1 Responsive Governance in the European Union

> 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

International organizations (IOs) have proliferated since the end of World War II, and they play a vital role in countries around the world. Governments have delegated significant decision-making powers to these organizations even in areas that directly affect their autonomy, because it is commonly believed that IO membership offers many benefits. With the increasing involvement of IOs in domestic affairs of member states, however, the criticism that they are elitist and technocratic has grown as well. Commentators assert that decisions are taken out of the voters' hands and transferred to unelected political elites. Since these bureaucrats and foreign actors are not accountable to domestic publics, decisions made in IOs are undemocratic and illegitimate.

According to the critics, IOs suffer from a "democratic deficit," which erodes both the ability and the willingness of governments to take policy positions and make decisions that represent the preferences of their citizens. The absence of domestic democratic scrutiny is said to give executives wide latitude to pursue their own goals, permit corporate groups to intervene in the policy process unchecked, and allow international bureaucrats to exploit their autonomy to tilt policies toward their organizational or parochial interests. Policies shaped by these influences might well conflict with broader societal preferences.

This crisis of legitimacy has afflicted many international integration projects around the world, including the European Union (EU), Mercosur, the North American Free Trade Agreement (NAFTA), the Association of Southeast Asian Nations (ASEAN), the World Trade Organization (WTO), the International Monetary Fund (IMF), and even the United Nations (UN).[1] With the ever-growing number of

[1] See, for example, Anderson (1999); Zweifel (2006); Malamud (2008); Joseph (2011); Zaum (2013); Dellmuth and Tallberg (2015); Colgan and Keohane (2017).

policies being made in these IOs, the pressure to "democratize" them has increased. For example, in its determination to improve the legitimacy and viability of IOs, the US State Department settled on their democratization as one of its main goals in the early 2000s.[2]

Nowhere has this debate been more salient than in the most ambitious project of regional integration in the world, the EU.[3] Dramatic setbacks in several policy areas over the past decade have only inflamed the charges against it. On the economic side, the Greek debt crisis of 2010 triggered a financial and political turmoil that brought the Eurozone to the verge of collapse. No sooner had the EU managed to stabilize its panicked markets than it confronted a security crisis when Russia annexed Crimea in the spring of 2014. This, and the civil war in Ukraine that followed, aggravated the already tense external security situation for the bloc. Doubts in the EU's ability to provide for its own security intensified in 2015 when it failed to thwart two major terrorist attacks in Paris and Brussels. The issue became even more complex and contentious when it merged with the problem of dealing with an unprecedented influx of refugees from the Middle East and North Africa. The disunity the EU showed in its failure to fashion a collective response to this mass migration was starkly underlined in June 2016 when a popular referendum in the United Kingdom decided to withdraw the country from the EU, precipitating a still-unfolding period of uncertainty and economic instability for the region.

The cumulative effect of these shocks has been to sharpen the EU's legitimacy crisis and to contribute to a rising wave of populism across Europe. Many Europeans have come to see the EU as being run by distant and unaccountable political elites who negotiate esoteric deals behind closed doors. Public perception of the institution took a nosedive in the 2010s, when for the first time since the early days of integration there were more Europeans who distrusted the EU than those who trusted it.[4]

[2] See the statements by Kim R. Holmes, Assistant Secretary for International Organizations Affairs in 2003 and 2004. Retrieved from 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, accessed November 2016.

[3] The EU has changed its name several times since its inception: from the original "European Coal and Steel Community" in 1951 to "European Economic Community" in 1957, to "European Communities" in 1967, and to "European Union" in 1993. To avoid confusion of terms, I use the term "European Union" throughout this book even though it is anachronistic prior to 1993.

[4] Data from the Interactive Eurobarometer (http://ec.europa.eu/COMMFrontOffice/Public/index.cfm/Chart/index, 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

It is not merely faceless unelected bureaucrats in Brussels – like the ones who administer the European Commission – that citizens have come to suspect. Even the ministers from their own elected governments have lost the citizens' confidence when acting in their capacity as members of the Council of the European Union.[5] Trust in the Council, which is the EU's main intergovernmental legislative decision-making body, has been steadily eroding since the outbreak of the debt crisis (Figure 1.1). By 2013, only 33 percent of Europeans trusted the Council, while more than 44 percent did not. When it comes to European affairs, then, people do not seem to be inclined to trust even their own governments.[6] That much is evident in many of the pre-Brexit editorials, which excoriated the governments for being unresponsive to popular opinion when deciding European policies (and for doing so mainly behind closed doors). In 2008, fully 62 percent of citizens did not believe that their governments listened to them when it came to European issues, and those who perceive themselves to be voiceless on that matter have remained the majority as of 2017, the last year for which data are available.[7]

The idea that voters have lost influence over their own governments on European matters is superficially appealing (not the least because voters seem to believe it), but is it supported by the evidence? We know very little about the level of government responsiveness to domestic opinion when it comes to cooperation within the EU, which is surprising in

tend not to trust it?" Data are from the question asked about the EU. See Appendix A, available online at https://quote.ucsd.edu/cjschneider/books/, for a graph that illustrates the historical development of trust in the EU.

[5] The Council of the European Union is often called the Council of Ministers or just the Council and should not be confused with the European Council. I will use these terms interchangeably.

[6] Support for EU membership has generally remained steady around 50 to 60 percent since the 1990s, when it declined from an unprecedented high in the 1980s. This is on par with the levels during the 1970s. The share of the population that believe that EU membership is a bad thing has stayed well below 20 percent, suggesting that the legitimacy crisis has not yet become an existential one. See Appendix A for the evolution of popular support for EU membership from 1973 to 2015.

[7] The question specific to the national governments was only asked in 2008, where it 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." Data from Eurobarometer 03/2008. The phrasing used since merely asks whether one believes their interests are being taken into account in the EU (61 percent reported a negative in 2008 on that version of the question). The findings are almost identical for the European Commission and the European Parliament. Appendix A provides historical results, which rely on the more general question of whether respondents felt that their interests were taken into account in the EU.

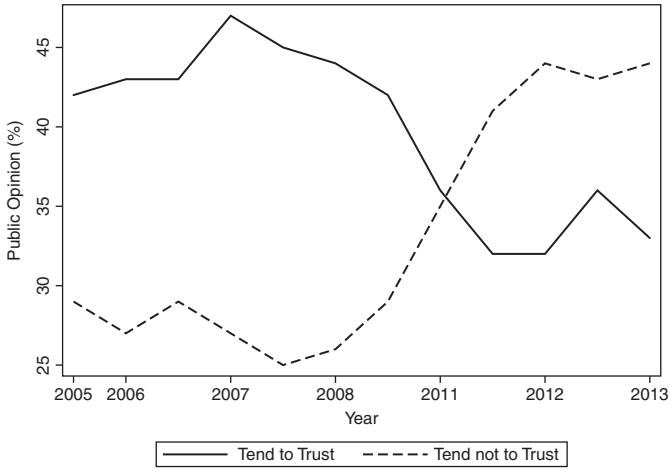

Figure 1.1 Trust in the Council of the European Union. Results of Eurobarometer surveys from 2005 to 2015 on the question "I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not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

light of the EU's deepening and widening penetration into domestic policy. What incentives do governments have to represent the interests of their national publics in the EU? What does it mean for governments to be responsive in that context? And even if they are acting in the interest of their citizens, how can these governments demonstrate that fact when policies are decided at multiple levels of governance with the participation of a variety of institutional actors in the opaque and convoluted system of the EU? Since the Council of the European Union remains the most important legislative actor in the EU and because its members are ministers from the governments of member states, it provides a natural medium for responsiveness to domestic politics.[8]

[8] 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; Schmitt and Thomassen, 1999, 2000). 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 EU. For studies of responsiveness in the supranational institutions of the EU, see, for example, Thomassen and Schmitt (1997), Proksch and Slapin (2010), and Rauh (2016).

If citizens could reward or sanction their national governments on the basis of their performance in European affairs, they could furnish the incentives for the governments to be responsive to their opinions even at the EU level.

Have electoral politics at the domestic level had any influence on government conduct at the EU level? How is that influence effected? What are the consequences for European cooperation and domestic politics? These are the questions I seek to answer in this book.

1.1 The Argument in Brief

The book presents a comprehensive account about how EU governments signal responsiveness to their citizens while cooperating at the European level. I develop and test a theoretical framework of the intergovernmental dimension of responsive governance in the EU using evidence amassed in nearly ten years of multi-method 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 particularly responsive to their domestic constituencies before national elections (when they are most accountable). Surprisingly, they behave this way even when the issues are not politicized domestically. Governments signal responsiveness to their publics by taking positions that are in the interests of politically relevant voters at the national level, defending these positions throughout negotiations in the Council, and seeking appropriate policy outcomes at the EU level. When they anticipate unfavorable outcomes, they attempt to avoid blame and punishment by delaying negotiations until after national elections.

The argument can be briefly summarized as follows. The integration of policies in areas that affect everyday life has made the welfare of citizens more dependent on their governments' behavior at the EU level, which has politicized the EU. This is so despite the fact that many policies decided at that level are neither salient domestically nor even obviously electorally relevant. The problem for the governments is that they cannot reliably predict whether this will remain so. With the media, political parties, and interest groups increasingly subjecting European policies to public scrutiny, nobody can foresee what particular issue will catch on domestically. The governments hedge against appearing unresponsive in policy areas that become unexpectedly politicized during national elections by signaling their commitment to domestic interests at the European level whenever there is a chance that the policy might become electorally relevant.

The expansion of domestic electoral politics to encompass European affairs means that national elections affect both individual and collective bargaining behavior of governments of EU member states, and so influence policy in the EU. Governments that are willing and able to represent the interests of the relevant national electorate in EU legislative negotiations signal *political responsiveness* to their electorally relevant constituents. Governments wish to signal to domestic audiences that they are competent negotiators of their countries' interests and that they can attain outcomes that benefit their electorates; that is, that they govern responsively in the EU. They attempt to convey this impression by staking out and defending negotiation stances that can be interpreted as being in the national interest. They are particularly aggressive in this positioning during the electoral cycle, sometimes going against common European interests. Governments do not do this merely to burnish their populist credentials but to influence the European policy so that it more clearly favors their domestic constituencies, which allows them to claim credit for these policies. Failing this, they drag their feet as long as possible in order to delay the announcement of what they know will be an unpopular policy until it can no longer affect the votes of the electorate.

The strength of the motivation to choose such strategies varies with domestic political conditions and the government's ability to navigate the collective decision-making process in the EU. Governments are incentivized to signal responsiveness when national elections are competitive and when the issues are politicized domestically. For instance, poor economic performance could galvanize a strong opposition to charge the government with ineptitude, which could be countered by a competent performance in EU negotiations. The incentives are even stronger when the issues the government is negotiating are politicized domestically, so success could be expected to boost its approval ratings.

Even the most motivated government must engage the collective bargaining process in the EU to secure favorable policy outcomes. Whatever sovereignty it enjoys in setting its own foreign policy is drastically attenuated when it comes to EU policy, where it has to contend with 27 other member states and a motley assortment of supranational actors such as the European Commission and the European Parliament. The Council might be among the leanest EU institutions, but it still requires each minister to deal with 27 counterparts. In some policy areas decisions require unanimous consent, which at least in principle endows each government with the negative power to unilaterally block undesirable policies. Of course, it also severely weakens their positive power to obtain policies that they prefer.

In practice, though, there is not much difference between policy areas since most decisions in the Council are reached through cooperative consensus bargaining, which drastically limits an individual government's ability to set the terms or block them unilaterally. Even governments with great formal and informal bargaining power cannot simply secure their most preferred outcomes when other EU members coordinate their positions, something they might be quite willing to do in order to help each other appear responsive during election periods. As a result, electorally motivated short-term opportunistic behavior in the EU can have long-term effects on policies when it shifts those policies away from what they could have been had they been decided outside the shadow of national elections.

This argument assumes that voters – at least occasionally – want to take note of their government's responsiveness on European affairs when they go to the polls. I utilize observational and experimental evidence to analyze how a government's bargaining behavior in the Council (i.e., its attempt to signal responsiveness) and its perceived success in legislative negotiations affect public support for the incumbent. I show that both uncompromising and responsive negotiation stances as well as preferable policy outcomes are rewarded with significant increases in public support. Interestingly, on average this increase would not alter the incumbent's vote share enough to be decisive in the election by itself. One could interpret this to mean that governments generate "unnecessary" signals of responsiveness in the EU, but a more likely scenario is that this reflects prudential reasoning by governments that operate in a fluid domestic environment that makes it very difficult to forecast what issues might become salient and make a difference in competitive elections. The mere possibility that an EU policy might become electorally relevant domestically exports its politicking to the European level, a sort of politicization without foundation.

1.2 Core Contributions

A government's responsiveness to the will of the people is a key characteristic of democracy and indelibly linked to its legitimacy (Dahl, 1973, p. 1). Scholars who study democratic responsiveness have been mainly concerned with government conduct at the national or subnational level. This research has focused on the extent to which national politicians act in the best interest of their electorates by taking positions or making policy decisions that are representative of the preferences of domestic constituencies. Because these issues are so vital for our understanding of democracy, it is not surprising that they are the core of the academic

study of democratic governance. This makes it all the more surprising to observe a large lacuna in our knowledge about governmental responsiveness within the EU.

Questions about the democratic responsiveness within the EU are of great academic and public interest. The EU's ability to contribute efficiently and effectively to the welfare of its citizens depends crucially on their perception of its democratic legitimacy, but the Union's widening reach has severely limited member governments' capacity for autonomous decisions. An ever-expanding scope of policies are now within the purview of the EU's collective decision-making apparatus. In all these policy areas, member governments must contend not only with domestic opposition parties and institutional veto players at the national level, but must navigate the byzantine EU bureaucracy as well. This drastically complicates governments' formulation of policies, potentially threatening the responsiveness to their publics.

One cannot hope to understand democratic governance in this complex system of multilevel delegation by studying responsiveness only at the national or subnational levels. And neither can one do so by focusing on the European superstructure alone, whether it is by treating the EU as a system or analyzing overall decision-making output. There is much to be gained by analyzing the responsiveness of member governments' behavior in intergovernmental negotiations at the EU level.

My study of the ability of EU governments to represent the views of their citizens builds on the extensive scholarly work on responsiveness within democratic countries and on the separate strand in the literature that studies the evolving institutions of the EU. By integrating and extending these approaches, I examine the challenges governments face when they need to appear responsive to policies at the European level and show how they can achieve that goal in the context of the EU's collective policymaking process. I argue that their behavior in these negotiations is an important ingredient of the democratic legitimacy of the EU. The intergovernmental view that I advance in this book fills a critical gap in the literature, contributes to the work on responsive governance in the EU, and gives us a novel way of thinking about its legitimacy crisis.

Consider, for instance, the Council of the European Union. Responsive behavior of governments in the Council is an important component of democratic governance, akin to the conduct of state governments when they represent their states' public interests in federal negotiations. For example, US senators are not expected to ignore their home states in Congress; the Senate would not be considered democratic if these representatives were not responsive to their constituencies. Transposing this to the EU means that a basic requirement for democratic legitimacy

is that the member governments are responsive to their citizens when they cooperate in the EU. This is so even though EU governments are not accountable to all European citizens (such as, for instance, the European Parliament could be through European-wide elections), and even though the Council is only one of the intergovernmental institutions within the EU. The mechanism that can hold the governments accountable to their citizens even at the EU level is national elections. If electorates are concerned with policies decided in the Council, then these elections can provide ample incentives for their governments to act responsively there.

That domestic politics matter for European cooperation is, of course, well known. Far more interesting is the question of *how* domestic politics matter for European cooperation. My theory embeds models of national electoral politics into models of intergovernmental cooperation to study how governments signal responsiveness over EU-level policies to their home constituencies. By analyzing how domestic politics affect the way leaders negotiate within the EU, I provide the missing link between the work on the politicization of European affairs at the national level and the work on cooperation at the supranational level. The integration of the national and European dimension into a unified framework yields rich insights into the electoral dynamics of European cooperation. The combination of qualitative research – including archival work and interviews with political elites who were involved in the negotiations – with experimental and observational quantitative methods offers a unique opportunity to study the empirical implications of my theoretical argument from various angles, and to provide nuance to the proposed way of thinking about European cooperation in the shadow of national elections.

The findings speak directly to some of the central criticisms of democratic legitimacy in the EU. On the one hand, they corroborate the impression that in many cases European affairs have not attained the domestic salience they deserve. On the other hand, they also support the notion that European affairs have been politicized, especially so in the post-Maastricht era. European affairs have become an important factor in national electoral politics even though their importance varies across issues. In this, they have gone beyond the traditional impact of diffuse support for the EU on national elections. I show that it is not merely whether voters have warm feelings toward European integration that influence their electoral choices but also whether they perceive the incumbent government as having been responsive on specific policies at the EU level. In this, I bring the study of EU legitimacy closer to our standards for established democratic systems, where we typically use specific policy support as a benchmark for 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 provides 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 levels, I demonstrate that incumbent governments have found themselves under increasing pressure to signal that their conduct in the EU is responsive to the preferences of their citizens. Domestic partisan dealignment and electoral volatility have magnified their uncertainty over the chances of winning reelection. Simultaneously, incumbents' ability to appear responsive by making certain policy choices nationally has become more constrained by the widening reach of the EU. The intensifying domestic politicization of European integration has made EU-level policies more salient electorally, which has enabled citizens to hold their governments accountable for negotiation behavior and policy outcomes they can achieve at that level.

Chapter 3 develops the main theoretical argument about signals of responsive governance in the EU. The first step is to understand how domestic elections affect the incentives and opportunities of governments to show themselves responsive through negotiations in the Council. I develop a domestic political economy model that links the competitiveness and timing of elections to a government's need to appear responsive at different stages of these intergovernmental negotiations. I adapt the typical definition of responsiveness in democratic system to fit the European context, and study both *input* and *output* responsiveness. The former refers to the government taking and defending positions that represent the interests of their national electorates. The latter refers to the government attaining policy outcomes that favor their national electorates. When governments are unable to signal responsiveness because they expect an unfavorable outcome, they might seek to delay these intergovernmental decisions until after national elections. Governments that face higher electoral uncertainty because of low public support or bad economic conditions, or who have to deal with European issues that have been politicized domestically have stronger incentives to signal responsiveness in EU negotiations.

To study how governments can convey such a signal, I embed the domestic political economy model into a model of intergovernmental negotiations that takes into account both formal procedures and informal rules in the EU. I argue that governments can use both individual and collective bargaining strategies to send signals about their responsiveness to the electorate. Governments can publicly stake out