of any proposal. Whenever the salience is missing but the position is given we assume the actor to hold an average salience, based on the other actor's salience of that issue. Whenever the position is missing and the salience is given the position is set to 50.

values are missing for the old member states, 31% are missing for the new member states. This might be due to a greater indifference on the part of the new member states since the average salience held by new and old member states differs, too. The average salience held by old member states over the 120 issues is 57.[9] Over the same issues the new member states hold an average salience of 47 (17% lower than that held by the old member states). Of course, this finding might also be attributable to a different behavior in Brussels; it could be argued that the new member states do not state their positions as loudly as old experienced member states. The perceptions of our interviewees – bureaucrats from old and new member states – however, were not conclusive on that point.

The empirical analysis of the procedural models performed by Steunenberg and Selck (2006) included a multi-dimensional policy space. Several controversial issues *i* discussed within the context of one legislative act were merged into a policy space with *i* dimensions. Our application refrains from generating such a muli-dimensional policy space, but is restricted to a one dimensional policy space. In other words, we treat each issue separately. Although this is a debatable assumption, we doubt whether the assumptions underlying the multi-dimensional policy spaces are any better. Steunenberg and Selck (2006) assume that all issues are equally salient to the actors. A simple glance at the information provided by the DEU dataset and its extensions shows that this assumption does not hold. Additionally, and due to computational intensity, Steunenberg and Selck (2006) drop issues from the analysis whenever the issue space would increase to more than three dimensions, for certain model specifications. This procedure reduces the available issues for the analysis and increases the likelihood of omitted variable bias. Since focusing on a one dimensional policy space drastically reduces the computational efforts while avoiding these caveats – although undoubtedly opening others – we opt for this approach. It is compatible with the empirical assessment of the compromise model, which is also conducted in a one dimensional policy space (Arregui, et al. 2006). Achen (2006b) has, however, pointed out that through its treatment of salience the compromise model implicitly takes across-issue tradeoffs into account. This is not the case for procedural models, which do not include any information on the actors' salience.

In the DEU project capabilities are measured by the Shapley-Shubik-Index (Shapley and Shubik 1954). The Shapley-Shubik-Index (SSI) is calculated by assessing the number of times an actor is pivotal, i.e. it turns a losing coalition into a winning coalition given the decision-making rule. The SSI of an actor is then the number of times an actor is pivotal divided by the total number of times all actors are pivotal. The DEU dataset contained two versions of the SSI for the four different procedures, the QMV and unanimity versions of the consultation procedure and the QMV and

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[9] These averages are calculated before the missing values are treated as explained in the above footnote.

unanimity versions of the Codecision procedure. In the first version, it was assumed that the Commission needs to be a member of a coalition for the coalition to be a winning coalition. The second version, which was used for the model predictions presented by Thomson et al. (2006), is solely based on the institutional rules of the decision-making process. In this version, the Commission is not necessarily a member of a winning coalition. In the consultation procedure, for instance, a unanimous Council can overrule the Commission. In the application of this article we use the second version of the Shapley-Shubik-Index for the pre and post enlargement period[10].

Empirical Test of Decision-making Models

The empirical tests of the compromise and the procedural model indicate minor support for hypothesis one; the Compromise Model performs slightly less well after enlargement than before while hypothesis two is clearly rejected. Table 1 presents the mean average errors of the models. Before enlargement, the compromise model had a MAE of 23.4, after enlargement it increased by 6% to 24.8. Although being a poor fit, it is still substantially better than the fit of the procedural model. Prior to enlargement the procedural model had an MAE of 32.4. This error increased by 3% to 33.4. We therefore do not find any evidence for an improvement of the procedural models applicability and thus no indication for an increase in the importance of formal rules of procedure as expected by our formalization hypothesis.

	EU15 (N = 114)	EU27 (N = 90)	% Difference
Compromise Model	23.4	24.8	6%
Procedural Model	32.4	33.4	3%

Table 1: The Mean Average Error of the Models

When differentiating the model fit by procedure, we find that the fit for both models has improved after enlargement for the Codecision Procedure while declining for the Consultation Procedure. After enlargement, the Compromise Model's error increases by 22% for the Consultation Procedure, the Procedural Model's by 9%. In the case of the Codecision Procedure, the Compromise Model's error decreases by 8%, while the Procedural Model's error is 2% lower than before enlargement. While it is fairly difficult to interpret these changes in mean average errors, table 2 clearly indicates that the Procedural Model does not perform substantially better after enlargement, for neither of the two procedures. Therefore our analysis does not provide support for our formalization hypothesis.

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[10] The post-enlargement values have been calculated by Hertz.

	Consultation Procedure			Codecision Procedure		
	EU15 (N = 64)	EU25 (N=33)	% Difference	EU15 (N=50)	EU25 (N=57)	% Difference
Compromise Model	21.2	25.8	22%	26.3	24.2	-8%
Procedural Model	31.9	34.9	9%	33.1	32.5	-2%

Table 2: The Mean Average Error of the models according to procedure

Disaggregation according to decision rule also rejects the formalization hypothesis, although both models seem to have slightly improved in their predictive accuracy under the qualified majority decision rule while dramatically loosing predictive accuracy for the unanimity rule (cf. table 3).

	QMV			Unanimity		
	EU15 (N = 84)	EU25 (N=78)	% Difference	EU15 (N=30)	EU25 (N=12)	% Difference
Compromise Model	25.6	24.7	-4%	17.4	25.9	49%
Procedural Model	33.1	31.6	-4%	30.7	44.9	46%

Table 3: The Mean Average Error of the models according to decision rule

While the models were more accurate under the unanimity rule prior to enlargement they are less accurate under the unanimity rule after enlargement. The process of decision-making for those acts that are still made under the unanimity voting rule seem to follow a quite different logic after enlargement – and this logic is not captured by any of the two models. An explanation for this might be that the Nice Treaty has increased the reach of qualified majority voting, changing the kind of cases decided upon by unanimity.

Disaggregating by policy sector shows that the procedural model performs better than the compromise model only for acts adopted in the Justice and Home Affairs sector (cf. table 4). This holds before and after enlargement. In all other policy sectors the Compromise model outperforms the Procedural Model prior to and following enlargement. The result that formal procedures seem to be especially important in the case of the Justice and Home Affairs policy sector, does not however, provide any additional insight for the formalization hypothesis – especially because enlargement does not seem to have altered the picture. Against our expectations concerning the changes in predictive accuracy of the models, enlargement tends to influence both models' fit in the same direction. Although our models emphasize different aspects of the bargaining process, they seem to capture similar dynamics of EU decision-making. In Achen's (2006a: 385) words: "Our models differ from reality far more than they differ from each other."

Policy Sector		Compromise Model	Procedural Model
Agri	EU15 (N=30)	26.5	38.8
	EU25 (N=17)	20.9	33.6
Fish	EU15 (N=14)	13.1	21.6
	EU25 (N=17)	29.5	34.8
IM	EU15 (N=28)	30.5	36.7
	EU25 (N=7)	34.1	37.1
JHA	EU15 (N=5)	21.9	18.0
	EU25 (N=14)	26.3	25.7
Other	EU15 (N=37)	19.7	30.1
	EU25 (N=35)	22.0	35.0

Table 4: Mean Average Error of models according to Policy Sector

Our analysis and our data, however, also contribute to a better understanding of qualitative effects of enlargement. Several scholars have pointed to the status quo bias of Procedural Models (e.g. Achen 2006a). This bias refers to the tendency of Procedural Models to predict an outcome equal to or close to the status quo. The bias becomes evident, when taking a look at the distances between the Procedural Model's predicted outcome to the status quo as compared to the factual outcome to the status quo. Table 5 presents the average distances for all issues. For the EU15 cases, the distance between the outcome and the status quo was 51% larger than the distance between the predicted outcome of the Procedural Model and the status quo – hence the status quo bias. The status quo bias has increased – at least in percentage terms after enlargement. For the post enlargement cases, the distance between the outcome and the status quo is 69% larger than the distance between the predicted outcome of the Procedural Model and the status quo. In absolute terms however, the final outcome has moved closer to the status quo than prior to enlargement – indicating that EU decision-making has in fact become less effective in altering the status quo. Interpreting the aggregate of all specific issue cases as an integration dimension, it can be argued that enlargement has led to a reduction in the pace of European integration.

	Predicted Outcome and SQ	Outcome and SQ	% Difference
EU15	33.4	50.5	51%
EU25	27.0	45.5	69%

Table 5: Average Distances of Procedural Model Predictions to the Status Quo (SQ) – Assuming the status quo to equal the reference point.

Conclusion

In this paper we present a new approach to testing the effects of Eastern enlargement on EU decision-making. We extent the theory of formalization initially presented by Georg Simmel in 1908 by enriching it with a micro-logic that allows us to formulate expectations about when we should observe the occurrence of formalization but also informalization. Whether we expect formalization

or informalization to happen, depends on the starting conditions and actors' expectations about the effects of changes in a negotiation context, be that the environment or the institutional setup. We empirically test the case of formalization by comparing the model fit of different decision-making models before and after Eastern enlargement. In particular, we compare the fit of the parliament version of the procedural model with the fit of the compromise model for the two points in time.

As a matter of fact, the results from our empirical analysis do not support our formalization hypothesis. On the basis of our theory of formalization we had expected models that build on formal rules of decision-making like the procedural model to perform stronger after enlargement. However, this is not the case. Interestingly, we even find a reasonably better fit of the compromise model after enlargement for the case of codecision legislation. For the moment, we can only speculate about whether this is due to an increasing use of trilogues or of other informal negotiation mechanisms.

The compromise model remains the state of the art model, even after enlargement. This finding indicates the continued importance of informal processes for the outcomes of the EU legislative process. Informal processes seem to remain more important than formal processes even after 12 new member states entered the EU. In general, however, both models' empirical fit has worsened after enlargement. This is bad news for the modeling literature; Achen's (2006a: 385) reminder is still valid that "on an absolute scale of predictive accuracy, we have far to go". After Eastern Enlargement the route seems even longer. Our application has once again shown that our models still seem to neglect important aspects of the EU decision-making process.

What are the reasons for the poor performance of the Procedural Model after enlargement? Our theory suggested that a change should occur if a critical amount of actors felt that a change in decision-making was necessary and desirable (condition b). Possibly this condition was not met after enlargement; enlargement did not represent a threat to member states or at least they did not consider the alternative of following more closely the formal modes decision-making as very promising. However, we lack empirical evidence on this point. In addition, in our application we have neglected factors such as the institutionalized Council presidency that also might guarantee stability because it is trusted to take care of individual member states' concerns even after enlargement.

A second reason for our results might relate to methodology and especially to the measurement process. Enlargement has made data collection more difficult; there are more actors around the table and it might be more difficult for observers to correctly recall the positions and saliences of all member states. Therefore, the declining performance of the models might also be due to growing measurement errors. It should be stressed, however, that the empirical test executed

here does not falsify our theory of formalization/informalization altogether. More tests and applications are needed in order to get a clearer picture of these processes.

An interesting result from our analysis concerns the qualitative evolution of lawmaking after enlargement. While our analysis does not present evidence for a change of the process of decision-making, our data shows that we observe a stronger status quo bias after enlargement. This is an important qualitative finding on the effects of enlargement. While enlargement does not seem to significantly reduce the quantity of legislative output, it seems to affect the quality of legislation. A growing status-quo bias points towards veto player mechanisms. This finding is also in line with the observation that old member states anticipate enlargements in the EU and therefore increasingly enact legislation before new member states accede to the EU (cf. (Leuffen and Hertz 2010)). The bargaining outcomes seem to be modified through enlargement. This underlines that enlargement consequences are not easy to capture and that we need to develop new approaches for analyzing such effects.

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