

# **Toward Responsive Governance**

**National Elections and European  
Cooperation**

Christina J. Schneider  
Associate Professor  
Jean Monnet Chair  
*University of California, San Diego*  
cjschneider@ucsd.edu

March 10, 2017

# Contents

<b>1</b>	<b>Toward Responsive Governance in the EU?</b>	<b>11</b>
1.1	Analyzing Responsiveness in the EU . . . . .	15
1.2	Core Contributions . . . . .	18
1.3	Plan of the Book . . . . .	21
<b>2</b>	<b>The Politicization of European Cooperation</b>	<b>29</b>
2.1	Running Scared . . . . .	32
2.2	The Erosion of Domestic Electioneering . . . . .	39
2.3	The Politicization of the EU . . . . .	44
2.4	Toward a Theory of Responsiveness . . . . .	56
<b>3</b>	<b>A Theory of Responsive Governance</b>	<b>59</b>
3.1	A Domestic Political Economy Model . . . . .	61
3.2	National Electoral Politics Meet Negotiations in the EU . . . . .	66
3.3	Signals of Political Responsiveness . . . . .	75
3.4	Empirical Implications . . . . .	86
3.5	Conclusion . . . . .	91
<b>4</b>	<b>Political Responsiveness in EU Budget Negotiations</b>	<b>93</b>
4.1	A Primer on the EU Budget: Procedures and Salience . . . . .	96
4.2	The Political Importance of the Economically Trivial EU Budget . . . . .	102
4.3	National Elections and Annual Budget Negotiations . . . . .	109
4.4	Do Governments Increase their Budget Receipts Before Elections? . . . . .	117
4.5	Do Successful Governments Receive More Public Approval? . . . . .	135
4.6	Conclusion . . . . .	142
<b>5</b>	<b>The Financial Framework 2007-2013 Negotiations</b>	<b>145</b>
5.1	The Multiannual Financial Framework . . . . .	147

5.2	The MFF 2007-2013 Negotiations . . . . .	153
5.3	National Elections and Financial Perspective Negotiations . . .	159
5.4	Analysis . . . . .	182
5.5	Conclusion . . . . .	184
<b>6</b>	<b>Political Responsiveness in Legislative Negotiations</b>	<b>186</b>
6.1	A Dataset on Legislative Negotiations . . . . .	189
6.2	Do Governments Defend their Positions Before Elections? . . .	193
6.3	Do Governments Signal Legislative Success Before Elections?	207
6.4	How Do Voters Respond to Government Signals? Evidence from a Conjoint Experiment in Germany . . . . .	217
6.5	Conclusion . . . . .	233
<b>7</b>	<b>Avoiding Blame: The Strategic Delay of Legislative Negotiations</b>	<b>237</b>
7.1	The Timing of Legislative Adoptions . . . . .	242
7.2	Do Governments Adjourn Adoptions until after Elections? . . .	255
7.3	What if Strategic Delay Fails? The German Politics of the Greek Bailout . . . . .	262
7.4	Conclusion . . . . .	288
<b>8</b>	<b>Effective Cooperation Under Responsive Governance</b>	<b>290</b>

# List of Figures

1.1	Trust in the Council of the European Union . . . . .	14
2.1	Electoral Volatility in Western Europe, 1950-2010 . . . . .	34
2.2	Approval Ratings in Europe . . . . .	37
2.3	Electoral Outcomes in Europe . . . . .	38
2.4	European Integration Index . . . . .	42
2.5	Politicization Index . . . . .	49
2.6	Public Interest in European Politics, 1975-1994 . . . . .	55
3.1	Analytical Framework for Political Responsiveness . . . . .	79
4.1	EU Budget Allocations by Heading, 2015. . . . .	98
4.2	Brexit Campaign Bus on EU Budget, 2016. . . . .	106
4.3	Google Trends: EU Budget, EU Common Foreign and Security Policies, and EU Immigration, 2004-2016 . . . . .	108
4.4	EU Budget Receipts, 1977-2013 . . . . .	111
4.5	EU Budget Receipts by EU Member Countries, 1977-2013 . . . . .	113
4.6	Elections and EU Budget Shares of Spain and the Netherlands . . . . .	114
4.7	Electoral Cycles in Budget Shares Over Time. . . . .	122
4.8	Electoral Cycles in Budget Shares for Different Levels of Unemployment . . . . .	124
4.9	Electoral Cycles in Budget Shares for Different Levels of Government Approval. . . . .	126
4.10	Electoral Cycles in Budget Shares for Different Shares of Undecided Voters. . . . .	128
4.11	Electoral Cycles in Budget Shares for Different Levels of EU Member's Voting Power . . . . .	130
4.12	Electoral Cycles in Budget Shares as the EU Member's Ideological Distance to the Mean Council Ideology Increases. . . . .	132
4.13	Electoral Cycles in Budget Shares for Different Levels of Government Extremity on EU Support . . . . .	134

4.14	Electoral Cycles in Budget Shares as the Number of Elections Increase. . . . .	136
4.15	Incumbents' Public Approval, 1976-2002 . . . . .	138
5.1	MFF 2007-2013 Negotiations and National Elections . . . . .	162
5.2	Contributors to the UK Budget Rebate, 2004. . . . .	168
6.1	Controversies in Directive on Emission Allowances . . . . .	192
6.2	Position-Defending Behavior Across EU Member Countries, 1998-2008 . . . . .	195
6.3	EU Members' Position-Defending Strategies During Elections	197
6.4	Saliency of Legislative Issues in the EU, 1998-2008 . . . . .	203
6.5	Electoral Cycles in Position Defending Strategies for Different Levels of Issue Saliency . . . . .	204
6.6	Conditional Electoral Cycles in Position Defending Strategies	206
6.7	Bargaining Success by EU Member Countries, 1998-2008 . . . . .	209
6.8	Bargaining Success and National Elections . . . . .	210
6.9	Electoral Cycles in Bargaining Success for Different Levels of Saliency . . . . .	214
6.10	Conditional Electoral Cycles in Bargaining Success . . . . .	216
6.11	Support for a Greek Bailout and the Inflow of Refugees in Germany, 2016 . . . . .	220
6.12	Position Similarity and Voter Support . . . . .	225
6.13	Negotiation Position and Voter Support . . . . .	227
6.14	Position-Defending Strategies and Voter Support . . . . .	228
6.15	Bargaining Success and Voter Support . . . . .	230
6.16	Negotiation Competence and Voter Support . . . . .	231
7.1	The Duration of EU Legislative Decision-Making. . . . .	244
7.2	Kaplan Meier Failure Function . . . . .	245
7.3	Median Survival Time in Days. . . . .	246
7.4	Tides in Legislative Output in the EU . . . . .	256
7.5	Size of the Electoral Cycle in Legislative Output . . . . .	260
7.6	Government Debt and Deficit (% GDP) during the Eurozone Crisis. . . . .	264
7.7	Economic Indicators during the Eurozone Crisis. . . . .	266
7.8	Public opinion in Germany during the Eurozone crisis. . . . .	276

7.9 Stuck between a Rock and a Hard Place. . . . . 280

# List of Tables

2.1	Delegation of Competences in the EU since 2009 . . . . .	46
2.2	Public Interest in European Affairs, 2015 . . . . .	56
4.1	National Elections and the Allocation of the EU Budget, 1977-2013 . . . . .	118
4.2	EU Budget Bargaining and Domestic Public Support. . . . .	140
4.3	Summary of the Empirical Findings . . . . .	143
5.1	History of Multiannual Financial Frameworks . . . . .	148
5.2	Expenditure Categories of the Financial Framework 2014-2020	149
5.3	Comparison of MFF 2007-2013/ 2014-2020. . . . .	150
5.4	Timeline of the MFF 2007-2013 Negotiations . . . . .	154
5.5	Coalitions in Financial Framework Negotiations, 2007-2013 .	156
5.6	Comparison of Proposals and Final Results, MFF 2007-2013. .	158
5.7	National Elections during the Financial Framework 2007-2013 Negotiations . . . . .	160
6.1	National Elections and Position-Defending Behavior . . . . .	200
6.2	National Elections and Bargaining Success . . . . .	213
6.3	Conjoint Experimental Design . . . . .	222
6.4	Dimensions and Values for the Conjoint Experiment . . . . .	223
6.5	Summary of the Empirical Findings . . . . .	234
7.1	Elections and Decision Making Delay . . . . .	250
7.2	Electoral Delay in the Big EU Countries . . . . .	252
7.3	Blame Avoidance or Political Uncertainty? . . . . .	254
7.4	Elections and Decision Making Output . . . . .	259

# 1 Toward Responsive Governance in the EU?

*Every citizen shall have the right to participate in the democratic life of the Union. Decisions shall be taken as openly and as closely as possible to the citizen (Treaty on European Union, Article 10.3).*

Intergovernmental organizations (IOs) have proliferated since the end of World War II, and they play a vital role in countries around the world. Governments increasingly delegate decision-making powers to these organizations in areas that directly affect their sovereign autonomy, and it is commonly believed that IOs membership offers a number of important benefits. As IOs have increasingly involved themselves in the domestic affairs of their member states, so has the criticism that decisions are taken out of voters' hands and passed onto distant and sometimes even unelected political elites. Many commentators assert that IOs are elitist and technocratic. Decisions that are taken in IOs tend to be undemocratic and illegitimate because governments and bureaucrats are not accountable to domestic publics. They believe that international organizations suffer from a "democratic deficit." Prominent concerns range from the increasing opportunities for executives to pursue their interests without domestic democratic scrutiny, the ability of corporate interests to influence the international policy making process unchecked, to the ability of international bureaucrats to exploit their independence and autonomy to pursue their own self-interested goals that may be in conflict with the broader interests of society. That is, delegation to IOs is believed to threaten the ability and willingness of governments to take positions and reach decisions that represent to the preferences of their people. This legitimacy crisis has afflicted many international integration projects around the world, including the European Union (EU), Mercosur, North Atlantic Free Trade Association (NAFTA), the Association of Southeast Asian Nations (ASEAN), the World Trade Organization (WTO),



the International Monetary Fund (IMF), and even the United Nations (UN).<sup>1</sup> More and more policies are decided in these international organizations, and the pressure to “democratize” them has increased. The U.S. State Department, for example, considered a democratization of IOs as one of its main goals to improve their legitimacy and viability already in the early 2000s.<sup>2</sup>

Nowhere has this debate been more salient than in the EU,<sup>3</sup> where several dramatic setbacks in the past decade added fuel to the fire. Starting with the Greek debt crisis in early 2010, which brought the Eurozone to its almost collapse several times, the situation has not gotten any better for one of the most ambitious projects of regional integration in the world. Still reeling from the economic and political turmoil of the European financial crisis, the EU was faced with its most significant external security crisis since the end of the Cold War when Russia annexed the Ukrainian peninsula of Crimea in spring of 2014 leading to a civil war that has caused the loss of thousands of lives so far. Doubts about the EU’s ability to cope with external security questions culminated during 2015 when EU member countries were unable to respond collectively to the inflow of an unprecedented number of refugees into Europe and to thwart two major terrorists attacks in Paris and Brussels. And just when one thought that the situation could not get any worse, the British population unexpectedly decided to leave the EU in a popular referendum in June 2016 causing major political and economic instability in the region.

These crises have not only contributed to a rise of populism across Europe, but also to a sharpening of the EU’s existing legitimacy crisis. For many Europeans, the EU is run by distant and unaccountable political elites who reach decisions behind closed doors. Trust in the European Union has hit rock bottom in the 2010s, and for the first time since the early days of European integration

---

<sup>1</sup>See, for example, Anderson (1999); Malamud (2008); Zweifel (2006); Joseph (2011); Zaum (2013); Dellmuth and Tallberg (41).

<sup>2</sup>See, for example, statements by Kim R. Holmes, Assistant Secretary for International Organizations Affairs in 2003 and 2004. <https://2001-2009.state.gov/p/io/rls/rm/2003/26949.htm> and <https://2001-2009.state.gov/p/io/rls/rm/2004/39496.htm>, last accessed: November 2016.

<sup>3</sup>The EU changed its name several times since its existence from the original “European Coal and Steel Community” that was founded by six states in 1951 to the “European Economic Community” in 1957 to the “European Communities” in 1967 to the “European Union” in 1993. To avoid confusion of terms, throughout this book, I use the term European Union, even has though it technically did not come into existence until 1993.

more Europeans distrust the EU rather than trusting it.<sup>4</sup> It is not just that Europeans have lost confidence in unelected bureaucratic elites that work in EU institutions such as the European Commission. The Council of the European Union, which is the EU's main intergovernmental legislative decision-making body and consists of the ministers from the elected governments of the member states, has found itself at the center of the crisis. Figure illustrates the declining trust in the Council, especially since the beginning of the European debt crisis. By 2013, only 33% of Europeans trusted the Council, while over 44% of Europeans distrusted it. Another sad historical record for the EU, and stunning given that it is their own elected governments that people do not trust in European affairs.<sup>5</sup> As evident in many of the editorials before the Brexit referendum, Europeans feel that their governments are not responsive to their opinions when they decide (mainly behind closed doors) over policies in the EU. When asked in 2016, a majority of Europeans believed that their voice on European issues was not listened to by their government (62%).<sup>6</sup>

---

<sup>4</sup>Data from the Interactive Eurobarometer. <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Chart/index>, last accessed: September 2016. The question was phrased as: "I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not to trust it? – European Union. See Appendix A for a graph which illustrates the historical development of trust in the EU.

<sup>5</sup>To be fair, even though support for EU membership has declined dramatically in the 1990s after a steep increase in support in the 1980s, it has generally remained between 50-60% since then (similar to the levels in the 1970s; and while those numbers are not as high as one would hope for a political union, those who believe that EU membership is a bad thing remain well below 20% up to today. The data suggest that while the EU is facing a serious legitimacy crisis, it does not (yet) face an existential crisis in terms of popular support. See Appendix A.3 for a graph which illustrates the development of popular support for EU membership from 1973 to 2015.

<sup>6</sup>Less than a third (26%) believed that their voice was listened to by their own government on European issues. Data from Eurobarometer 03/2008. The question was framed as: "Please tell me for each statement, whether you tend to agree or tend to disagree? On European issues, my voice is listened to by my government." Note that this question specific to national governments was only asked in 2008. The findings are almost identical for the European Commission and the European Parliament. Appendix A.4 provides historical results which generally ask whether respondents felt that their interests were taken in the EU. The results are not as specifically related to national governments, but display the same patterns over time, with a significantly decreasing share of respondents who believe their interests were taken into account.

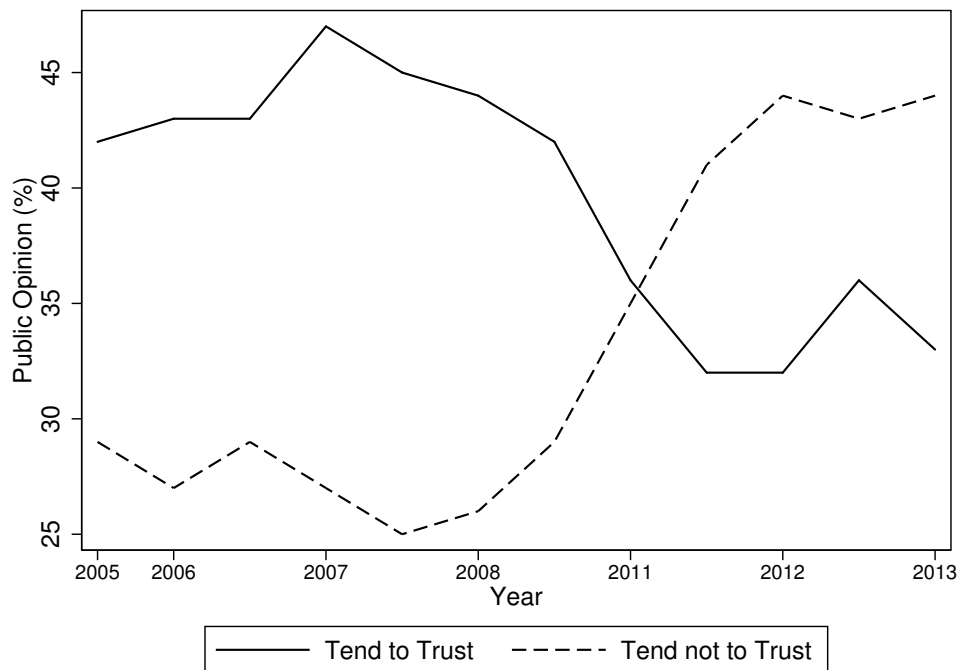


Figure 1.1: Trust in the Council of the European Union. This graph displays the results of Eurobarometer surveys from 2005-2015 on the question “I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not to trust it? – European Union.” The respondents’ answers (“tend to trust,” “tend to distrust”) are displayed in percentages. Data are from the interactive Eurobarometer <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Chart/index>, last accessed: September 2016)

The argument that voters have lost influence over their own governments is superficially appealing (not the least because voters seem to believe it), but is this, in fact, the case? Despite its ever deeper and wider penetration into domestic policy, little is known about the degree to which EU governments are responsive to the views of their citizens when they cooperate at the EU-level. Are governments willing and able to represent the interests of their national publics in the European Union, for example, by representing positions or achieving policy outcomes in the Council of the European Union that are in the interest of their national electorate? This question is without doubt important; the Council of the European Union, which consists of ministers from the elected governments of the member states, is still the most important legislative actor in the EU.<sup>7</sup> Ordinary citizen could easily reward or sanction their national governments on the basis of their performance in European affairs, thereby increasing the responsiveness of governments to their electorates in the European Union. Yet, to date we know little whether and how electoral politics have influenced government conduct at the EU level and with what consequences for European cooperation and domestic politics. These are the central questions of this book.

## 1.1 Analyzing Responsiveness in the EU

The book presents a comprehensive account about how EU governments are responsive to the opinions of their national citizens when they cooperate at the European level. I develop and test a theoretical framework of the electoral politics in the European Union, using evidence amassed in nearly ten years of qualitative, experimental, and quantitative research. In a nutshell, I find that European cooperation in the Council of the European Union takes place in the shadow of national elections. EU governments are responsive to their domestic constituencies particularly before national elections when electoral

---

<sup>7</sup>The other important legislative body is the European Parliament. The Parliament is directly accountable to European citizens via European elections, and its accountability has been studied elsewhere (Reif and Schmitt, 1980; Van der Eijk, Franklin and Marsh, 1996). In this book, I focus on the responsiveness of governments to their citizens in the Council, which is another central but understudied (intergovernmental) source of democratic legitimacy in the European Union. For studies of responsiveness in the supranational institutions of the EU, see for example, Thomassen and Schmitt (1997) and Rauh (2016).

accountability is the greatest, and surprisingly even in situations where based on a lack of domestic politicization one would have not expected such a behavior. To signal responsiveness to their publics, governments take positions that are in the interests of politically relevant voters at the national level, defend these positions throughout Council negotiations, and also seek responsive policy outcomes. Alternatively, they try to avoid the blame for unresponsive policy outcomes by shifting negotiations until after national elections.

Theoretically, the book develops an argument about responsive governance in the European Union, which acknowledges that the welfare of domestic publics and interest groups has become more dependent on policy decisions at the European level. The integration of policies in areas that affect everyday life has politicized the EU. Many policies that are decided in the European Union are not electorally relevant or even salient at the domestic level, but the increasing likelihood that the media, domestic parties, interest groups, or the public attribute importance to particular European policies creates uncertainty for governments who find it excessively difficult to obtain valid and reliable information on which issues will make it into the domestic political arena. Rather than risking to appear unresponsive in policy areas where their negotiation behavior or outcomes were unexpectedly politicized in the domestic political arena, governments seek to signal responsive behavior in European cooperation whenever they believe that they may become electorally relevant.

The shifting of electoral politics into the European arena in turn implies that national elections affect both the unilateral and collective bargaining behavior of EU governments, as well as the bargaining outcomes in the European Union. EU governments want to signal to domestic audiences that they competently negotiate in their electorates' interest and that they achieve outcomes that benefit their country; that they govern responsively in the EU. EU governments are *politically responsive* when they are willing and able to represent the interests of the politically relevant national electorate in the EU legislative negotiations. They can signal responsiveness by taking positions that are in their constituency's interest and by defending these positions more fiercely during the negotiation process than what they would do outside of the electoral cycle, even to the extent of going against the European interest. In addition to burnishing their populist credentials through their public stances, governments will try to pull the European policy toward positions that clearly favor domestic interests so that they can claim credit for it. Failing that, they will drag their feet as long as they can in order to delay the announcement of a policy that the

domestic electorate disapproves of.

The motives to choose such strategies vary with the domestic electoral conditions; and the government's opportunities to signal responsiveness depend on its ability to navigate the collective decision-making process of the EU. Governments are particularly motivated to signal responsiveness at the EU-level when national elections are competitive and when the issues discussed at the European level are politicized for domestic audiences. For example, the necessity of appearing responsive in EU negotiations can be especially acute when a government faces thrashing at the polls because of poor economic performance or the existence of an especially strong opposition. If on top of that European issues are particularly salient at home, governments should have strong incentives to use their success in EU negotiations to boost their approval levels. But no matter how highly motivated, the government's ability to secure favorable policy outcomes critically depends on the collective bargaining process in the EU. Governments might be sovereign in their own foreign policy, which they can set more or less unilaterally to suit their (electoral) interests. But when it comes to EU policy, they have to contend with 27 other member states and assorted supranational actors like the European Commission and the European Parliament. Even in the most streamlined EU institution (and its main intergovernmental body), the Council, the government will have to negotiate with its 27 counterparts. A few policy areas are still decided by unanimity, which in principle endows the government with at least the negative power to prevent an undesirable policy through unilateral action. Most policies in the Council, however, are crafted through cooperative consensus bargaining, which drastically limits any individual member government's ability to set the terms or block them through unilateral action. Consequently, while it is the government with greater informal and formal bargaining leverage that should be more likely to secure more responsive outcomes, the actual policy content will also be determined by the willingness of other EU member governments to help each other appear responsive during election periods. Either way, electorally-motivated short-term opportunistic behavior in the EU can have long-term effects through the policies that would have been different had it not been for the elections.

The book's main theme centers around how EU governments signal responsiveness to their constituencies during election periods, but the argument relies on the assumption that voters at least sometimes take their governments' responsiveness in European affairs into account when deciding whom to vote for

during elections. The resulting uncertainty of governments about whether European issues may become electorally relevant provide the critical impetus for responsive conduct in EU cooperation. To provide a comprehensive account of responsive governance in the EU in the shadow of national elections, I use quantitative and experimental methods to analyze whether and to what extent public support for the incumbent is indeed affected by the government's bargaining behavior in the Council (i.e., whether it is responsive to the electorate's interest in collective negotiations) and by its perceived success in the legislative negotiations. I find that both uncompromising negotiation stances and preferable policy outcomes are rewarded with significant increases in public support. On average, this increased support is not sufficient to make an electoral difference (through the incumbent's expected vote share), suggesting that governments might be generating "unnecessary" signals of responsiveness in the EU. The mere possibility that a EU policy might be electorally relevant domestically causes its externalization to the European level, a sort of politicization at the EU-level without foundation.

## **1.2 Core Contributions**

A key characteristic of democracy is the continued responsiveness of the government to the preferences of the people (Dahl, 1973, 1). When analyzing issues of democratic responsiveness of governments, scholars have mainly been concerned about government conduct at the national or subnational level within democratic countries. Much research effort has been spent to provide insights about the extent to which national politicians act in the best interest of their electorates by representing positions and reaching decisions that are responsive. These questions are without doubt important, and given that responsiveness is a crucial component of our notions of democracy, it is not surprising that they are central to the academic study of democratic governance. But it is exactly the emphasis that scholars of democratic governance have placed on government responsiveness at the national level that renders our lack of knowledge about the responsiveness of government conduct in the European Union so surprising. The ever-expanding role that the European Union has in the policy decisions of an increasing number of European countries has placed severe limitations on the ability of EU member governments to reach decisions autonomously. In a wide range of policy areas, such decisions are now the

result of the EU's collective decision-making process. In policy areas where decisions are at least partially delegated to the EU, governments do not only have to assert themselves against opposition parties and other institutional veto players at the national level in order to implement responsive policies, but they have to navigate the European system on top of that. The delegation of policies to the EU renders a focus on responsive conduct on the national or subnational level incomplete, and calls for an investigation into the ability of EU governments to represent the views of their own citizens in this increasingly complex multi-level system. By applying the existing concepts of responsiveness in national democratic systems to the European setting, my analysis directly connects to the scholarly work on responsiveness within democratic countries. At the same time, in order to analyze responsive governance in the European Union my work extends beyond these approaches. In particular, my findings provide insights into when and how EU governments can appear responsive at the EU-level because they take into account the challenges that governments face when they try to appear responsive in the EU's collective negotiations.

Such an analysis is not only important because governments increasingly reach important decisions in the European Union, which requires us to understand the democratic legitimacy of the EU from a national perspective. It also provides a new way of thinking about the EU's legitimacy crisis from an EU perspective. Questions about the democratic legitimacy of the EU stand at the center of academic and public interest. This is not surprising: the very ability of the EU to work both efficiently and effectively to contribute to the welfare of European citizens depends, now more so than ever, on its perceived legitimacy at the national level. Students of the democratic politics of the EU tend to focus on the responsive behavior of supranational actors, such as the Commission, or on the responsiveness of EU decision-making output to European citizens in general. I argue that responsive behavior of EU governments in the EU's intergovernmental negotiations presents another important ingredient of legitimacy in the EU. Responsive behavior of governments in the EU Council is an important component of democratic governance, similar to the responsive conduct of state-level governments when they represent their states' public interests in federal negotiations. And even though EU governments are not accountable to all European citizens via European elections, they are directly accountable to their own national citizens through national elections. National elections are still a more important instrument for voters to hold their governments accountable than are European elections. The electoral connection at



the Council level should therefore provide ample incentives for governments to act responsive.

But even though we have made great strides toward understanding both the domestic politics of the EU (i.e. the increasing politicization of European affairs at the national level) as well as the European politics of the EU (i.e. how governments cooperate at the EU-level), we do not have many accounts about how domestic politics affect the way European leaders negotiate and cooperate, in particular, whether they are responsive to the demands of their citizens. In an effort to bridge the gap between our existing findings on the politicization of European affairs at the national level and responsive governance in the EU, the book embeds models of national electoral politics into models of intergovernmental cooperation using national elections as one important linkage point, and analyzes how governments signal responsiveness to their citizen before elections. The integration of the national and the European dimension into a unified theoretical framework allows me to develop a theoretical model that provides rich insights into the electoral dynamics of European cooperation: EU governments are responsive to their domestic constituents in European negotiations, quite similar to their responsiveness at the national level, even though voters do not always hold them accountable for these actions.

That domestic politics matter for European cooperation is of course well known. Far more interesting is the question of *how* domestic electoral politics matter for European cooperation. Studies of comparative and international politics tend to focus on analyzing how voters influence the foreign policies positions that governments take. But the influence of voters in international organizations such as the European Union goes far beyond the unilateral actions of individual governments. Whereas governments can individually decide on their bargaining strategies, the negotiation outcomes are decided amongst the group of EU governments within the given set of institutions, norms, and rules. My book unravels this black box to show that both unilateral and collective bargaining have tremendous influence on the likelihood that EU governments can signal responsiveness at home.

Finally, while focusing on responsive governance at the EU level, my book combines analyses of responsive governance at the EU level with analyses of electoral accountability at the national level in order to test some of the micro-foundations of the argument. The findings directly speak to some of the central criticisms of democratic legitimacy in the EU. For example, my findings corroborate criticisms that European affairs in many cases have not attracted

the electoral importance that they deserve. At the same time, the findings largely support the notion of a politicization of European politics, especially in the post-Maastricht era. European affairs have become an important factor in national electoral politics, even though the importance varies across issues. Discussing the politicization of European affairs is typically constraint on the influence of diffuse support for the EU as a polity on national elections. That is, how voters' attitudes towards European integration affect their decisions about whom to vote for during national and European elections. In addition to the influence of diffuse regime support, I show that voters also increasingly care about the responsiveness of governments on specific policies within EU politics. This finding directly speaks to our understanding of electoral accountability in established democratic system, where the focus typically lies on specific policy support as a benchmark for democratic accountability.

### **1.3 Plan of the Book**

I develop my theoretical argument about responsive European cooperation in the shadow of national elections in two parts. Chapter 2 first provides a discussion and a historical overview of the changing motives for EU governments to act responsively in EU negotiations. Employing a variety of different data sources at the national and the European level, I demonstrate that European incumbent governments are increasingly pressured to signal that their conduct in the European Union is responsive to their national citizens. In particular, incumbents are increasingly worried about their reelection chances because of the increasing partisan dealignment and electoral volatility. These governments dearly want to appear responsive to their electorates for this very reason, but they face mounting challenges to use policies at the national level to achieve this goal. At the same time, European integration has politicized domestically, and consequently EU-level negotiations and policies have become electorally more relevant to domestic voters and interests groups. In turn, they have become more likely to hold their governments accountable for their policy choices and the negotiation outcomes they can achieve in the EU.

Building on the notion that government conduct in the EU has become politicized at the national level, Chapter 3 develops the main theoretical argument about responsive governance in the European Union. I focus on the supply side argument, that is, the effects that domestic elections have on the

motives and opportunities of governments to signal responsiveness in the intergovernmental negotiations in the Council of the European Union. I start by building a domestic political economy model, which provides the national baseline for government motives to signal responsiveness in the EU. My definition of political responsiveness draws from typical definitions of responsiveness in democratic systems, and adapted to fit the European context. To take into account signals of responsiveness at different stages in European cooperation, I focus on the willingness and ability of EU governments to signal both input and output responsiveness in EU negotiations. Input responsiveness refers to governments' taking and defending positions that are in the interest of their politically relevant voters at the national level. Output responsiveness implies that governments achieve policy outcomes that favor their domestic electorates. In lieu of the ability to signal responsiveness, governments sometimes seek to delay unfavorable (unresponsive) outcomes until after national elections. The domestic political economy model provides insights into the motives of governments to signal responsiveness. In particular, governments should have greater incentives to act responsive in EU negotiations when their reelection is more uncertain because of either low public support or bad economic conditions or when European issues are politicized at the domestic level.

To explain when governments are able to signal responsiveness, I embed the domestic political economy model into a model of intergovernmental negotiations, taking into account the formal and informal procedures in the EU. I argue that governments rely on unilateral and collective bargaining strategies to appear responsive to their electorate. Governments want to appear responsive; that is, they want to signal to their electorate that they take positions that are in the constituencies' interest, and defend these positions throughout the negotiation process. They also want to achieve negotiation outcomes that are favorable for their constituents. But even though all governments would like to appear responsive, not all governments are equally able to achieve this goal because they have to navigate the collective decision-making system of the EU. To signal responsiveness, governments either use their formal and informal bargaining leverage or they seek reciprocal agreements with their EU counterparts, whereby they secretly allow each other to send signals of responsiveness to their national electorates before elections (I dub this behavior 'hidden cooperation' on the basis of similar opportunistic behavior at the domestic level). Finally, the chapter provides a general discussion of the empirical implications

of the theoretical model to guide the empirical analyses in the remainder of the book.

To shed light on responsive governance in the EU in the shadow of national elections, the book makes use of a large number of different data sources, and employs a variety of methodological approaches, including qualitative, experimental, and quantitative. In Chapter 4, I employ a unique data set on annual EU budget negotiations in the Council from 1970-2013 and test the main empirical implications of my argument using quantitative research methods. Analyzing EU budget negotiations is a particular good test case because we have objective data on the bargaining success of individual governments – how much they received above of what one would expect given the formal allocation rules – and because the budget is allocated in regular intervals (on an annual level) which makes it easy to exploit for electoral reasons. The analysis demonstrates that EU governments that face elections at home receive significantly larger budget shares than EU governments that do not face elections at home. Consistent with the theory, I show that these signals of output responsiveness have become more relevant with the historical politicization of the EU since Maastricht. In addition, these signals are particularly strong when elections are very competitive (i.e. when public support is low or uncertain, and when the economy is not doing well), when EU governments are able to secure the hidden cooperation of other EU governments, or when they use their formal bargaining leverage to influence the negotiation outcomes. With these findings, the chapter provides first evidence that EU governments are responsive to their citizens in European negotiations.

To assess the microfoundations of my argument – i.e., that voters' approval of the government at least sometimes depends on the governments' output responsiveness – I use aggregated Eurobarometer data on citizens' approval of their national governments and analyze whether responsiveness in EU budget negotiations is relevant to voters' approval of their government. I find that public support for government coalitions increases if governments' secure larger budget receipts in the annual negotiations. These effects indicate that electoral politics in EU negotiations are grounded in domestic political necessities – voters take their governments' responsiveness in EU negotiations into account when deciding who they would vote for in elections.

Chapter 5 complements the quantitative analysis with an in-depth study of the negotiations over the EU financial framework for the period 2007-2013, which is based on both archival research and secondary resources. The case

study does not serve as a test of whether elections matter, but rather illustrates how electoral cycles work: that is, how governments decide on what strategies to pursue, and how cooperation and conflict can shape the negotiations and the negotiation outcomes. The study focuses on national elections in three countries that were on the opposite side of the bargaining table, and illustrate the variety of ways that EU negotiations work in the shadow of national elections. EU governments that faced elections used several strategies to create electoral cycles. Some tried to ensure increased benefits that would make them look successful at home (i.e. Germany and Poland), whereas others tried to delay the negotiations or agreements until after elections to avoid being blamed for their lack of success in defending national interests at home (i.e. United Kingdom). Some used their bargaining leverage against the interests of other EU governments, whereas others relied on the hidden cooperation with other EU member states to secure better deals. Some governments were more effective in achieving successful outcomes for their country, whereas others were less successful in doing so.

The interplay between individual and collective strategies is particularly important as the case shows that individual strategies were more likely to succeed where governments were able to secure agreements based on hidden cooperation amongst Council members. The study also complements the quantitative findings in Chapter 4 because it sheds some light on the conditions under which governments are likely to choose different electoral strategies. The UK had little hope to achieve a successful bargaining outcome in respect to its budget rebate. Consequently, whereas both Germany and Poland attempted to speed up the negotiations in order to achieve a (in their view very successful) deal before their national elections, the United Kingdom opted to delay the negotiations until after the general election in the hope to not lose additional votes during the election.

In Chapter 6, I analyze whether governments signal responsiveness more broadly in EU legislative bargaining. To analyze responsiveness in EU legislative cooperation, I rely on an extension of the DEU II data set, which is a massive data collection effort to analyze government positions on legislative positions as well as actual decision-making outcomes in the European Union. The data allow me to analyze whether EU governments are more likely to defend positions and achieve bargaining outcomes that are in their constituents' interest before elections. The findings suggest that the bargaining strategies and outcomes crucially depend on the electoral cycles at the domestic level.

Governments that face elections are responsive: they are less likely to move from their initial bargaining position *and* they are more likely to achieve bargaining outcomes that are close to their ideal positions. Supporting the theoretical argument, I further find evidence that the signals of output responsiveness (i.e. bargaining success) are stronger when governments have ample motives and opportunities to posture. Consistent with my findings on the EU budget negotiations, governments are more likely to achieve successful bargaining outcomes when unemployment rates are high, and when they can use hidden cooperation to generate electoral cycles. Whereas signals of output responsiveness depend on motives and opportunities, this is not the case for signals of input responsiveness. In particular, I find that governments are more likely to defend their initial positions throughout the Council negotiations independent on the competitiveness of elections, their bargaining leverage, or the likelihood for hidden cooperation in the Council. These findings support the notion that governments are more able to signal responsiveness when they are not constraint by the collective bargaining process of the EU, as is the case for position-defending strategies.

Due to data limitations, it is impossible to test whether voters hold their governments accountable for position-defending strategies and bargaining successes in the EU with large-n quantitative data. Instead, I used a survey experiment to analyze *how* publics respond to different signals of responsiveness of their governments. Whereas not all policies are salient at the national level, and they do not have to be in order to cause electoral cycles in political responsiveness, theoretically I would expect that voters care about the different signals of responsiveness at least when those policies are salient. But even though the literature has made much progress in analyzing whether European voters care about European integration (i.e. whether they are favorably or unfavorably disposed towards the EU), we have no knowledge whether voters would interpret position-taking, position-defending, and credit-claiming activities of their government at the EU level as signals of responsiveness.

To examine how voters respond to different signals of political responsiveness, and to assess the internal validity of the demand-side of political responsiveness, I conducted two conjoint experiments that were embedded in an online survey of over 2,500 Germans in fall of 2016 on two salient policy areas – whether to agree to another financial rescue package for Greece and whether to allow for more immigration of refugees and asylum seekers into the EU. To investigate whether, and in particular to what extent, public approval for na-

tional politicians who participate in these negotiations at the EU-level depends on the different signals of responsiveness, I designed a conjoint experiment that asked respondents to evaluate various politicians who differ on a set of responsiveness signals that correspond to the dimensions of theoretical interest as well as other characteristics of the politicians that may have an impact on their public approval (i.e. experience, party affiliation, gender). By randomly assigning both the values that each feature takes and their order of presentation, the conjoint experiment allows me to estimate the impact of different types of responsiveness signals on the public approval of politicians. I find that voters are more likely to vote for politicians if they present their favored policy position, if they defend this position throughout the negotiations, and if they are successful in achieving their preferred outcome. Similarly, voters blame governments for pursuing unfavored positions, and for their inability to achieve favored negotiation outcomes.

One challenge for governments that want to appear responsive before elections is that the duration of the EU legislative process is endogenous to a number of factors that cannot be influenced by EU governments. Consequently, the adoption of legislative acts does not always conveniently materialize with the rhythm of the electoral calendar. Because of these challenges and the possibility that the adoption of problematic proposals close to elections may have adverse electoral effects, EU governments may have incentives to delay decisions until after the national elections. In Chapter 7, I use data on the timing of all legislative proposals that were negotiated in the European Union between 1977 and 2009 to analyze the conditions under which EU members delay negotiations until after national elections as a strategy of blame avoidance. The results provide support for the notion that governments attempt to delay the adoption of legislative proposals until after the elections. Proposals that are negotiated close to national elections are significantly less likely to be adopted than proposals that are negotiated in non-election periods. Consistent with my argument, delays are particularly likely when the issues are highly conflictual and when EU members expect unfavorable and unresponsive outcomes. I show that the delay of particular proposals can even affect legislative tides in European negotiations, as long as a sufficient number of proposals within a given time period fall close to a national election.

The chapter also utilizes an in-depth case study design to illustrate the likely electoral effect when hidden strategic delay fails. From a theoretical perspective, governments would have incentives to delay only those policies that are

problematic from an election perspective. In order to trace the motivations for why governments would have an incentive to delay, we have to observe the electoral consequences when governments expected a negative outcome but were unable to delay the negotiations. The occurrence of such counterfactuals are expectedly rare. Here, I trace the history of negotiations leading up to the first bailout in Greece in 2010 to analyze the electoral effects of EU negotiations in Germany. The case study is particularly interesting, because it is a case of “failed” delay. Due to a large segment of the population opposing a financial rescue package for Greece and an important regional election, the German government had attempted to delay a bailout to Greece until after the election, publicly stating that it opposed such a bailout. Because of an unexpected and very rapid deterioration of the economic situation in Greece and the Eurozone, the German government had to agree to a bailout just a week before the election. The case provides us with a rare chance to analyze the counterfactual in a situation where the delay did not work. In this situation, my theory would predict the German government to lose public approval as a consequence. Supporting this, I will demonstrate in the case study that voters were opposed to the bailout and punished the German government for its decision to pursue it.

The book concludes by evaluating the strengths and weaknesses of the theoretical argument in light of the qualitative, experimental, and quantitative evidence in Chapter 8. The chapter provides a discussion of the results in context of the European Union, but also discusses the contributions of the findings in the broader context of comparative politics and international relations. While the conclusion provides a synthesis of the different parts of the book, and also discusses its relevance in a broader setting, the central theme focuses on its implications for the EU’s current legitimacy crisis. In particular, I discuss how responsive governance in the shadow of national elections affects democratic legitimacy of the EU, and what my results can contribute to the important answer on how to fix this crisis. I argue that while more transparency and a greater politicization of European cooperation at the national level will indeed increase incentives for responsive governance in the EU, thereby contributing to a more democratic EU, it comes at a price. Making the EU more democratic in respect to electoral accountability increases responsive governance within the EU, which is desirable, but it also is likely to lead to much more conflict within the EU at the same time. While proponents of a more democratic EU tend to be optimistic about the ability of the EU to cope with this conflict, they



might be overly optimistic that Europeans will become more positively engaged with European politics if the EU was more democratic. Given the lack of a true European *demos*, the cooperative nature of European cooperation, which works well behind closed doors, is likely to implode once the doors are opened. That is not to say greater democratic legitimacy is not imperative. As the EU has become more successful so should its main proponents be more concerned with democratic legitimacy. The question is how to preserve effective cooperation under more responsive governance? I argue that the avenue that seems most promising under these constraints is a strategy of differentiated integration. Differentiated integration takes various different forms, but in principle it implies the potential that different membership rules, rights, and obligations apply to different sets of member states. Differentiated integration would allow governments to choose the type and level of integration that is most responsive to their national electorates. Restricting, for example, the set of participating countries with popular support for cooperation in a particular policy, differentiated integration could help EU governments to come up with more optimal solutions to policy problems that are responsive to their domestic publics at the same time. In turn, this would increase the legitimacy of EU institutions to citizens, while maximizing the potential benefits from European cooperation.

## 8 Effective Cooperation Under Responsive Governance

“(...) St Simonianism is finished. It can't work when you have to face democratic opinion” (Pascal Lamy, Chef de Cabinet, European Commission) (Ross, 1995, 194)

When Jean Monnet developed his post-World War II plan to bring together the coal and steel industries of France and Germany under the aegis of a joint authority, the master architect of the European Union did not only break with long-held international practices of punishing the losers of war, but he also set the seed for his grand plan to bring lasting peace and prosperity to Europe by delegating national sovereignties to an international institution. The very simple but genius idea was to dilute national sovereignties by creating new economic facts on the ground and international institutions where governments make decisions that were not constraint by domestic politics. In time, so the hope, political leaders would see the benefits of acting at the European level, thereby generating a virtuous cycle of ever-deepening integration.

The idea to insulate governments from domestic pressures to promulgate policies that are not constraint by short-term political expediency is the very essence of international cooperation. Many policies involve trade offs between improving the general social welfare and serving particularistic interests. With their ability to retain office at stake, policy-makers can be sorely tempted to pander to the desires of the group that seems most important for immediate political survival even when satisfying these desires demands serious compromises that hurt the general welfare of the people. These conflicts can arise in areas as diverse as trade, human rights, economic development, international conflict, and even peace-keeping. Transferring decisions on these issues to the international level can help de-politicize them so that the outcomes improve general welfare in the long run. When the de-politicization of intergovernmental cooperation is combined with the technocratic expertise of mostly apo-

litical but experienced international bureaucrats, the resulting policies would be as close to optimal as one can make them. It is this promise that has made international organizations so attractive.

The history of the institutional design of many international organizations makes it easy to see the desire to separate decision-making from domestic politics. The delegation of trade policies to the World Trade Organization (WTO) or the North Atlantic Free Trade Agreement (NAFTA) protects decision-makers from domestic economic groups whose particularistic interests would otherwise result in socially inefficient protectionist policies.<sup>1</sup> The delegation of developmental policies to the World Bank or the African Development Fund enables decision-makers to choose those policies that maximize sustainable economic and social development in the poorest countries in the world over those that serve national geopolitical, economic, or other strategic interests.<sup>2</sup> And the delegation of peace-keeping operations to the United Nations (UN) promotes the legitimacy of peace-keeping (and thereby its potential effectiveness) by signaling a broad consensus amongst sovereign states over particular geopolitical or economic interests of individual powerful states.<sup>3</sup>

The downside of the de-politicization of international cooperation is that voters retain little control over the conduct of their governments in often closed-door negotiations. Without democratic accountability to domestic publics, decisions these organizations produce are likely to be undemocratic, unrepresentative, and illegitimate. In Jean Monnet's view, of course, democratic accountability to domestic publics would be an obstacle to achieving better policy outcomes. Ironically, the EU has become a victim of its own success. Since its inception, political leaders transferred an increasing amount of national sovereignty to the European institutions and they moved decisions over an ever-increasing number of policies into the European arena. The transformation of the EU has led to an increasing politicization of the European Union in the domestic political arenas of its member states, particularly after the ratification of the Maastricht Treaty in the early 1990s. Trading political legit-

---

<sup>1</sup>Staiger and Tabellini (1987, 1999); Gilligan (1997); Bailey, Goldstein and Weingast (1997); Maggi and Rodriguez-Clare (1998); Bagwell and Staiger (1999, 2002); Barton et al. (2006); Goldstein, Rivers and Tomz (2007).

<sup>2</sup>Rodrik (1995); Nielson and Tierney (2003); Milner (2006); Hicks et al. (2008); Milner and Tingley (2010, 2011*b*); Schneider and Tobin (2013); Dietrich (2013, (forthcoming, 2015).

<sup>3</sup>Kupchan and Kupchan (1991); Barnett (1995); White (1997); O'Neill and Rees (2005); Allee and Huth (2006); Fang (2008); Chapman (2009, 2011).

imization at the domestic level for superior policy outcomes at the European level has become unsustainable both practically and normatively.

That domestic democratic legitimacy is important when important domestic interests are at stake is probably uncontroversial. Much more controversial is the question about the extent to which EU governments are responsive to the opinions of their citizens when they cooperate in the EU. This book set out to provide an answer to this question. I combined various different pieces of empirical evidence and demonstrated that EU governments govern responsively, even when electoral accountability is low. Even though voters do not always hold governments accountable for their conduct in EU-level negotiations, the increasing likelihood that the media, national parties, interest groups, or the public attribute importance to particular European policies creates political uncertainty for governments. Not reliably knowing which of the European issues will make it into the domestic political arena, they run scared. They act responsively at the European level whenever they believe that European issues may become electorally relevant at the national level, even if the domestic electorate will in fact not hold them accountable. Governments have no choice if they do not want to appear unresponsive for issues they failed to politicize.

The politicization of European cooperation in turn implies that national elections affect both the unilateral and collective bargaining behavior of EU governments, as well as the policy outcomes in the European Union. EU governments want to signal to domestic audiences that they competently negotiate in their electorates' interest and that they achieve outcomes that benefit politically relevant groups at home. They want to demonstrate that they are responsive to the will of their people. Governments can signal responsiveness if they take positions that are in their constituency's interest and defend these positions more fiercely during the negotiation process than what they would do outside of the electoral cycle. In addition, governments will try to pull the European policy toward positions that clearly favor domestic interests so that they can claim credit for it. Failing that, they will try to drag out the negotiations as long as they can in order to delay the announcement of a policy that the domestic electorate disapproves of until after national elections.

I used various different data sources, and methodological approaches to analyze incidences of responsive governance. I detected patterns of responsive governance both for the highly politicized negotiations of the EU budget (Chapters 4 and 5), as well as for legislative negotiations in general (Chapters 6 and 7). To signal output responsiveness, EU governments shift policy

outcomes toward their ideal positions and they receive greater shares from the common EU budget during electoral periods. The motives to do so are particularly great when they are in electoral distress. Low or uncertain public support or a weak economy put pressures on EU governments to signal responsiveness. EU governments are also particularly prone to opportunistic behavior in EU negotiations when European issues are politicized at the domestic level. While the historical politicization clearly plays a role, variations in issue salience provide a similar impetus for responsive conduct. The opportunities to signal responsiveness successfully depend on their informal and formal bargaining leverage, as well as their ability to rely on hidden cooperation to achieve these benefits. In particular, I found that governments are much more likely to signal output responsiveness when fewer elections take place in the same time period, and to a lesser extent when their positions on both a left-right dimension and a pro-anti European dimension are closer to the average in the Council.

In addition to seeking opportunities to claim credit for successful negotiation outcomes, governments also were more likely to defend their initial positions throughout the negotiation process as a signal of input responsiveness (Chapters 5, 6, and 7). Since position-taking and position-defending strategies depend much less on the willingness of other EU governments to scratch each others' back, EU governments that face elections are much more likely to signal input responsiveness than output responsiveness. In particular, I found that signals of input responsiveness are largely independent of the motives and opportunities for responsive behavior. The German behavior, though it failed in the end due to the deterioration of the economic situation in Greece, provides a nice illustration of the opportunities for position-defending behavior. Even though all other EU governments, as well as other actors within and outside of the EU, put much pressure on Germany to change its position on a bailout, the German government did not budge until the survival of the entire Eurozone (and its own economy) was at stake. The results imply that governments use signals of input responsiveness as a first line of defense, and that we should expect them more frequently than signals of output responsiveness, which are oftentimes very difficult to obtain in the EU's collective decision-making process.

The difficulty to always obtaining better bargaining deals before elections has led many EU governments to favor a delay of potentially bad outcomes until after elections (Chapters 5 and 7) in order to avoid blame. Triangulat-

ing qualitative and quantitative approaches, I found that strategic delay is particularly likely when EU governments expect that the negotiation outcomes will be unfavorably conceived by domestic publics. Not only do EU governments have incentives to delay the conclusion of negotiations until after important elections under these circumstances; the qualitative evidence also demonstrated that in many cases EU governments pretend to defend positions that are responsive to their domestic publics, all the while knowing that they will give them up after the election. The behavior of the UK government in the financial framework negotiations provides a good example of this (Chapter 5). That strategic delay has to remain hidden becomes evident in the case of the German politics of the Greek financial rescue package. The German government had hoped to delay a decision on a necessary bailout until after important regional elections, but was unable to commit to this delay in the end. The large drop in public support provides ample evidence for the motivations of such a blame avoiding strategy.

Governments act responsively particularly before elections, and responsive governance affords them with higher approval levels at the domestic level (Chapter 4, 6, and 7). Using quantitative and experimental methods, I found that voters are more favorably disposed towards incumbent governments that are able to receive greater shares from the EU budget. In addition, the experimental analysis of voter behavior in Germany indicated that voters react to the different signals of responsiveness. They are more likely to vote for politicians who represent their position, defend positions responsively, and those who are more successful in achieving responsive bargaining outcomes. Equating these changes in approval levels with electoral accountability might go one step too far. The results are relatively weak substantially, which indicates that in equilibrium voters expect their governments to be more successful. We would therefore only expect larger effects if governments fail unexpectedly. Indeed, using the unexpected change in the German government's position on the Greek bailout in 2010, I could show that voters sanctioned the German government at the polls for its unpopular behavior, and the effect in the qualitative analysis was much greater than in the quantitative analysis. In addition, the weaker effects could be explained by the fact that still many policy issues are not politicized enough to become electorally relevant. The findings therefore indicate that incentives for responsive governments are mainly grounded in expectations about the potential politicization of European affairs rather than actual politicization. Nevertheless, the Greek example illustrates that this could

easily change, as more and more issues become electorally salient in European democracies. And while extent of electoral accountability in the EU might not suffice to satisfy our ideal notions of democratic governance that we like to use as a benchmark for the EU, the patterns of electoral accountability and responsive governance in the EU are strikingly similar to de facto democratic patterns in many developed democracies (including the United States), where we often-times find governments to be responsive even if government accountability is weak (Przeworski, Stokes and Manin, 1999; Ashworth and de Mesquita, 2014; Achen and Bartels, 2015).

With these findings, my book presents a comprehensive account of whether and how the politicization of European policies at the national level affects responsive governance in the European Union. Such an analysis was overdue for several reasons. From a national perspective, democratic governance at the national level more so than ever depends on the ability of EU governments to act responsively at the EU-level. European integration has rendered purely national or subnational analyses of responsive governance incomplete. My analysis of responsive governance in the EU is based on national concepts of responsiveness and can therefore directly speak to a theory of responsiveness in European democracies. I show that governments have extended national signals of responsiveness to the European level, in order to deal with the historical shift in sovereignties. And despite the greater challenges that governments face when they want to act responsively in the European Union, my findings imply that EU governments are indeed moving toward responsive governance, particularly compared to subnational governments in federal systems that face similar challenges when they cooperate at the federal level (Wlezien and Soroka, 2011).

From a European perspective, analyzing responsive governance is a key to understanding the EU's democratic legitimacy. The implicit assumption has been that there is no responsiveness without accountability. But even though we have made great strides toward understanding both the domestic politics of the EU as well as the European politics of the EU, we do not have many accounts on how domestic politics affect the way European leaders negotiate and cooperate, in particular, whether they are responsive to the demands of their citizen. I argued that electoral politics may provide one possible link between domestic politics and responsive European cooperation. If governments have reasons to believe that their actions at the European level might influence their political survival, they should have incentives to govern responsively even if in

fact electoral accountability is low. That domestic politics matter for European cooperation is well known. Studies of comparative and international politics show that political institutions, political competition, and regime type influence international negotiations, the content of international agreements, and behavior in international organizations. But these studies usually remain at the level of unilateral foreign policy decisions: that is, voters influence foreign policies positions that governments take in these organizations.<sup>4</sup> The influence of voters in international organizations such as the European Union goes far beyond the unilateral actions of individual governments. Whereas governments can individually decide on their bargaining strategies, the negotiation outcomes are decided amongst the group of EU governments within the given set of institutions, norms, and rules.

The book unravelled this black box to show that both unilateral and collective bargaining have tremendous influence on the likelihood that EU governments can claim credit for EU policies at home. In a minimalistic setting, EU governments that face elections at home tend to bargain more fiercely. They do so because they want to signal that they are fighting in the interests of their electorate; and because they hope that they can claim credit for more successful policy outcomes. The extent to which they are successful in signaling political responsiveness does not only depend on their true competence, but also on the decision-making rules and institutional practices in the EU. And this is the place where norms of collective bargaining can make a difference. Hidden cooperation between EU governments can provide opportunities for credit-claiming that would not exist otherwise. And when cooperative norms between governments breaks down, it makes it more difficult for EU governments to push through their electoral agenda. My findings indicate that responsive governance most likely works through both channels, and any attempt to analyze responsive governance as a simple means of unilateral foreign policy in the shadow of national elections would fail to fully capture the relationships between national elections and European cooperation.

Given the increasing delegation of decision-making to international institutions, the politicization of international cooperation is a significant event not only for scholars of the European Union, but also for readers who want to

---

<sup>4</sup>See, for example, Putnam (1988); Milner and Rosendorff (1997); Milner, Mansfield and Rosendorff (2000); Broz (2002, 2005); Milner (2004); Milner and Kubota (2005); Milner (2006); Milner, Mansfield and Pevehouse (2008); Milner and Tingley (2010, 2011a); Milner and Mansfield (2012); Chaudoin (2014).



understand the linkages between domestic electoral politics and international cooperation in the contemporary world. Many other international integration projects around the world, including Mercosur, NAFTA, the WTO, and even the United Nations face democratic legitimacy crises similar to the EU's own crisis. The ever-spreading fear is that relocating political decisions to international fora could make governments unresponsive to domestic concerns because voters have much less influence at these higher levels. Responsive governance is an issue in global governance more generally, and scholars have become interested in analyzing the effects of domestic elections on international negotiations different institutions. Dreher and Vaubel (2004) for example find that new net credits from the International Monetary Fund (IMF) are significantly larger in the preelection period and that borrowing from the International Bank for Reconstruction and Development (IBRD) significantly declines after elections. Likewise, Rickard and Caraway (2014) argue that elections give countries' more leverage in their negotiations with the IMF, thereby leading to less stringent labor market conditions in IMF loan programs.

Although this research readily demonstrates that global governance is ripe for politicization, scholars have focused on the ability of governments to receive greater benefits from the international organization during election periods without analyzing the effect of elections on the collective bargaining process in itself. One reason for this research lacuna appears to be the difficulty to obtain information and data on these international bargaining processes, which typically take place behind closed doors. While this data is missing for many organizations, the size of the field of European politics has given it a comparative advantage in respect to data availability. Not only are there more data on the EU's design features than for any other international organization, but scholars have also spent considerable time and effort to collect information on preferences, positions, bargaining strategies, and bargaining outcomes in the EU (Schneider, 2017a).

Of course, some would argue that the EU's political system is too unique to provide an appropriate test case for a more general argument of responsive governance. I will not argue here that the EU is not unique; in fact, every political system is unique. The EU is arguably the most deeply integrated international organization in the world, and the externalization of domestic electoral politics should therefore be most prevalent in this system. Nevertheless, the EU provides an ideal laboratory for analyzing these important events. The variation in patterns of responsive governance in European cooperation

allows for a much more in-depth test of the conditions under which electoral politics are (or will be) externalized to the international level to begin with. And whereas supranational institutions such as the European Commission and the European Parliament exert greater influence on decision-making outcomes than supranational actors in other international organizations, many of the key decisions that are relevant in the context of responsive governance can still be understood by analyzing intergovernmental bargaining in the Council of the European Union. The existence of an extensive body of excellent scholarly work on the European Union allows us to understand the role of supranational institutions better and to situate them into the context of the theories of global governance more generally.

At the very least, my findings provide some guidance as to some of the conditions under which we should observe responsive governance in international cooperation more generally. Let me point out three conditions that seem to stand out. First, responsive governance requires that domestic interests are at stake. If political leaders do not believe that voters potentially learn and care about the policies decided at the international level, they have little reason to act responsively. The secret nature of many international negotiations used to shield political leaders from such concerns. But globalization has led to an increasing awareness of such issues, and many policies that are decided in international organizations are in fact now at least marginally politicized at the domestic level. But not only do voters have to learn about such issues; they also have to care about them enough to take them into account when casting their ballots. In this respect, policies with more diffuse benefits will be less politicized than policies that provide very clear benefits (or costs) to particular groups within society. For example, members of the World Bank might not receive much public praise for successfully negotiating grants for budget support, mainly because the benefits are rather diffuse. However, project-based aid significantly and directly impacts the local population and therefore tends to be highly salient. In turn, this provides ample incentives for signals of responsiveness. Just to give one example, in the Philippines mayors immediately put up huge billboards when they receive important World Bank grants and citizens are well aware of whether their village received a grant (Cruz and Schneider, forthcoming). Along similar lines, the big trade negotiation rounds of the WTO have been highly salient at the domestic level. Many of the problems in the Uruguay and the Doha rounds arose because powerful domestic interest groups in the United States and the EU lobbied against the liberal-

ization of the agricultural sector (Hudec, 1993; Davis, 2004). One important lesson from my findings is that issues do not always have to be politicized. As long as issues become relevant often enough to create uncertainty for governments about whether they will matter, incentives to signal responsiveness should mount.

Second, voters have to perceive position-taking and position-defending strategies, as well as advantageous deals as signals of the incumbent's political responsiveness. This potentially poses a challenge for electoral politics in IO such as the IMF and the World Bank where loans and grants are given to countries with economic difficulties and the very existence of a program could also signal domestic economic incompetence; a signal that is oftentimes detrimental to the election prospects of incumbent governments (Dreher and Vaubel, 2004). Governments can nevertheless signal political responsiveness if they use their leverage and competence to receive larger loans with better conditions or if they are less likely to be punished when interrupting the reforms (Dreher, 2003). In the example of the World Bank projects in the Philippines, villagers attributed the receipt of grants to mayoral bargaining success in negotiations with the World Bank. Perhaps even more to the point, they attributed the failure to secure a project grant to the poor performance of their mayors. In reality, the mayors had no influence in the distribution of project grants. These examples indicate that governments sometimes have to walk a very fine line between signaling political responsiveness and economic incompetence to their voters. The extent to which voters err on one or the other side may be driven by the political leaders' ability to market their success effectively, oftentimes using national media outlets.

Finally, governments have to be able to influence the collective decision-making process in the international organization. They have to be either competent negotiators who use their bargaining leverage to the greatest extent possible, or able to rely on hidden cooperation with other member governments. In the WTO (as in the EU), bargaining capacity stems from consensual voting rules, but economically powerful states are better positioned to achieve their goals. This provides more opportunities to governments to generate electoral cycles in the first place. These opportunities disappear when some members are much more powerful than others. A particularly extreme example are international development institutions, such as the World Bank and the IMF. Here, the main beneficiaries of the organization, the developing countries, usually have very little bargaining power to influence negotiation outcomes. They are

reliant on the cooperation of the major stakeholders who generally hold most of the formal and informal voting power in these institutions. In this case, the theory would predict that borrowing countries are more likely to generate electoral cycles if one of the major stake holders has a strategic interest in that government's survival—that is, when opportunities for hidden cooperation between donors and recipients exist.

My research takes an important step toward an integrated theory of responsive governance in the European Union. At the same time, it has opened at least as many new questions as it was able to address, which provides exciting opportunities for future research. For example, whereas my work sheds light on the two channels through which governments generate electoral cycles in responsiveness, future work has to disentangle these channels more carefully. Both bargaining leverage and hidden cooperation can lead to responsiveness. But even though voters would like to reward governments if they are truly competent, they should not reward governments for deals that were achieved through hidden cooperation. In particular, the responsiveness signal that is based on hidden cooperation is much less credible in indicating that the government will be willing and able to act responsively after the elections. This opens up an interesting potential conflict between the desire to have competent and responsive governments and the desire to have responsive governance. In addition, the case study research points to another strategy that might be relevant in the context of responsive governance. While my work has focused on strategic delay of expected unpopular outcomes, EU governments could try to speed up the adoption of proposals if they believe them to be popular at home. Furthermore, my work demonstrates that EU governments try to appear politically responsive and I have provided some evidence that these signals matter at the domestic level. It was out of the scope of this project, however, to offer a comprehensive analysis about when and how these signals of responsiveness translate into electoral gains. My case study research indicates that the media might play an important role here, but more research is needed to understand exactly how voters receive and interpret messages of political responsiveness.

Finally, my research contributes to the literature on the democratic deficit by highlighting an intergovernmental channel of democratic legitimacy. Most research on democratic governance in the EU has focused on the European Parliament, and its electoral accountability. This research is without doubt important, particularly because the Parliament is directly accountable to European citizens through Europe-wide elections. The other electoral connection,

which runs from citizens to the responsive behavior of governments in the Council via national elections has been understudied so far. My book was an attempt to fill this research lacuna, and the findings demonstrate that the existing challenges to full electoral accountability do not necessarily preclude governments from governing responsively in the EU. The patterns of responsiveness in European governance are strikingly similar to patterns that we observe at the national level. From a national politics perspective, it appears that governments have taken up the challenge to act responsively in those areas where decision-making power was delegated to the EU-level. Of course, the responsiveness of governments is directed toward their own citizen, rather than toward a broader set of European citizen. But such a standard appears artificially high at least until something like a European *demos* develops more fully. In fact, national interest does not have to be a dirty word when it comes to democratic politics in the EU. Just as consociational democracies in the EU are protecting their ethnic, cultural, linguistic or religious minorities, so can the EU protect its national minorities (McRay, 1974; Lijphart, 1999). Similarly, the patterns of responsiveness in the EU find parallels in patterns of responsiveness in federal systems, where state governments signal responsiveness to their subnational voters by taking positions and reaching decisions at the federal level that are in the interest of only a subgroup of the country's population. Responsive governance in the Council can therefore be interpreted as a form of democratic accountability that is also common in many democratic countries.

This brings me back full circle to where I started this project. The European Union is the most successful international project in peace-building, but yet, it currently faces its worst legitimacy crisis ever. Europeans have started to care about European politics; yet, they also have come to believe that they have no influence over decisions at the EU-level which are made by unaccountable supranational bureaucrats or by national political elites who decide behind closed doors. I demonstrate in the book that the low levels of electoral accountability do not preclude responsive governance, making the democratic deficit loom not as large as one would think at first sight. With the increasing politicization especially since the European debt crisis and the more recent refugee crisis, EU governments are very likely to move toward greater political responsiveness in European cooperation in the future. So what are the implications of the move toward responsive governance in the European Union?

Increasing politicization and responsive governments should help address

the EU's perceived legitimacy crisis from the bottom up. As political leaders and the media increasingly discuss European issues as *European* issues, voters have better means to hold their governments accountable for their conduct in the EU. Greater transparency will also make it less likely for governments to use the EU as scape goat when they have to introduce unpopular policies at home (oftentimes without little justification of the long-term benefits of these policies), while claiming (oftentimes undeserved) credit for popular policies without even acknowledging the vital role that European cooperation might have played in making these policies possible in the first place (Schmidt, 2006). In this view, the unexpected British vote to leave the EU and the even less expected election of Donald Trump to President of the United States of America, may contribute to a sudden revival of European values across Europe. Both events have brought to light the actual benefits of EU membership—showcased now with the rapid economic decline of the UK after the decision—as well as the EU's fundamental future value, which was brought about by the fear that a Trump-led USA will lead to a weakening of NATO and an increasing threat from Russia. The need for a much closer cooperation on foreign security and defense policies in Europe never seemed more pressing than now. Europeans suddenly notice that the EU is not just about the size and shape of bananas. The Bertelsmann foundation conducted surveys in the six most populous EU member countries to gauge citizens willingness to vote in favor to leave the EU if there was a referendum (Bertelsmann Stiftung, 2016). Since the Brexit vote, EU approval has increased steadily in five of the six EU countries under study (Spain is an exception). The percentage of Danes who are in favor of holding a referendum on the country's EU membership has fallen from 41% just before Brexit to 32% post Brexit. In Austria, the numbers are down from 49% to 30%.<sup>5</sup>

But what is the price of a more democratic EU? To put it in Fritz Scharpf's words, the greatest trade-off is between the designing of European institutions that prevent wrongdoing by governors and exploitation by special interest groups and the EU's ability of effective problem-solving (Scharpf, 2003, 5). The former calls for more democratic accountability of European leaders, while the latter calls for less democratic accountability of European leaders. Making the EU more democratic in respect to electoral accountability

---

<sup>5</sup>*The Washington Post*. November 24, 2016. "After Brexit and Trump's victory, Europeans are beginning to like the E.U. again."

increases responsive governance within the EU, which is desirable, but it also is likely to lead to much more political conflict within the EU at the same time. While proponents of a more democratic EU tend to be optimistic about the ability of the EU to cope with this conflict, they might be overly optimistic that Europeans will become more positively engaged with European politics if the EU was more democratic. Given the comparable lack of engagement with domestic politics, I am not confident that this will happen any time soon. Very few Europeans identify as truly European and European politics are still very much divided along national lines.

My findings also indicate that much of the responsive governance in the EU depends on hidden cooperation between EU member governments. *De facto*, this implies that government responsiveness in European cooperation depends to some extent on the willingness of other EU governments to help the EU government that faces elections achieve policy outcomes that are closer to the popular interests of its electorate. Greater transparency and a politicization of the decision-making process would make hidden cooperation all but impossible. Transparency could then, in effect, have a negative effect on responsive governance where EU governments are not more likely to govern responsively unless they are truly competent. Of course, one could argue that hidden cooperation is normatively undesirable; it implies that governments are not truly competent. But if we care about output legitimacy (i.e. responsiveness), then hidden cooperation may be the only way to achieve responsive governance in a system of multi-level governance with a multitude of veto players. Unlike the domestic political arena, governments do not pursue unilateral foreign policies in the European Union, but they are constrained by a number of different political actors with very diverse policy interests. The collective intergovernmental nature of decision-making in the EU implies that responsiveness is also a collective achievement.

Increasing conflict would not only weaken the EU's ability to reform existing policies, but also its capacity to introduce new policy initiatives. The current refugee crisis is a perfect example for this dilemma. As hundreds of thousands of asylum seekers from the Middle East and Africa are flowing into Europe, the issue of immigration – which is a European issue because Schengen has removed effective border controls within the EU – has become politicized like almost no other European issue before. In this case, voters held their governments accountable for their decision of whether to let refugees into their country or not, which made any agreement at the European level almost

impossible. In 2015, the EU could not even agree, let alone enforce, a very basic agreement on the re-location of asylum seekers across European countries. The inability of the European Union to find a solution to the refugee crisis, which was mainly founded in the divergence of national popular interests, led many Europeans to believe that the EU was not capable to solve these problems effectively, further reducing its legitimacy. Jean Monnet's suggestion to start with the integration of just two economic sectors (despite the fact that he had a much grander vision of a European Union at that time already) and to strategically depoliticize the process (using an information obstruction policy) was a genius move in this respect. The EU in its current form would probably never have existed had the process been politicized from the start.

Despite these challenges, as the EU has become more successful so should its main proponents be much more concerned with democratic legitimacy. But the question then should become how to preserve effective cooperation under more responsive governance? Some have argued that the decision-making gridlocks could be solved by introducing majority voting rules into more policy areas. Not only is this likely to fail particularly for the policy areas in which governments have high interests at stake (such as immigration policies). It may also not be desirable from a normative democratic governance standpoint. As long as there is no European *demos*, the representation and consideration of national interests in the EU amount to the protection of minorities at the national level. The existing norms of consensual decision-making thereby reflect consociational constitutions of multi-ethnic polities such as Switzerland or Belgium where existing institutions protect significant minorities of being overruled, especially when salient interests are at stake (McRay, 1974; Lijphart, 1999).

To solve political conflict and protect effective cooperation in an EU where governments increasingly act responsive to their citizens, one promising avenue might be differentiated integration. Differentiated integration takes various different forms, but in principle it implies that different membership rules, rights, and obligations apply to different sets of member states.<sup>6</sup> Differentiated integration would allow governments to choose the type and level of integration that is most responsive to their national electorates. Restricting, for example, the set of participating countries with popular support for cooperation

---

<sup>6</sup>Stubb (1996); Schneider (2006, 2007, 2009); Plümpert and Schneider (2007); Leuffen, Ritterberger and Schimmelfennig (2013); Schimmelfennig and Winzen (2016, 2017).



in a particular policy, differentiated integration could help EU governments to come up with more optimal solutions to policy problems that are responsive to their domestic publics at the same time. For example, countries with a more Europhile population could go ahead with deeper integration without causing legitimacy problems in countries with less Europhile populations. The cooperation between a subgroup of EU member states with homogeneous public opinion would provide for more effective cooperation while at the same time allowing for more responsive governance (also for those governments that decide not to integrate). In turn, this would increase the legitimacy of EU institutions to citizens in both lead and laggard countries. Of course, taking to its extremes differentiated integration would likely hollow out the entire idea of the European project. But it may be high time to accept that the EU is composed of highly diverse countries, and that this diversity is one of the strengths of the European project. Differentiated integration, if implemented carefully and with enough foresight, could therefore promise a cure of the dilemma of effective but responsive governance in the European Union.