Legislative decision-making and network relations in the Council of the European Union after the United Kingdom leaves

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Abstract

We assess the likely impact of the United Kingdom’s decision to leave the European Union on legislative decision-making and network relations in the Council of the European Union. The Council of the EU, in which member states are represented, is the most powerful institution in the EU, and is the part of the EU in which the UK’s departure is likely to have the clearest observable implications. With respect to legislative decision-making we formulate propositions from a model of the EU’s legislative procedures and from a model of the informal bargaining that characterises EU legislative decision-making. With respect to network relations, we examine key concepts from network analysis including actors’ centrality and the cohesion of networks. We apply these theoretical approaches to two of the most prominent datasets on recent decision-making in the EU: the Decision-making in the EU (DEU) dataset and the Gothenburg dataset on cooperative network relations in the Council’s working groups. Our findings clearly suggest some of the challenges that Brexit will bring, both with respect to decision outcomes and network relations, to which the remaining members must respond in order to maintain some of the features that have contributed to the EU’s success as a political system in the past.

Introduction

What impact will Brexit have on the decision-making processes and output of the European Union? While much has been said about the possible effects of Brexit for the UK, and for the economic relations between the EU27 and the UK, there has been relatively little systematic analysis of the possible effects of Brexit on the functioning of EU decision-making institutions. Losing one of its major member states – in terms of the size of the UK’s population, economy, diplomatic resources and military power – is likely to have important consequences for the policies that the EU will adopt and for the relations among the remaining states. This is particularly plausible for the Council of the EU, the primary intergovernmental institution in EU decision-making, and the part of the EU system to which we devote our attention here.

We apply two distinct theoretical and empirical approaches to assessing the impact of Brexit. The first approach focuses on the process of legislative decision-making, which transforms actors’ policy demands on controversial issues into decision outcomes. As part of this focus on legislative decision-making we first examine the implications of a model of the EU’s legislative procedures, from the class of procedural models (e.g. Crombez 1996; Steunenberg 1994; Tsebelis 1994; Tsebelis and Garrett 2000). Procedural models generate forecasts of decision outcomes based on the EU’s rules of procedure, which set out which actors can introduce proposals, which actors can amend proposals, and the levels of support required for those amendments to be successful. Given a certain distribution of actors’ preferences and information on the status quo policy, procedural models make forecasts of decision outcomes that can then be compared with actual outcomes. When examining the legislative process, we also consider the implications of a model of informal bargaining, from the class of bargaining models (e.g. Bueno de Mesquita and Stokman 1994; Thomson et al. 2006). Bargaining models focus on the informal norms and rules of bargaining, but like procedural models can make forecasts of decision outcomes.

Our empirical approach with respect to legislative decision-making is based on the Decision-making in the EU (DEU) project and related dataset (Thomson et al. 2006; 2012). The DEU project mapped hundreds of specific controversies spatially, which involved assembling estimates of member states’ policy positions and decision outcomes. Previous research in the DEU project pitted procedural models against bargaining models to assess their relative predictive accuracy. While procedural models have generally made less accurate forecasts of decision outcomes than bargaining models, Leinaweaver and Thomson (2014: 54) argue that this does not diminish the potential usefulness of procedural models to, among other areas, gauging the impact of constitutional changes. In the following analyses, we use both types of model for exactly this purpose. Our concern is not with the accuracy of the models’ forecasts, but with the comparison of their forecasts with and without the UK as a member of the EU. In other words, we apply these models with and without the UK to run counter-factual analyses that address the following question: would decision-outcomes have been different if the UK had not been a member of the EU in the past?

Our second theoretical and empirical approach to assessing the impact of Brexit on the EU is based on network analysis. One of the main insights from network analysis is that the direct and indirect ties among the actors in a political system are essential to understanding how the system works, both with respect to how those actors compete for influence and how they cooperate to solve collective action problems (Heclo 1978; Laumann and Knoke 1987; Knoke et al. 1996; Bardach 1998; Feiock and Scholz 2010). The exit of any one of the actors from a network has obvious implications for the direct relations between that actor and the others with which it is connected. Exits also have less obvious implications for the indirect relations between the remaining actors. For instance, if an actor forms a bridge between otherwise
unconnected or weakly connected pairs of other actors, then its removal could have significant negative consequences for the cohesion of the network, far beyond the impact of its direct relations.

Our empirical approach to examining the impact of Brexit on the network relations among the remaining EU members relies on the Gothenburg project and related dataset (Naurin and Lindahl 2010). The Gothenburg project has systematically surveyed member state representatives in each of the main working groups of the Council to identify the main cooperation partners of each of the states. Using this dataset, we assess the impact of the UK’s exit on the relations among the remaining member states and on the cohesion of the network as a whole. We calculate three different network centrality measures – degree, closeness and betweenness – which address both direct and indirect cooperation patterns. We calculate the network centrality of member states and the cohesion of the networks as a whole in a situation where the UK is included in the network. We then perform the same calculations without the UK included in the network and compare the results. Therefore, like the first set of analyses on the legislative process, the network analyses address a counterfactual question of how the networks would have been different if the UK had not been a member of the EU.

The following analyses do not take into account the fact that the remaining member states are likely to adapt to Brexit by changing their behaviour. In a future post-Brexit EU, the remaining member states may devote more attention and effort to issues where the departure of the UK is likely to have an effect. States that would have found an ally on a controversial issue may for instance devote more attention to that issue to realise a similar outcome. States that find themselves marginalised in EU networks may invest more in forging new cooperative ties. Notwithstanding these reservations, the counterfactual analyses we present alert us to the challenges and pressure that the EU system is likely to experience after Brexit. Our findings point to decision outcomes with more regulation and higher subsidies in a post-Brexit EU. The network analyses indicate that Denmark, Ireland, the Netherlands and Sweden, stand out as being particularly affected by Brexit, both when considering direct and indirect ties. These states have strong direct ties (degree) with the UK, which they are not able to compensate by easily accessible indirect ties (closeness) when the UK is taken out of the network. We also find that the positions of some member states as intermediary players in the network, bridging the gaps between more distant actors, are strengthened by Brexit. This includes the larger states, Germany, France and Poland. These states are therefore likely to become more central to the information flows in the network. At the committee level, we find that Brexit may impact the Council committees and working groups towards less efficient networks. The UK has been a central actor in many committees and working groups. When such an actor disappears the distances (average path length) between the remaining states increase, unless they are able to compensate the loss with new ties.

The impact of Brexit on legislative outcomes

We begin by describing the data to which we apply the abovementioned procedural and bargaining models, as this allows us to illustrate how these models work. The DEU dataset describes specific controversies that were raised in the EU between 1998 and 2008, and it has been used in many peer-reviewed publications in recent years (Thomson et al. 2006; 2012). The dataset examines 125 legislative proposals that were discussed in the EU during the period 1998-2008. The selected proposals were discussed mainly in the period 1998-2000, in which there were 15 member states, and in the period 2004-2008, during which the EU enlarged from 25 to 27 member states. This latter period is more representative of the current EU of 28 member states and we devote most attention to the analysis of this part of the dataset.
Each of the 125 legislative proposals was examined in detail to describe the main controversial issues that were raised and the policy alternatives favoured most by each of the member states, as well as the Commission and the European Parliament where relevant. The dataset contains information on 331 controversial issues in total, since each proposal raised on average between two and three main controversial issues. Semi-structured interviews with key informants or experts were conducted to describe the issues and the positions of the actors. Two teams of researchers held over 350 semi-structured interviews over a 10-year time span to gather the required information. The informants were participants in the decision-making processes. Most were officials from the permanent representations or the primarily responsible officials in the Commission.

The dataset describes each of the controversial issues in a standard way to facilitate comparison across issues. Each controversial issue is described as a policy scale ranging from 0 to 100. The endpoints represent the most “extreme” positions taken by any of the actors or under consideration by the actors. The key informants placed intermediate positions on the scale to reflect the relative political distances between the alternatives. The policy scales are comparable in the sense that they each reflect the range of the bargaining space on each controversy. The expert key informants estimated the policy alternative most favoured by each of the actors at the outset of the negotiations, just after the introduction of the legislative proposal by the Commission. In addition to estimating the positions of each of the actors, the informants also estimated the salience of each issue to each actor, again on a scale of 0 to 100.

Figure 1 depicts one of the 331 controversial issues described in the DEU dataset. This case refers to a controversial issue raised by the proposal to extend the EU’s emission trading scheme to aviation activities. The controversy concerned the extent to which the auctioning of carbon credits should be allowed. The positions ranged from those that opposed the introduction of auctioning (the 12 actors referred to on the left of the figure) to those, including the European Parliament, that supported the maximum possible extension of the scheme. The actual decision outcome introduced a modest amount of auctioning, which our informants placed at position 30 on the policy scale. The UK favoured the introduction of somewhat more extensive auctioning, and was placed at position 50 on the policy scale to represent its position. The question raised by our counter-factual analyses is whether the outcome would have been substantially different if the UK had not been a member of the EU when this decision was taken.

The extent to which the UK’s exit will affect decision outcomes depends in part on the positions typically taken by the UK representation. Previous analyses emphasise that there are no fixed coalitions in the Council and that alignments of states are typically formed on an issue-by-issue basis (Nugent 1999: 474; Heyes-Renshaw and Wallace 2006: 250). Nevertheless, some patterns are clear, and Figure 2 shows a tendency in the UK’s positions, which corresponds with the conventional wisdom. The figure identifies the percentage of the 331 controversial issues in the DEU dataset in which the UK takes exactly the same position as each of the other actors in the system. For comparison, it also shows the percentage of issues on which the UK takes a “similar” position, which we define as being 20 points or less on our standardised 0-100 policy scales. As close observers of EU decision-making would expect, the UK’s positions show most similarity with the positions of Sweden, the Netherlands, Ireland and Denmark. The UK’s positions show least similarity with the positions of Italy, Greece, Spain and the European Parliament.
The impact of Brexit depends not only on the actors with which the UK is typically closest, but also on the process through which actors’ positions are transformed into decision outcomes in the EU. In the following two sections, we describe and apply two distinct models of the EU’s legislative process, a procedural model and a bargaining model, to assess the likely impact of Brexit.

The procedural model

The simplest of the EU’s legislative procedures is the consultation procedure combined with unanimity voting in the Council. Here, the Commission introduces a proposal and the member states must approve it unanimously. The member states may also amend the Commission’s proposal by unanimity. The European Parliament is consulted and gives an opinion, but neither the Commission nor Council is obliged to incorporate the EP’s proposed amendments. As a result, the consultation procedure can be modelled as a game played between the Commission and the member states in the Council. The formal rules of decision-making in relation to the consultation procedure are relatively simple and are not disputed (Crombez 1996).

The consultation procedure may also be combined with qualified majority voting (QMV) in the Council. Again, the Commission introduces the legislative proposal, but now the Council must either approve the proposal with a qualified majority of member states or amend it with the support of all member states. The rules for qualified majority voting differ between the EU-15 and the post-2004 periods. Moreover, the Lisbon Treaty introduced a new version of QMV. In the EU-15, member states held a total of 87 votes, distributed among them in relation to their population sizes, but with small states being overrepresented in relation to their population sizes. According to the QMV rule, a legislative proposal had to be approved by member states with votes that summed to at least 62 of the 87 votes. In the enlarged EU in the time period examined here, QMV was based on the triple-majority system introduced by the Nice Treaty. According to the Nice Treaty rules that governed QMV up to 2016, a bill could be adopted by the Council of 27 member states if approved by states that together i) hold 255 of 345 votes, ii) are at least 14 in number and iii) have at least 62 percent of the EU’s total population. The Lisbon Treaty introduced a new system of QMV in the Council. From the year 2014, decisions taken by QMV need the approval of 55 percent of member states, 15 of 27 EU members, that make up 65 percent of the combined total of EU states’ populations. To prevent a small number of large states from blocking a decision, the population criterion only applies if at least four member states are against adoption. If only three or fewer states oppose the adoption of a bill, the population criterion does not apply, even if these states have more than 35 percent of the EU’s population. The new system came into effect gradually after 2014. In the first three years after its introduction, any member state could request that a decision be taken according to the Nice triple-majority rules.

The concept of pivotal positions is central to all procedural models. In models where unanimity is required, the pivotal position is that which is closest to the disagreement outcome (or reference point). In models where QMV is applied, the pivotal position refers to the location of the preference of the member state or states that turn a losing minority into a blocking minority. The prediction of the procedural model in issues subject to consultation QMV is located in the winset of the status quo belonging to the Council pivot. It is the position in that set that is preferred by the agenda setter (the Commission).

The co-decision procedure – which was adjusted slightly and renamed the ordinary legislative procedure by the Lisbon Treaty – the Commission introduces a proposal that must be approved by both the Council and EP. Co-decision is usually combined with QMV in the Council. In the version of the co-decision procedure defined in the Amsterdam Treaty, and that...
applies to all of the co-decision cases examined here, the Council and EP formally have equal power as co-legislators. In the event of protracted disagreements between the Council and EP, a conciliation committee composed of representatives of the Council and EP is formed. This committee then works on a text that must be approved by both the Council and the EP if the legislative proposal is to be passed.

Disagreements among analysts on how to best model the co-decision procedure focus mainly on the questions of whether the Commission is involved and which actor, if any, has a first-mover advantage in the conciliation committee (e.g. Steunenberg 1997; Tsebelis and Garrett 1997; 2000: 24-5; Tsebelis 2002: 264-5; Crombez 2003). When modelling the co-decision procedure we take what is arguably the most literal interpretation of the treaty rules. Since the Council and EP can amend the legislative proposal without the approval of the Commission, the Commission is excluded from the formal decision-making process. Moreover, since the formal rules give equal power to the Council and EP, the specification of the procedural model’s prediction should not ascribe an advantage to either of the two (Tsebelis and Garrett 2000: 24-5). Specifically, the co-decision procedure is a bargaining game between the pivotal member state in the Council and the EP. This does not, however, mean that the outcome is necessarily half way between the position of the Council pivot and the EP. The bargaining space ends when either the Council pivot or EP is indifferent between the possible decision outcome and the disagreement outcome.

**Results of the application of the procedural model**

More often than not, the procedural model indicates that the departure of the UK would not lead to a change in the expected decision outcome. The case depicted in Figure 1 illustrates why this is the case. As mentioned, this proposal was subject to the codecision procedure and QMV. Note that the 12 states that opposed the introduction of auctioning controlled 108 votes and therefore constituted a blocking minority. Therefore, according to the procedural model, this is the decision outcome that should have prevailed. The procedural model predicts the decision outcome based on a bargain struck between the state or states on the pivotal position and the EP under the codecision procedure. However, the bargaining space ends when either of the actors prefers the status quo to the outcome. In this particular case, there is no proposal in the range of positions between the pivotal actors and the EP, which those pivotal actors prefer to the status quo. The pivotal position does not change in this case due to the departure of the UK. The pivotal actors are still located on the status quo position and this is the outcome predicted by the model. The actual outcome, however, did involve some shift in policy from the status quo, since the legislation adopted introduced a modest amount of auctioning in this sector.

Had the Lisbon rules regarding Council voting applied to this case, the procedural model predicts that the outcome would have been quite different. However, once again, the departure of the UK would not have changed the outcome according to the model. The 12 member states that supported the status quo house less than 21 percent of the EU’s population. In number, they are obviously also less than the required blocking minority of 13 states under the Lisbon rules. With the addition of the nine states located on position 20, however, this group becomes a large blocking minority under the Lisbon rules. The actors located on position 20 are therefore pivotal. The bargaining game between these pivotal actors and the EP results in an outcome of 40 on the policy scale. This is the point at which this group is indifferent between the compromise proposed by the EP and the status quo. The location of the pivotal actors and the outcome is the same under the Lisbon rules with or without the UK as a member.

There are some cases, however, in which the departure of the UK would have led to a different outcome according to the procedural model. The issue depicted in Figure 3 illustrates such a case. The legislative proposal that raised this issue was subject to the codecision
procedure, and therefore the outcome is determined by negotiations between the EP and the 
actors in the pivotal position in the Council according to the procedural model. The 
controversial issue depicted in the figure concerns the extent to which the Commission should 
have competencies over non-Community carriers when regulating air transport services in 
Europe. At the time of the introduction of this proposal in 2006, the status quo was that the 
Commission did not have competencies over non-Community carriers, and although this 
regulation brought other noteworthy changes to the operation of air transport services in 
Europe, it did not change the status quo.

Consider first the prediction of the procedural model based on the decision rules that 
actually applied, which were those laid down in the Treaty of Nice, and with the UK as a 
member. The prediction of the procedural model is that the status quo would prevail, which is 
indeed what happened. The six member states that favoured the continuation of the status quo 
(Denmark, France, Germany, Greece, Slovenia and the UK) together held 110 of the votes in 
the Council, comfortably exceeding the 91 votes required for a blocking minority. Together 
they make up more than 45 percent of the EU’s population. This means that there was no policy 
alternative to the status quo that would be supported by a group of member states that meets 
the voting threshold of 255 of the 345 votes and the population threshold of 62 percent of the 
population. Note that only 11 of the then 27 members took a position on this issue; the other 16 
states were said to be indifferent. We assume that these indifferent states behave in such a way 
that they would not interfere with the emerging outcome and place them half way between the 
agenda setter (the EP) and the reference point. The decision outcome predicted by the model is 
the same regardless of where we place these indifferent actors.

Suppose, however, that the UK had not been a member of the EU in 2006. According 
to the procedural model, the outcome would have been substantively different. Without the UK, 
the five member states that support the status quo hold only 81 votes. This falls short of the 
current threshold of 91 votes for a blocking minority. We assume that without the UK the 
threshold for passing a law under QMV would have been maintained at 74 percent of the total 
qualified majority votes in the Council, amounting to 234 of the remaining 316 votes. This 
implies that a blocking minority would have been set at 83 votes or more. The five member 
states that support the status quo would still have been a few votes short of this lower blocking 
minority threshold of 83 votes. These five member states have 37.84 percent of the EU’s total 
population without the UK, and are therefore also just short of the required blocking minority 
in terms of population size of 38 percent of the EU’s population. It is only with the addition of 
Italy, which took a somewhat more conciliatory position to the extension of the Commission’s 
competencies to non-Community carriers, that this group is able to muster a blocking minority. 
This means that Italy, which takes position 20 on the policy scale, becomes the QMV pivot in 
a scenario in which the UK is not a member of the EU. According to the logic of the procedural 
model, the outcome is then a negotiation between the EP and Italy. The model specifies that the 
bargaining space ends when either one of the actors is indifferent between the outcome and the 
reference point. In this case, at position 40, Italy is indifferent between the outcome and the 
reference point. So the prediction of the procedural model is that without the UK, the decision 
outcome would have been position 40. This outcome represents the granting of substantially 
more powers to the Commission over non-Community carriers than was actually adopted.

The alignment of actors depicted in this case is less sensitive to the departure of the UK 
if we assume that the Lisbon double-majority rules apply. In that scenario, the member states 
that supported the status quo have a blocking minority either with or without the UK, as these 
states have more than 35 percent of the EU’s population. Consequently, the prediction of the
procedural model is that the status quo would prevail either with or without the UK as a member.

It is also possible, although a rare occurrence, that the exit of the UK leads to a predicted outcome that is somewhat closer to the UK’s position according to the logic of the procedural model. Figure 4 depicts such a counterintuitive case. The controversial issue concerns the reduction in fishing opportunities near Mauritania as part of a partnership agreement with that territory. The legislative proposal was subject to the consultation procedure and qualified majority voting in the Council. Only member states with substantial fishing interests took positions on this issue. Five member states (Greece, Latvia, Italy, the Netherlands and Spain) wanted to maintain the status quo with respect to the availability of fishing opportunities. However, these five member states held only 63 votes and made up less than 16 percent of the EU’s population, and therefore did not constitute a blocking minority. Only with the addition of Poland and the UK, both of which favoured some modest reduction in the level of fishing opportunities, did these actors constitute a blocking minority. With the addition of both Poland and the UK, this group of actors held 119 votes and over 35 percent of the EU’s population. Note that with Poland alone this group holds only 90 votes and is therefore still one short of a blocking minority. The UK’s position was estimated to be at point 30 on the policy scale, which makes this position pivotal. According to the procedural model, the Commission will pitch its proposal so that the proposal is as close as possible to its own preference, while making the pivotal actors indifferent between the status quo and the proposal. This means that the model’s prediction is position 60 on the policy scale. In fact, our key informants placed the actual outcome closer to the Commission’s preference, locating it at position 80 on the policy scale. This indicates that the final act embodied a substantial reduction in fishing opportunities.

Now suppose that the UK had not been a member of the EU in 2008 while similar decision rules had applied. The procedural model now predicts a decision outcome at position 40 rather than 60, which is somewhat closer to the UK’s preferred position. In this scenario, the five states that support the status quo plus Poland would constitute a blocking minority. They hold 90 votes. Although this is one short of the blocking minority threshold that actually applied, it is reasonable to assume that the threshold in terms of the number of votes would have been reduced had the UK not been a member. As noted above, it is most likely that this threshold would have been reduced to 83 votes or more. With this group of six states being the minimum blocking minority, Poland’s position at point 20 on the scale becomes pivotal. Following the logic of the procedural model, the Commission would introduce a proposal such that Poland would be indifferent between the proposal and the status quo. This is position 40 on the policy scale.

The application of the procedural model based on the Lisbon rules to this alignment of actors leads to somewhat different outcomes following the departure of the UK. As above, with the UK as a member, the minimum blocking minority consists of the five states that support the status quo, plus Poland and the UK. Together, these states hold just over 35 percent of the EU’s population. Therefore, as above, the prediction of the model is point 60 on the policy scale. However, without the UK as a member, the procedural model based on the Lisbon rules generates a quite different prediction. The five states that support the status quo plus Poland are no longer a blocking minority. They hold less than 27 percent of the total EU population without the UK. It is only with the addition of France and Italy, which take position 50 on the scale, that this group holds a blocking minority. This means that the pivotal position is position 50 on the policy scale. This gives the Commission a great deal of power to shape the decision outcome in line with its own policy preferences. The model predicts that the Commission would
introduce a proposal in line with its own preference at position 100, and that this would pass into law.

These three cases show the range of effects that Brexit might have according to the procedural model. We now turn to the summative analyses of all 331 controversial issues in the dataset. The procedural model can be applied to 236 of the 331 controversial issues in the dataset due to the fact that not all issues contained the so-called reference point, or disagreement outcome on the relevant issue. The main findings of these summative analyses are reported in Table 1.

Table 1 here

The headline finding from Table 1 is that on the vast majority of cases, the exit of the UK would make no difference to decision outcomes according to the logic of the procedural model. On only 6 percent of the issues to which we could apply the procedural model (13 out of 236 issues) did the procedural model generate a different prediction with and without the UK as a member. This was usually because the exclusion of the UK made no difference to the location of the pivotal position in the Council. In a slightly larger number of cases (8 percent or 19 issues), the exclusion of the UK did change the location of the Council pivot, but had no effect on the predicted outcome. This was usually due to the fact that the Commission (or the EP in the case of codecision) preferred the reference point. As we would expect, the results in Table 1 suggest that the exit of the UK would have had a greater impact on decision outcomes in the EU-15 than in the EU25 or EU27.

We also conducted a supplementary analysis to investigate whether the exit of the UK has a greater impact on decision outcomes if we assume that the Lisbon rules were used. The results, which are contained in Table 2, indicate that this is not the case. Again, in the vast majority of issues (95%) the predictions of the procedural model with and without the UK are identical. These analyses are limited to the 103 issues subject to co-decision and QMV to which we could apply the procedural model.

Table 2

A bargaining model

We now turn to an alternative model of the legislative decision-making process, one which posits that decision outcomes are reached through compromise and cooperative behaviour. This view of the decision-making process is encapsulated in the so-called compromise model, which is a first-order approximation of the famous Nash Bargaining Solution (Nash 1950; Achen 2006: 98-101). When the disagreement outcome is extremely undesirable, the Nash Bargaining Solution can be represented in a very simple form. As the value that each of the actors attaches to the disagreement outcome becomes smaller and smaller, the Nash Bargaining Solution approaches a weighted average of actors’ positions and at the limit, is identical to the weighted average.

As a formula, this weighted average is simply:

\[ \text{outcome} = \frac{\sum_{i=1}^{n} \text{salience}_i \cdot \text{capabilities}_i \cdot \text{preference}_i}{\sum_{i=1}^{n} \text{salience}_i \cdot \text{capabilities}_i} \]

Where:

- \( \text{outcome} \) is the predicted outcome.
- The uppercase letter sigma (\( \Sigma \)) is the symbol for the summation operator.
salience}_i is the level of salience that actor \(i\) (from the set \(n\)) attaches to the issue. \(capabilities_i\) is the level of capabilities that actor \(i\) has over the outcome of the issue. In the following analyses we use the log of member states’ population sizes (in millions plus one) as an estimate of states’ relative capabilities. \(preference_i\) is the policy preference of actor \(i\) on the issue in question.

The compromise model represents a quite different view of the decision-making process, one which many observers would say is more realistic. Indeed, in previous comparative assessments of the predictive accuracy of the compromise model versus various procedural models, the compromise model performed significantly better in terms of predictive accuracy (Thomson et al. 2006). Unlike the procedural model, the compromise model always generates a decision outcome that lies between the most extreme positions taken by any of the actors with capabilities. Finally, it is worth noting that the exclusion of an actor from the calculations based on the compromise model always results in a prediction further from that actor’s position as long as the excluded actor takes a position on the issue and has a salience score of greater than zero. In our analyses, having a position implies a positive salience score.

**Results of the application of the bargaining model**

We turn immediately to the summative analyses of all of the issues in the DEU dataset rather than dwelling on the illustrations, all of which show a slight shift in the predicted outcome away from the UK’s preferred outcome. The main results are contained in Table 3 and show that the departure of the UK leads to modest changes to the location of the decision outcomes on the majority of issues according to the logic of the compromise model. On 85 percent of these issues (282 of the 331 issues), the compromise model yields different predictions if the UK is excluded from the analysis. On the remaining 15 percent of issues, the UK was indifferent and had no position, which means that its exclusion would not affect the outcomes. Of the issues on which the exit of the UK would have made a difference to the outcome, the size of that difference is on average 4.08 points on the 0-100 policy scales.

**<Table 3>**

While the magnitude of these changes is small, the results depicted in Figure 5 indicate that there is a clear pattern in many but not all respects. First, the outcomes predicted by the compromise model without the UK are not significantly more pro-integration than its predictions with the UK included. Second, the outcomes predicted without the UK are significantly more regulatory than the outcomes predicted with the UK. Third, the outcomes predicted without the UK involve higher subsidies than the outcomes predicted with the UK.

**<Figure 5>**

There are also patterns concerning the location of the predicted outcomes in relation to other member states’ positions. Outcomes without the UK will be significantly closer to the positions of the Spanish delegation. This accords with the observation discussed above that the UK’s positions are generally furthest from the Spanish positions. By contrast, decision outcomes without the UK are significantly further from the positions taken by the Swedish delegation according to the compromise model. Finally, decision outcomes without the UK are significantly further from the UK’s preferred positions.
The impact of Brexit on cooperation networks

We now examine how Brexit is likely to disrupt collaborative networks in the Council’s committees. Information on the network relations among member state representatives was obtained through a survey of officials from the representations of all member states to the EU in Brussels. Five such surveys have been conducted: in 2003, 2006, 2009, 2012 and 2015, which involved interviews with in total 1,093 member state representatives (Naurin, Johansson and Lindahl 2016). The data have been used extensively in previous research to analyse negotiations and decision-making in the Council (e.g. Naurin 2015, Johansson 2015, Häge and Naurin 2013, Naurin and Lindahl 2010, Naurin 2010, Arregui and Thomson 2009). We focus here on the two most recent surveys, in 2012 and 2015, which are most relevant to assessing the impact of Brexit on the remaining 27 members.

Representatives from all member states in eleven selected committees and working groups in the Council were approached for the interviews. Both high-level committees and lower-level working groups were included, involving a broad range of policy areas, ranging from economic policy, agricultural policy, foreign and security policy, environmental policy, competition and internal market policy, to tax policy and justice and home affairs.¹ The interviews were conducted by telephone. The response rate was 84% in 2012 and 73% in 2015. In 2012, 249 member states were interviewed, and in 2015, the number of respondents was 225.

In the surveys, the following question was asked: “Which member states do you most often cooperate with within your working group, in order to develop a common position?” On the basis of the respondents’ answers to this question, we identify the network relations between member states. The question posed focuses respondents’ attention on direct contacts with people from other member states in their working groups. Respondents were free to list other member states with which they cooperated, and typically mentioned between three and five others.

Figure 6 presents the cooperation networks of Coreper I and Coreper II in 2012 and 2015. We examine the impact of Brexit on both direct and indirect ties. The impact of Brexit on direct ties concerns the other member states with which the UK has intense cooperative relations. Partners in a direct cooperative relationship can easily exchange information and bargain with each other, which in turn is of critical importance to the emergence of consensus. Therefore, an efficient collaborative network is usually associated with dense direct cooperative ties. Although direct ties are highly desirable, its initiation and maintenance can be quite costly (e.g., time costs). In contexts such as the EU Council, the development of direct cooperative relationships is further constrained by political factors. Our earlier study reveals that the EU member states tend to choose their direct partners in a strategic way, and that the overall density of direct cooperative ties has stabilized at a relatively low level (Huhe, Naurin and Thomson 2017).

Indirect ties or brokerage ties are particularly relevant in relatively sparse networks, which have few direct cooperative ties. Indirect ties allow actors to obtain valuable information and to reach consensus among themselves, even when all actors in a network do not have direct

¹ The preparatory bodies include Coreper I, Coreper II, the Political Security Committee (PSC), the Special Committee on Agriculture (SCA), the Economic Policy Committee (EPC), the Politico-Military Group (PMG), the Working Party on Tax Questions, the Coordinating committee in the area of police and judicial cooperation in criminal matters (CATS), the Working Party on Agricultural Questions, the Working Party on Competitiveness and Growth, and the Working party on the Environment.
ties with each other. Actors with relatively modest resources in terms of their direct network relations can rely on a popular or central player who can help facilitate information exchange and policy compromise. In fact, the more modest the resources, the more a member state might need to rely on an intermediate player to reach some politically remote partners. Indirect ties, therefore, are a key mechanism by which some disconnected and remote member states can interact with each other. Intermediate players not only serve as mediators – resolving disagreement and possible conflicts – they can also benefit from information, opportunities, or knowledge that flow across indirect ties.²

**Country-level statistics and comparisons**

We first focus on three key network statistics at the state-level: degree centrality, closeness, and betweenness. The three hypothetical cooperation graphs in Figure 7 provide an illustration of how these three statistics capture important changes to direct partners, remote partners, and intermediate players respectively.

<Figure 7>

*Degree centrality*. Figure 7.a illustrates the direct impact of Brexit on UK’s close partners. In this example, Brexit directly affects the three countries in red (i.e., Sweden, Denmark, and Ireland), while the other two countries in grey (i.e., France and Germany) remain unaffected. This changes member states’ relative positions in the group. With the UK included in the group, Denmark has three direct partners as so France and Germany. However, after removing the UK from Figure 7.a, Denmark has only two direct partners, indicating a relative decline of importance compared to France and Germany. Similarly, Sweden and Ireland also suffer from losses in relative importance, particularly compared comparing to France and Germany. To capture these changes, we employ the measure of *degree centrality*. This helps reveal states’ relative positions in the Council, and central states are those who have the most cooperative ties with other member states.

*Closeness*. The degree centrality of a member state is determined solely by the number of its direct partners, and thus cannot reflect potential indirect impacts of Brexit on remote partners. These are better captured by the measure of *closeness*, as depicted in Figure 7.b. Here we first take Sweden as our focus state (in black). After Brexit we find that Sweden has only one direct partner, FR (in grey), rather than two as is the case when the UK is in the network. Moreover, SE also suffers a negative indirect impact to one of its remote partners, Ireland. Figure 7.b. shows that SE has three potential remote partners (i.e., Denmark, Germany, and Ireland), i.e. actors with whom SE has no direct contact. With the UK in the group, Sweden can reach all three remote partners via short two-step connections (i.e., SE-FR-DK, SE-FR-DE, and SE-UK-IE). However, UK’s exit from the group would make the indirect short link SE-UK-IE impossible. Sweden now has no other choice but to resort to a longer and less efficient three-step connection to reach Ireland (i.e., SE-FR-DE-IE). The exact same loss of both direct and indirect connections applies to Ireland, while France and Germany are unaffected in this respect. For Denmark, on the other hand, while it loses a direct partner, the distance to its remote partners Sweden and Ireland are still only two steps away (DK-FR-SE, DK-DE-IE).

This example illustrates that loss in direct partnership does not necessarily entail a loss in closeness. It is this particular feature that makes many collaborative networks quite resilient.

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² *A realpolitik* version of intermediate players is a power broker, who benefits from side parties’ ongoing conflict, sometimes by putting one side against another, other times by seizing opportunities the others ignore in the heat of their own battle.
to the removal of a partner. Closeness centrality focuses on how close a member state is to all other members in the Council. The idea is that a member state is central if it can quickly interact with all other member states. In other words, states with a small total network distance are considered to be more important than those with a high total distance. We quantify closeness by surveying all the shortest paths between member states.

**Betweenness.** As indicated in our discussion of closeness, the UK’s exit from the group is likely to strengthen the positions of some other member states. A typical case here is France in Figure 7.c (in black). First, consider the indirect contact between Sweden and Ireland. After removing the UK, Sweden and Ireland have to rely on France to acquire information about each other (i.e., from SE-UK-IE to SE-FR-DE-IE). So by removing the UK, the importance of France as an intermediary increases. France’s intermediate role is further strengthened in the indirect relationship between Sweden and Denmark. While the two states can rely on two channels to reach each other with the UK in (i.e., SE-UK-DK and SE-FR-DK), after UK’s exit they depend solely on France. Analytically, we use betweenness to capture the changes to intermediate players. We use the number of times a member state acts as a bridge along the shortest path between two other states to quantify betweenness.

The three network statistics – degree centrality, closeness, and betweenness – help reveal important changes to direct partners, remote partners, and intermediate players after Brexit. We calculate the three statistics for each member state before and after removing UK from the 22 committee and working group networks, which were surveyed in 2012 and 2015. Paired t-tests are used to test the significance of the impact of Brexit to individual member states.

**<Figure 8>**

Figure 8 presents our analysis of degree centrality. Member states are ordered by the average post-Brexit degree centrality aggregated over all committees and working groups in the surveys from 2012 and 2015. Three important findings stand out. First, the paired t-tests suggest that over half of the remaining member states (i.e., 15 out of 27) are substantially and significantly affected. This is a result of the fact that the UK has been an active and central member state, with many direct ties to other members. Second, a closer look at these significantly affected countries suggests that they tend to be central and well-connected actors in the group. Specifically, the top eight most well-connected countries all suffer from significant losses in direct partnership when the UK leaves. Third, we find that Denmark, Ireland, the Netherlands, Sweden are likely to suffer most after Brexit. In contrast for member states such as Austria, Belgium, Greece and Spain, the impacts of Brexit on their direct partnership are negligible.

**<Figure 9>**

We then turn to indirect impacts of Brexit and compare changes in the closeness centrality of EU member states (Figure 9). Compared to the broad direct impacts, Brexit exerts a more limited impact on member states’ abilities to reach remote partners. Specifically, paired t-tests show that only nine members are likely to be negatively and significantly affected by Brexit with respect to closeness. The smaller number of countries that are significantly affected in terms of closeness centrality suggests that the existence of dense indirect cooperative ties in the EU Council could mitigate the shock entailed by Brexit. Second, a similar group of countries is negatively affected in terms of closeness centrality as are affected in terms of degree centrality: Denmark, Ireland, Malta, the Netherlands and Sweden are most severely affected.
This suggests that these countries not only have strong direct ties with the UK, but also rely on the UK as an intermediary to reach other member states in various committees.

Finally, we examine the changes to member states’ betweenness centrality as a result of Brexit (Figure 10). First, we observe much larger variations in member states’ betweenness than in degree centrality or closeness. Member states in the Council rely heavily on a few intermediate players, in particular France, Germany and Poland, to reach other remote partners. Second, and consistent with our expectation, the intermediate roles of these central players are further strengthened by UK’s exit from the EU Council. We find that eight countries’ betweenness scores significantly increase by taking the UK out of the networks. Among these eight states, the positions of France, Germany and Poland are particularly strengthened.

*Figure 10*

**Committee-level statistics and comparisons**

We now turn to some network measures that reveal the likely effects of Brexit at the level of the networks as a whole, as distinct from effect on individual states. We calculate and compare two network-level statistics of the EU committees: network density and average path length.

*Figure 11*

**Network density.** Network density can be interpreted as an aggregate measure of actors’ degree centrality. It describes the portion of the potential direct ties in a network that are actual connections. A “potential connection” is a connection that could potentially exist between two countries — regardless of whether or not it actually does. Figure 11 presents the average network densities of the 11 committees surveyed in 2012 and 2015. The first observation is that there are moderate levels of network density across the 11 committees. The overall network density is under 0.20, which confirms our earlier discussion that direct partnership tends to be costly and strategic. It should be noted, however, that our wording in the survey question might underestimate the actual density of cooperative ties in the EU Council. This is so because we only asked for the member states with which the respondent “cooperate most often”. However, this possible underestimation of density does not affect our conclusion about the relative changes associated with Brexit.

The second observation is that there is variation in the extent to which Brexit affects the network density of the committees. In working groups and committees where the UK has been a central actor (i.e. where the UK has had a high degree centrality) Brexit will lead to lower network density. Particularly, the Working Party on the Environment (Env), the Working Party on Tax Questions (Tax), the Political Security Committee (PSC), and the Economic Policy Committee (EPC) will become notably sparser after the UK’s exit. In the Special Committee on Agriculture (SCA), on the other hand, where the UK has a lower than average degree, the post-Brexit network will not experience a decrease in density.

*Figure 12*

**Average path length.** In a sparse network, cooperation can still be efficient if dissimilar members can reach each other easily. We examine the average path length, which to a certain degree can be considered an aggregate measure of closeness. The average path length is quantified as the average number of steps along the shortest paths for all possible pairs of network members. Average path length is commonly considered as the key measure of network efficiency or network separation. Figure 12 reports our analysis of the average path length. The
first and most important observation is that the average path length increases when removing the UK. This reinforces our findings about changes in closeness at the individual state level. Together, these results suggest that Brexit is likely to make the EU Council more separated and less efficient if the member states do not compensate for Brexit by creating new ties. Second, as for changes to specific committees, the Working Party on the Environment (Env), the Working Party on Tax Questions (Tax), and the Economic Policy Committee (EPC) suffer most in terms of efficiency, which is quite similar to our findings on network density.

**Conclusion**

While our findings highlight some of the challenges that the EU will face after the EU leaves, they also suggest several characteristics that may help the EU to be resilient to these challenges. Three are worth highlighting here and lie behind some of our main findings: the clustering of actors’ policy positions on controversial issues; the fluidity of actor alignments on controversial issues; and the stock of network capital held by member states collectively. Firstly, the clustering of actors’ policy positions on controversial issues means that member states are typically not isolated in the positions they take when a controversial issue is discussed in legislative decision-making. Rather, member states usually arrange themselves into a small number of groups. This empirical regularity is in line with a key proposition from liberal international relations theory, according to which states’ preferences are defined by both the balance of domestic interests and significant patterns of international interdependence (Moravcsik 1997: 523). Because member states are embedded in significant patterns of interdependence, their policy preferences are affected by one another, which is consistent with the observed clustering of positions (Leinaweaver and Thomson 2014: 54). A consequence of this clustering is that models of the EU’s legislative processes (e.g. Crombez 1996; Steunenberg 1994; Tsebelis and Garrett 2000) generally make similar predictions of decision outcomes before and after one of the members is removed from the decision-making process. This is because the removal of any one of the actors is unlikely to change the location of the pivotal position on an issue.

Second, the fluidity of actor alignments means that states that agree with each other on some issues disagree with each other on other issues. This overall lack of structure in the positions of member states has been found in previous qualitative and quantitative research (e.g. Nugent 1999: 474; Heyes-Renshaw and Wallace 2006: 250; Thomson 2011). This lack of structure has an important consequence given the dominant mode of cooperative bargaining in the EU, where decision outcomes are most accurately modelled as compromises that take into account the policy positions of all actors (Achen 2006). The consequence is that taking any one of the actors out of the process seldom leads to radically different decision outcomes being adopted.

Third, the stock of network capital held by actors refers to the extent to which those actors are connected both directly and indirectly. Scholarship in the field of network analysis has shown that informal ties are essential to how actors compete for influence and how they solve collective action problems (e.g. Laumann and Knoke 1987; Bardach 1998; Feiock and Scholz 2010). Our findings indicate how the stock of direct and indirect cooperative ties held by individual member states and by the aggregate networks belonging to various committees and working groups remain relatively stable after Brexit. This relative stability will ensure continued communication and exchange of ideas after the EU leaves.

Notwithstanding these sources of resilience, Brexit poses challenges to the remaining EU members. Without an adequate response to Brexit by some of the remaining member states, our analyses suggest that decision outcomes will be somewhat more regulatory rather than
liberal in terms of levels of market intervention, and related to this, somewhat more inclined to provide subsidies. A corollary is that decision outcomes will be somewhat closer to the policy positions typically taken by Spain and further from the positions typically taken by Sweden. This is due to the fact that the overriding lack of structure in member states’ policy positions does not mean a complete absence of structure. The UK has typically been on the free market side of controversies concerning the level of regulatory intervention, and generally an ally of Sweden among other states on a substantial minority of controversial issues.

Similarly, the results of our network analyses indicate noteworthy challenges for some member states and in some committees as a consequence of Brexit. The network positions of the remaining larger member states, in particular France, Germany and Poland, are likely to be enhanced by Brexit. Some smaller and medium sized Northern European states – Denmark, Ireland and the Netherlands and Sweden – confront the toughest challenges in defending their influence in the Council. These are the states with the closest network ties to the UK, and with the most similar policy positions. Moreover, our analysis of the 11 committee and working group networks suggests that the post-Brexit EU networks may be sparser and therefore less efficient.

Considerable uncertainty remains regarding the actual impact Brexit will have on the EU. Our findings are best viewed as indications of the challenges that the remaining states will face, rather than precise predictions of the post-Brexit state of the EU. The effects that are realised will depend at least in part on the way in which the remaining members respond to these challenges. This applies to our analyses of both legislative decision-making and network relations. In the absence of the UK, it may be the case that Denmark, Ireland and the Netherlands and Sweden, as well as some other member states that are most negatively affected, will invest more in the bargaining process to ensure that decision outcomes do not depart from their preferred positions. Network ties are constructed by the actors they connect and are therefore sensitive to the agency of the actors involved. By being aware of and actively responding to these challenges, the EU has the capacity to adapt successfully to the departure of the UK.

References


Figures and tables

What are the positions of the actors regarding the auctioning of carbon credits?

Position 0: No auctioning. Reference point.
Position 100: Maximum possible outcome.
Position 50: 50%
Position 30: 10% by 2012; 15% by 2013.
Position 70: >50%

Figure 1. One of the main controversial issues raised by proposal on the inclusion of aviation in the emission trading scheme
Note: Proposal COD/2006/304. COM: Commission; EP: European Parliament; AT: Austria; BE: Belgium; BU: Bulgaria; CY: Cyprus; CZ: The Czech Republic; DK: Denmark; EE: Estonia; FI: Finland; FR: France; DE: Germany; EL: Greece; HU: Hungary; IE: Ireland; IT: Italy; LV: Latvia; LT: Lithuania; LU: Luxembourg; MT: Malta; NL: The Netherlands; PL: Poland; PT: Portugal; RO: Romania; SI: Slovenia; SK: Slovakia; ES: Spain; SE: Sweden; UK: The United Kingdom.

Figure 2. Similarities between the positions of the UK and each of the other actors.
Note: Based on information on 331 controversial issues from the dataset, Decision-Making in the EU (Thomson et al. 2016; Thomson et al. 2011). “Similar” positions are those on which the UK and the relevant actor took positions located 20 points or less apart on the standardized 0-100 policy scales.
What are the positions of the actors on the issue of the Commission’s competencies with regards to non-Community carriers?

Current integration

More integration

Figure 3. One of the main controversial issues raised by proposal on the operation or air transport services

Note: Proposal COD/2006/130.

What are the positions of the actors on the reduction of fishing opportunities near Mauritania?

Current regulation

More regulation

Figure 4. One of the main controversial issues raised by proposal on fishing opportunities as part of a partnership agreement with Mauritania

Note: Proposal CNS/2008/0093.
Figure 5. The directional impact of Brexit on decision outcomes.

Note: Positive values (greater than zero) indicate outcomes that bring more integration, more regulation, and higher subsidies, as well as outcomes that are closer to the Spanish positions, and further from the Swedish and UK positions. Circles refer to the average impact of Brexit. Bars represent the 95% confidence intervals. Diamonds refer to the minimum and maximum values of the effect found in the DEU issues.
(a) Coreper I (2012, 2015, and combined)

(b) Coreper II (2012, 2015, and combined)

**Figure 6:** Cooperation network in Coreper I and Coreper II
Figure 7: An illustrative example of direct and indirect impacts of Brexit

Note: Countries in **black** are our focus under a specific type of relationship; countries in **red** are negatively affected by removing UK; **blue** countries are unaffected; and countries in **grey** are irrelevant to the relationship of interest.
**Figure 8**: Country-based comparison of changes in degree. **p<0.05
Figure 9: Country-based comparison of changes in closeness. **p<0.05
Figure 10: Country-based comparison of changes in betweenness. **p<0.05
Figure 11: Committee-based comparison of changes in cooperation density.
**Figure 12**: Committee-based comparison of changes in average path length.
### Table 1. The impact of Brexit on decision-making using the procedural model

<table>
<thead>
<tr>
<th>Process</th>
<th>Outcome</th>
<th>Amount of change for different outcomes. Mean (range and s.d.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period and procedure</td>
<td>Same pivot</td>
<td>Different pivot</td>
</tr>
<tr>
<td>EU15</td>
<td>QMV</td>
<td>76</td>
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<tr>
<td></td>
<td>Unan.</td>
<td>37</td>
</tr>
<tr>
<td>EU25/7</td>
<td>QMV</td>
<td>96</td>
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<td></td>
<td>Unan.</td>
<td>8</td>
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<tr>
<td>All</td>
<td></td>
<td>217</td>
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</tbody>
</table>

Note: Frequencies and percentages of issues.

### Table 2. The impact of Brexit on post-enlargement QMV issues re-examined assuming the Lisbon rules

<table>
<thead>
<tr>
<th>QMV rules</th>
<th>Process</th>
<th>Outcome</th>
<th>Amount of change for different outcomes. Mean (range and s.d.)</th>
</tr>
</thead>
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<tr>
<td>Former Nice rules (as in Table 1)</td>
<td>Same pivot</td>
<td>Different pivot</td>
<td>Same outcome</td>
</tr>
<tr>
<td></td>
<td>96</td>
<td>7</td>
<td>99</td>
</tr>
<tr>
<td>New Lisbon rules</td>
<td>95</td>
<td>8</td>
<td>98</td>
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</table>

Note: Frequencies and percentages of issues. EU25/27 QMV cases.
Table 3. The impact of Brexit on decision-making outcomes using a bargaining model

<table>
<thead>
<tr>
<th>Period and procedure</th>
<th>Same outcomes</th>
<th>Different outcomes</th>
<th>Amount of change for different outcomes. Mean (range and s.d.)</th>
</tr>
</thead>
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<tr>
<td><strong>EU15</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>QMV</td>
<td>10 (9%)</td>
<td>104 (91%)</td>
<td>4.45 (.01 – 12.59; 3.25)</td>
</tr>
<tr>
<td>Unan.</td>
<td>11 (19%)</td>
<td>48 (81%)</td>
<td>5.29 (.13 – 20.71; 4.35)</td>
</tr>
<tr>
<td><strong>EU25/7</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QMV</td>
<td>25 (17%)</td>
<td>120 (83%)</td>
<td>3.41 (.01 – 18.23; 3.38)</td>
</tr>
<tr>
<td>Unan.</td>
<td>3 (23%)</td>
<td>10 (77%)</td>
<td>2.63 (.63 – 8.89; 2.38)</td>
</tr>
<tr>
<td>All</td>
<td>49 (15%)</td>
<td>282 (85%)</td>
<td>4.08 (.01 – 20.71; 3.55)</td>
</tr>
</tbody>
</table>