

Does bicameralism promote stability? Inter-institutional relations and coalition formation in the European Parliament

Rory Costello

Abstract

In the European Parliament, different coalitions form from one vote to the next. To understand the process of coalition formation it is necessary to consider the inter-institutional context in which decisions are made. This paper develops hypotheses regarding how changes in the relations between the European Parliament and the Council of Ministers affect coalition formation in the European Parliament. The hypotheses are tested using roll-call data from the 5th parliamentary term. In line with expectations, it is found that coalition patterns are more consistent in relation to final decisions under the codecision procedure (when both institutions come to an agreement) than they are under the consultation procedure. Furthermore, the closer relations between the institutions have increased the importance of the median party group on the left-right dimension in coalition formation.

Author version of article published in West European Politics 34:1 (2011), pp. 122-144.

Successive treaty reforms have enhanced relations between the European Union's two legislative institutions, the European Parliament (EP) and Council of Ministers. Under the consultation procedure the EP has had a primarily advisory role in legislative decision making and the Council has not been obliged take its opinion on board. In contrast, legislation must be passed by majorities in both the EP and the Council under the growing range of policy areas covered by the codecision procedure. While the EU institutions are not typical legislative chambers, in terms of the decision rule the legislative system of the EU is now similar to that of countries such as the United States, Germany and Switzerland, which have been classified as being 'strongly bicameral' (Lijphart 1999: 212). It has often been claimed that decision-making under bicameralism is more stable and predictable than decision-making under unicameralism (Tsebelis and Money 1997; Hammond and Miller 1987; Riker 1992). This paper considers whether the closer relationship between the EP and the Council, brought about by treaty reforms, has increased the stability and predictability of coalition formation in the EP.

Previous studies of coalitions in the EP have not explicitly taken the relationship between the EP and the Council into account (e.g. Hix *et al.* 2005; Kreppel 2000). Yet this is an important consideration for two reasons. First, there are strong reasons to expect that relations with the Council will influence which coalition forms in the EP. Second, coalitions that are involved in reaching an agreement with the Council under the codecision procedure are arguably more important than other coalitions that form in the EP, because the decisions they reach are binding. This is not the case for the decisions reached by preliminary coalitions under the codecision procedure that fail to reach an

agreement with the Council, or for the decisions reached by coalitions that form under the consultation procedure.

Drawing on the theoretical literature on bicameralism, expectations are developed regarding the differences between EP coalitions that reach agreements with the Council under the codecision procedure and coalitions that form comparatively independently from the Council under the consultation procedure. These expectations relate to aspects of the stability that bicameralism is believed to induce. First, it is argued that there are often multiple possible coalitions in the EP that could form in favour of different alternatives; but when the EP forms a joint majority with the Council the number of possible coalitions is reduced. Consequently, there is expected to be greater variation in the coalitions that form in the EP under the consultation procedure compared to final coalitions that form under the codecision procedure (i.e., coalitions associated with agreements with the Council). Furthermore, in forming a joint majority with the Council, certain parties in the EP are expected to be pivotal. In this way, the changing relationship between the EP and the Council brought about by the creation and extension of the codecision procedure is expected to affect the balance of power among party groups within the EP. These claims are tested using data from roll-call votes in the EP during the 5th parliamentary term, from 1999 to 2004.

As well as contributing to the literature on coalition formation in the EP, this paper fills a gap in the broader literature on bicameralism. The claim that bicameralism promotes stability and empowers certain actors has strong theoretical foundations (Hammond and Miller 1987; Humphreys 2008; Tsebelis and Money 1997) and is supported by experimental evidence (Miller *et al* 1996; Bottom *et al* 2000), but it has

rarely been tested in a real-world setting. This is primarily due to the difficulties associated with identifying the unique effect of institutions when these institutions usually only vary between political systems. As Miller *et al* (1996: 85) point out, ‘the problem of sorting out the effect of bicameralism in a world in which no other factors are held constant is almost insurmountable’. The potential for variation in coalition formation found in the EP, together with the changing relationship between the institutions, makes this an excellent case for testing the effects of bicameralism while avoiding the pitfalls associated with cross-national research.

The paper is organised as follows. First, the relations between the EP and the Council are described under the consultation and codecision procedures. Next, the theoretical literature on coalition formation under unicameralism and bicameralism is introduced and expectations are developed regarding the effect of inter-institutional relations on coalition formation in the EP. The data are described and the empirical analysis carried out in the subsequent sections. The paper concludes by discussing the implications of the findings for our understanding of bicameralism in general and coalition formation in the EP in particular.

Relations between the European Parliament and Council of Ministers

Relations between the EP and the Council in legislative decision making are shaped by the formal legislative procedures. During recent years most legislation has come under either the consultation or the codecision procedure. Under the consultation procedure, the EP offers its opinion on a proposal from the Commission, and this opinion is sent to the

Council. The Council, however, is under no obligation to take the EP's opinion into account: the only coalition necessary to pass the legislation is a qualified majority (or on some policy areas unanimity) of member states in the Council. Kardasheva (2009) finds that the majority of amendments proposed by the EP under consultation are indeed ignored by the Council. Most observers therefore view the consultation procedure as a game between the Commission and the Council that excludes the EP (e.g. Crobez 1996, Tsebelis and Garrett 2000).

In contrast, there is significant interaction between the EP and the Council under the codecision procedure. Once the original proposal has been issued by the Commission, the EP and the Council have complete and equal power to decide on the outcome; the final adopted text must be approved by both institutions. In common with many other bicameral legislatures, differences between the EP and the Council under codecision are resolved through a series of amendment rounds and through direct negotiation. The EP is always the first to issue its position (known as the 'first reading opinion'), which generally consists of a series of amendments to the original proposal. Acting by qualified majority¹, the Council can then either adopt the EP first reading or issue its own alternative draft of the bill, known as the 'common position'. If the Council issues a common position, the EP has a second reading when it can approve, reject or amend the common position, this time acting by absolute majority. Second reading amendments by the EP can be approved by the Council (again by qualified majority). If not, then a Conciliation Committee forms to try and overcome the inter-institutional differences; the joint text produced by this committee is then submitted back to the EP and the Council for a 'take it or leave it' vote.

Agreements can be reached between the EP and the Council at various stages of the codecision procedure. These agreements are often the result of direct negotiation between both sides. This is always the case for agreements reached in the Conciliation Committee, but it can also occur for agreements at earlier stages. Informal negotiations can take place at various stages of the legislative process in ‘trialogue’ meetings between key members of each institution (see Farrell and Héritier 2004). These meetings provide actors on either side with important information regarding the range of feasible outcomes. In this way, it becomes possible for decisions to be reached without recourse to the Conciliation Committee. For instance, the EP can adopt amendments in its first reading that are acceptable to a qualified majority in the Council, which in turn passes the legislation. Alternatively, ‘early agreements’ can occur whereby a text produced in triologue meetings is submitted to the EP plenary at first reading for approval.

There are therefore significant differences in the relations between the EP and the Council under these two legislative procedures. As the EP is largely sidelined under the consultation procedure, the impact of inter-institutional factors on internal political processes is likely to be relatively limited and coalition formation in the EP can be assumed to approximate a ‘unicameral’ situation². For codecision dossiers, ultimately a coalition must form that includes majorities in both institutions if legislation is to be adopted. Final coalitions that form to pass legislation under codecision can therefore be described as bicameral coalitions. It should be stressed that not all coalitions that form in the EP under codecision can be described in this way. For instance, when the process continues into the second or third readings, the decision reached by the coalition that formed in the EP at the first reading was clearly not supported by a qualified majority in

the Council. In recent years, there has been a growing tendency for agreements to be reached at an early stage (European Parliament, 2008, Part B), so it is increasingly the case that the only coalitions that form in the EP under the codecision procedure are those that form an agreement with the Council. Under the period examined in this paper (1999-2004), it was more common for codecision proposals to undergo several readings prior to adoption.

Three categories of EP coalitions can therefore be distinguished: coalitions that form under the consultation procedure, where the effect of inter-institutional relations is assumed to be small; preliminary coalitions that form under the codecision procedure that are not associated with an agreement with the Council; and final coalitions that form under the codecision procedure that are part of a joint (bicameral) majority. To the extent that bicameral decision making affects coalition patterns, these effects should be observed when comparing final coalitions under the codecision procedure with coalitions that form under the consultation procedure. The other category, preliminary codecision coalitions, is less clear-cut: there may have been considerable interaction between the institutions prior to the formation of the coalition, but a joint majority was not found in favour of any position. The next section develops expectations regarding how changes in inter-institutional relations influence which coalitions form in the EP.

Coalition formation in the EP under unicameralism and bicameralism

Unicameral coalition formation

Models of legislative coalition formation have emphasised the importance of party size and ideology (c.f. Martin and Stevenson 2001)³. Assuming that parties are motivated primarily by a desire to reap the rewards of government office, Riker (1962) posited that ‘minimal winning’ coalitions (i.e. coalitions that do not contain any parties that are not essential to reaching the majority threshold) should form. However, in legislatures such as the EP that do not form a government, there are no spoils of office at stake in coalition formation. Rather, parties are competing over policy alternatives and the most important consideration is the policy preferences of the parties. Axelrod (1970) argued that for policy-motivated parties, only coalitions that are ‘connected’ in terms of their position on the main ideological dimension will form. To form a majority, connected coalitions must include the party with the median legislator on this dimension (Black 1958, Laver and Schofield 1990: 111). However, in complex (multi-dimensional) decision making scenarios, there is no equivalent of the median legislator or median party. There are typically several alternatives preferred to the status quo by different majorities; and it may be possible to construct a majority coalition among policy-driven parties to defeat any alternative (see McKelvey 1976).

Contestation among legislative actors in the EU is generally thought to take place along two dimensions: the socio-economic left-right dimension, and a dimension capturing differences over the desired level of EU integration (Marks and Steenbergen 2002; Hix 1999). These dimensions of conflict reflect the central policy concerns of the EU, which include the deepening of integration and harmonisation among member states and the regulation of the single market. In most decision-making situations in the EU, both of these issues tend to be at stake: legislative proposals, for example, typically

generate differences over both the scope of the legislation (an EU integration issue) and the content of the legislation (typically a left-right issue) (see Marks and Steenbergen 2002). Empirical work shows that both these dimensions, but particularly the left-right dimension, are important in shaping contestation between the party groups in the EP (Hix *et al.* 2007: 180).

Table 1 shows the number of MEPs in each party group following the 1999 elections, the period on which this paper focuses. The total number of MEPs was 626. The ordering of the party groups in this table (with the exception of the non-attached/independent MEPs) is left to right, according to the estimates of the McElroy and Benoit (2007) expert survey of party group positions. On the integration dimension, the main parties of the centre-left and centre-right, including EPP, PES, ALDE and also GRN, are all relatively pro-integration. Only the smaller parties on the left (EUL) and the right (UEN, EDD) are more euro-sceptic.

Table 1. Membership of the European Parliament, 1999-2004, by party group

Party Group	Seats
EUL (European United Left)	42 (6.7%)
GRN (European Federation of Green Parties & European Free Alliance)	48 (7.6%)
PES (Party of European Socialists)	180 (28.7%)
ALDE (Alliance of Liberals and Democrats for Europe) ¹	50 (7.9%)
EPP (European People's Party)	233 (37.2%)
UEN (Union for a Europe of Nations)	31 (4.9%)
EDD (Europe of Democracy and Diversity)	16 (2.5%)
Non-attached/ independent	26 (4.1%)
Total	626 (100%)

¹ This group was known as ELDR (European Liberal Democrat and Reform Party) at the time.

On decisions where the only dimension of conflict is left-right, it can be expected that the median party on this dimension will be pivotal to coalition formation in the EP. However, when decision-making in the EP involves more than one dimension of conflict (for instance, when there are also divisions between and within party groups on the integration dimension), this might upset any equilibrium and allow for coalitions to form that do not include the median party group on the left-right dimension. Indeed, evidence from voting records suggests that coalition formation in the EP is subject to considerable variation, particularly in recent years. For instance, Hix *et al* (2007, 119) examine recorded votes to determine the frequency with which each party was a member of the winning coalition. During the 5th parliamentary term (1999-2004), all groups were found to be on the winning side at least 40% of the time and no group was on the winning side more than 63% of the time. Even within particular policy areas, significant variation occurs in coalition formation⁴. This variation is consistent with the view that multiple majority coalitions are feasible in the EP in any given situation and that coalition formation is subject to instability.

Bicameral coalition formation

Bicameralism has often been championed as a solution to the instability problem in majority rule, and may make coalition formation more predictable in the EP. For Riker (1992: 111), bicameralism is desirable because it reduces voting cycles by making changes to the status quo more difficult. This can be shown graphically using a spatial representation of legislators' ideal points, under the standard assumption of Euclidean

preferences. Figure 1 shows the indifference curves (i.e. the set of points preferred to the status quo (SQ)) of 7 actors: P_1 to P_3 in the European Parliament and C_1 to C_4 in the Council (P_2 and C_2 occupy the same position in this illustration). These actors can be viewed as political parties and member state governments.

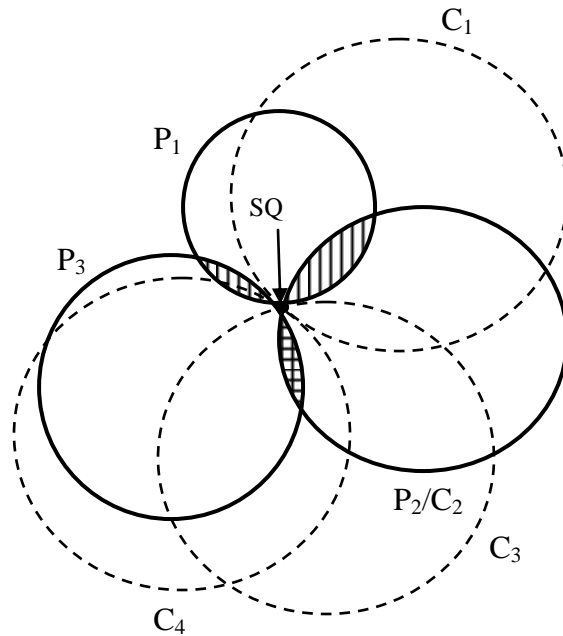


Figure 1. Winset of the status quo under unicameralism and bicameralism. Chamber P decides by simple majority (2/3); chamber C decides by qualified majority (3/4). The winset of the status quo for Chamber E is denoted by single- and cross-hatched areas; the winset of the status quo for both chambers deciding together is indicated by the cross-hatched area.

Assume for the moment any combination of two of these parties in the EP is enough to reach the majority threshold, while in the Council any combination of 3 out of 4 member states can reach the majority threshold. This illustration provides a way to see how coalition formation differs under unicameralism and bicameralism. The points preferred to the status quo by a majority in the EP (the ‘winset’ of the status quo) are included in the hatched and cross-hatched areas. For instance, the coalition (P_1, P_3) would

favour a move to any of the points contained hatched area to the left of the status quo. Indeed, if the EP was deciding alone, any combination of two parties could form a coalition to change the status quo. The points preferred to the status quo by majorities in *both* chambers are given by the cross-hatched area below the status quo. This time, only one coalition (P₃, P₂, C₃, C₂, C₄) favours a move away from the status quo.

Generally, unless both institutions have exactly overlapping preferences, fewer alternatives are preferred to the status quo by majorities in both institutions than by a majority in one (Tsebelis 2002: 141). A greater number of possible majority coalitions are therefore expected to exist when the EP decides alone compared to when it decides together with the Council. Furthermore, if the party groups and member states tend to take similar positions relative to each other across different issues, then a coalition that is not feasible for one decision when the two institutions decide together will also be unfeasible for many other decisions when they decide together. This implies that coalition formation in the EP will be more consistent for final decisions under the codecision procedure than it is under the consultation procedure. Keeping in mind that coalitions are revealed through voting behaviour, these considerations lead to the first hypothesis:

H1: Coalition patterns in the EP are more consistent on final votes under the codecision procedure than on votes under the consultation procedure.

The first hypothesis does not depend on any assumptions about the positions that EP party groups and member states take relative to each other (only that they have non-

identical preferences). However, the literature on EU decision making does point to some clear patterns in this regard, which make it possible to develop more precise expectations about how inter-institutional relations affect coalition formation in the EP. It is generally argued that the main policy differences between the EU institutions arise in relation to the integration question. According to Tsebelis and Garret (2000), the EP can be characterised as a pro-integration outlier relative to the member states, as integration increases the power of supranational institutions relative to the member state governments (see also Sandholtz and Stone Sweet 1998; Hörl *et al* 2005). While there are euro-skeptic parties in the EP, all of the main party groups tend to be broadly in favour of enhancing the power of supranational institutions and increasing the scope of EU competence, while member state governments tend to be more protective of their national sovereignty. On the left-right dimension, institutional interests are less relevant and party composition more important. There is considerable overlap in the party composition of the two chambers; both are dominated by parties on the centre-left and centre-right (Manow and Döring 2008).

Figure 2 provides an illustration of bicameral decision-making when the two chambers have 'separated' preferences on the dimension of integration and overlapping preferences on the left-right dimension. For presentational purposes, the ideal points of the legislative actors are shown, rather than the points they prefer to the status quo. Alternatives that are far from the preferences of actors in both chambers will easily be defeated by large coalitions (just as they would if each chamber decided alone). Alternatives that lie between the two chambers are more difficult to change by a joint majority. In particular, movements along the vertical dimension will be blocked by one of

the two chambers. For example, if the current proposal (or status quo) in Figure 2 is at the point SQ_1 , then counter proposals that involve movements along the integration dimension will not gain the support of a majority in both institutions. Only movements on the left-right dimension will receive the support of a majority in both chambers. In this case, a coalition of $(C_2, C_3, C_4, P_2, P_3)$ can agree to alternatives in the hatched area to the right of SQ_1 , which represents intersection of the indifference curves of these actors.

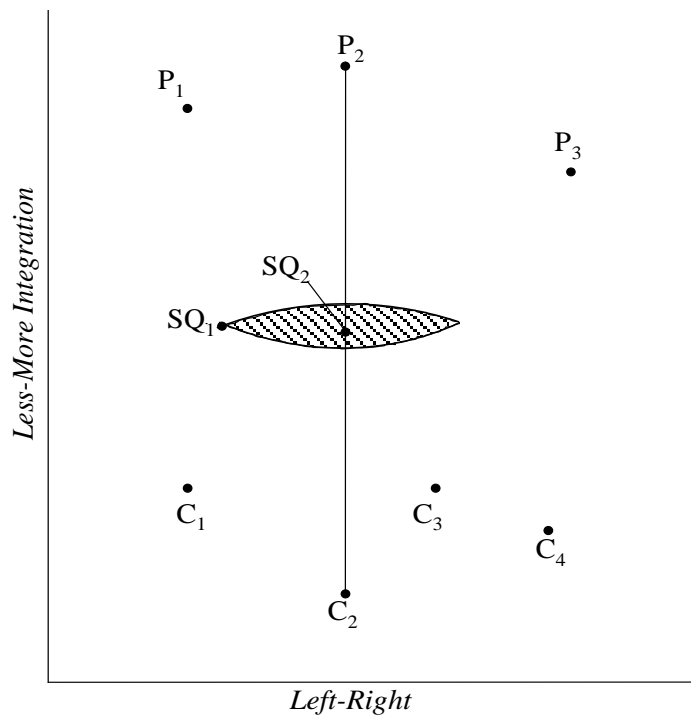


Figure 2. Winset of the status quo for two chambers with ‘separated’ preferences. Chamber P decides by simple majority (2/3); chamber C decides by qualified majority (3/4).

What is particularly interesting about the decision making situation depicted in Figure 2 is that pivotal actors emerge in each institution. Hammond and Miller (1987) first observed the potential of bicameralism to produce pivotal players in two-

dimensional situations when the chambers have separated preferences, even though no pivotal players would exist in a two-dimensional situation under unicameralism (see also Humphreys 2008). Pivotal players emerge because movements are only possible along one dimension. As was previously noted, under simple majority rule movements along one dimension must have the support of the median voter. In the example shown in Figure 2, movements along the left-right dimension must have the support of P_2 in the Parliament. Similarly, in the Council the pivotal actor is C_2 ⁵. An equilibrium outcome in Figure 2 occurs between the ideal points of these two actors – for instance, at position SQ_2 . Not only does bicameralism reduce the number of feasible coalitions, but when the chambers are separated on one dimension the only feasible coalitions are those that contain the median party on the dimension on which the preferences of the chambers overlap.

If the positions of actors are similar to that describe in Figure 2, any bicameral coalition that forms to defeat the status quo can therefore be expected to contain the median party in the EP on the left-right dimension. Movements on the integration dimension, in contrast, will not be determined by the process of coalition formation. Rather, the bicameral coalition that forms to change the status quo must decide by way of bargaining amongst its members where exactly on the integration dimension the outcome will lie⁶. These considerations lead to the second hypothesis:

H2: The median party in the EP on the left-right dimension is more likely to be a part of the winning coalition on final votes under the codecision procedure than on votes under the consultation procedure.

Data and measurement

The hypotheses are tested using roll-call data from the EP collected by Hix *et al* (2007). Roll-calls are taken in the EP at the request of a party group or a group of MEPs, and tend to take place for roughly one-third of all votes. While it is possible that roll-calls are requested for strategic reasons, for example to demonstrate group cohesion or to embarrass opponents (see Carrubba *et al.* 2006), there is unlikely to be a bias in terms of coalition patterns or the frequency with which each group is on the winning side. The analysis is restricted to votes from the 5th EP parliamentary term (1999-2004). This represents the first term in which the present version of the codecision procedure has been used. The implications of this choice are discussed in the conclusion.

The focus is on votes coming under the codecision and consultation procedures. Only first reading votes are examined. On these votes, the EP is responding to the initial proposal from the Commission with a series of amendments. By examining the subsequent action of the Council, it is possible to establish whether or not the coalitions that formed in the EP were associated with the final decision under the codecision procedure. If the Council adopts the EP version of the bill, then the majority that formed in the EP was clearly supported by a qualified majority in the Council⁷. If the Council instigates a second round by sending a new version back to the EP, then the coalition that formed in the EP at the first reading was not part of a joint majority with the Council.

Second and third reading votes are not included in the analysis for a number of reasons. First, the requirement for an absolute majority in the EP at the second reading

will in itself affect coalition formation, so it is easier to detect the effects of bicameral decision making when focusing on first reading votes. Furthermore, second reading votes in the EP are a direct response to the Council common position. This means that all coalitions that form in the EP in favour of amendments at the second reading are opposed to some aspect of the Council position. When a majority in the EP accepts the Council position, however, there are generally no amendments adopted, and consequently few recorded votes. For third readings, amendments are not tabled in the EP, so there are very few recorded votes available from this stage. Votes on proposals that were later withdrawn are also excluded from the analysis, as on these votes it is not possible to determine whether or not there was a joint majority with the Council (i.e., whether both the EP and the Council agreed to the withdrawal, or one or other institution exercised its veto).

Several votes can be recorded in relation to any given proposal. There are a total of 1,498 votes available for analysis, related to 346 legislative proposals. The hypotheses imply that coalitions in the EP will be different depending on whether or not they are associated with a final decision under codecision. In line with the threefold classification developed earlier, votes are divided into the following categories: votes coming under the consultation procedure; votes coming under the codecision procedure that are not associated the final outcome; and final votes coming under the codecision procedure which are associated with the outcome. Table 2 gives a breakdown of the votes and proposals in the dataset according to these three categories.

Table 2. Selection of legislative proposals and votes.

	Consultation	Codecision (Not final)	Codecision (Final)	Total
Proposals	187	127	32	346
Votes	699	704	95	1498

The first hypothesis implies that coalition patterns in the EP on final votes under codecision will be more consistent than coalition patterns on votes under the consultation procedure. To study patterns of coalition formation, it is first necessary to determine the voting position of each party group. While groups are generally quite cohesive when it comes to recorded votes, they are not unitary actors. For the purposes of this analysis, the position of a group on any given vote is taken as the position of the majority of its MEPs, excluding those absent or abstaining. For instance, if 40% of a particular group vote yes, 15% vote no, 15% abstain and the remaining 30% are absent, that party is recorded as taking a 'yes' position.

There are a large number of potential coalitions of various sizes among the seven party groups. The simplest way to analyse patterns of coalition formation is to look at the voting behaviour of each pair of parties. As there are 21 pairs among the EP party groups, and each pair can be examined for each vote, there are a total of $21 \times 1,498 = 31,458$ observations for this analysis (14,679 observations for votes under the consultation procedure, 14,784 observations for votes not associated with final decisions under codecision, and 1,995 observations for final codecision votes).

The variable 'Party Pairs' identifies the 21 different pairs of party groups. The dependent variable in testing the first hypothesis is the dichotomous variable 'Coalition', which indicates for each observation whether or not the pair of parties referred to in the

case voted together. If coalition patterns are consistent across votes (i.e. some parties nearly always vote together while other parties rarely vote together), then the value on the dependent variable will be strongly related to the variable 'Party Pairs'. If the patterns of coalition behaviour are not consistent, the relationship between these two variables will be weak. It is expected that the relationship between these two variables will be stronger for the category of votes associated with final decisions under codecision than for votes under consultation.

The second hypothesis concerns the distributional aspects of bicameral decision making. Specifically, it is expected that bicameral agreements will generally require the support of the median party on the left-right dimension. Of course, the median party in the EP on the left-right dimension is likely to be an important player in forming winning coalitions even when agreements are not reached with the Council; however, it is expected that this party will be even more likely to be part of the majority on votes associated with final decisions under codecision. Most commentators agree that the ALDE group occupied the median position on this dimension during this period (e.g. Hix *et al* 2007; McElroy and Benoit 2007). The dichotomous variable 'ALDE membership of winning coalition' indicates for each vote whether or not the ALDE group was on the winning side in the EP.

Analysis

Consistency of coalition patterns

Table 3 shows the relationship between the variables ‘Coalition’ and ‘Party Pairs’ for each category of votes. Under the consultation procedure, the most common voting alliance was between the EUL and PES parties, who voted together on 534 out of the 699 votes or 76% of the time; while the least common voting alliance was between EUL and UEN, who voted together 42% of the time. For votes under the codecision procedure that are not associated with final decisions, the most common voting partnership was EUL and GRN (84%) and the least common was EUL and UEN (45%). For final codecision votes, the most and least common voting partnerships were EUL-GRN (92%) and EUL-EPP (29%).

Cramer’s V, a measure of association for categorical variables ranging from 0 to 1, is used to measure the strength of the relationship between these two variables. This measure is based on a comparison of the observed frequency of coalition formation for each pair of parties with the frequency that would be expected by chance. Cramer’s V would take on a value of 0 if all pairs of parties were equally likely to vote together; and would move towards 1 as the differences between the different pairs of parties increased. For the votes under the consultation procedure, Cramer’s V has a value of 0.23, indicating a moderate relationship between the variables. For votes under the codecision procedure that are not associated with final decisions, the strength of the relationship is roughly the same (Cramer’s V=0.22). In contrast, the relationship is noticeably stronger for final codecision votes (Cramer’s V=0.35). The differences across these three categories of votes provides support for the first hypothesis, as coalitions followed more consistent patterns on votes associated with final decisions under codecision.

Table 3. ‘Coalition’ by ‘Party Pairs’ (number and percentage of votes). Results divided according to vote category.

Party pairs	Consultation			Codecision (Not final)			Codecision (Final)		
	No	Yes	Total	No	Yes	Total	No	Yes	Total
EUL/GRN	166 (24%)	533 (76%)	699 (100%)	115 (16%)	589 (84%)	704 (100%)	8 (8%)	87 (92%)	95 (100%)
EUL/PES	165 (24%)	534 (76%)	699 (100%)	179 (25%)	525 (55%)	704 (100%)	23 (24%)	72 (76%)	95 (100%)
EUL/ALDE	209 (30%)	490 (70%)	699 (100%)	316 (45%)	388 (55%)	704 (100%)	38 (40%)	57 (60%)	95 (100%)
EUL/EPP	388 (48%)	361 (52%)	699 (100%)	415 (59%)	289 (41%)	704 (100%)	69 (73%)	26 (27%)	95 (100%)
EUL/UEN	404 (58%)	295 (42%)	699 (100%)	387 (54%)	317 (45%)	704 (100%)	57 (60%)	38 (40%)	95 (100%)
EUL/EDD	339 (49%)	360 (51%)	699 (100%)	294 (42%)	410 (58%)	704 (100%)	35 (37%)	60 (63%)	95 (100%)
GRN/PES	187 (28%)	512 (73%)	699 (100%)	168 (24%)	536 (76%)	704 (100%)	25 (26%)	70 (74%)	95 (100%)
GRN/ALDE	207 (30%)	492 (70%)	699 (100%)	283 (40%)	421 (60%)	704 (100%)	38 (40%)	57 (60%)	95 (100%)
GRN/EPP	342 (49%)	357 (51%)	699 (100%)	384 (55%)	320 (45%)	704 (100%)	69 (73%)	26 (27%)	95 (100%)
GRN/UEN	404 (58%)	295 (42%)	699 (100%)	380 (54%)	324 (46%)	704 (100%)	57 (60%)	38 (40%)	95 (100%)
GRN/EDD	339 (49%)	360 (51%)	699 (100%)	301 (43%)	403 (57%)	704 (100%)	39 (41%)	56 (59%)	95 (100%)
PES/ALDE	136 (19%)	563 (81%)	699 (100%)	249 (35%)	455 (65%)	704 (100%)	17 (18%)	78 (82%)	95 (100%)
PES/EPP	227 (32%)	472 (68%)	699 (100%)	304 (43%)	400 (57%)	704 (100%)	46 (48%)	49 (52%)	95 (100%)
PES/UEN	331 (47%)	368 (53%)	699 (100%)	322 (46%)	382 (54%)	704 (100%)	36 (48%)	59 (62%)	95 (100%)
PES/EDD	326 (47%)	373 (53%)	699 (100%)	301 (43%)	403 (57%)	704 (100%)	46 (48%)	49 (52%)	95 (100%)
ALDE/EPP	229 (33%)	470 (67%)	699 (100%)	289 (41%)	415 (59%)	704 (100%)	37 (39%)	58 (61%)	95 (100%)
ALDE/UEN	335 (48%)	364 (52%)	699 (100%)	299 (42%)	405 (58%)	704 (100%)	25 (26%)	70 (74%)	95 (100%)
ALDE/EDD	310 (44%)	389 (56%)	699 (100%)	298 (42%)	406 (58%)	704 (100%)	51 (54%)	44 (46%)	95 (100%)
EPP/UEN	198 (28%)	501 (72%)	699 (100%)	160 (23%)	544 (77%)	704 (100%)	12 (13%)	83 (87%)	95 (100%)
EPP/EDD	283 (40%)	416 (60%)	699 (100%)	327 (46%)	377 (54%)	704 (100%)	48 (51%)	47 (49%)	95 (100%)
UEN/EDD	231 (33%)	468 (67%)	699 (100%)	265 (38%)	439 (62%)	704 (100%)	44 (46%)	51 (54%)	95 (100%)
Total	5,706 (39%)	8,973 (61%)	14,679 (100%)	6,036 (41%)	8,748 (59%)	14,784 (100%)	820 (41%)	1,175 (59%)	1,995 (100%)
Cramer’s V	0.23			0.22			0.35		

Frequency with which ALDE is part of the winning coalition

Figure 3 shows the proportion of votes for which each party group was on the winning side, for each of the three categories of votes. For the 699 votes under the consultation procedure, the PES group was the most frequent majority party, being on the winning side 89% of the time, while the party least often on the winning side was EDD, at 55%. For the 704 votes under the codecision procedure that were not associated with final decisions, the ordering of party groups is broadly similar, but the differences between the winners and losers is not as large. In support of Hypothesis 2, ALDE is on the winning side an impressive 94% of the time for the 95 votes associated with final decisions under codecision, more than any other party group. Furthermore, the differences between winners and losers are more noticeable for these votes: ALDE is on the winning side more than twice as often as EDD, for instance.

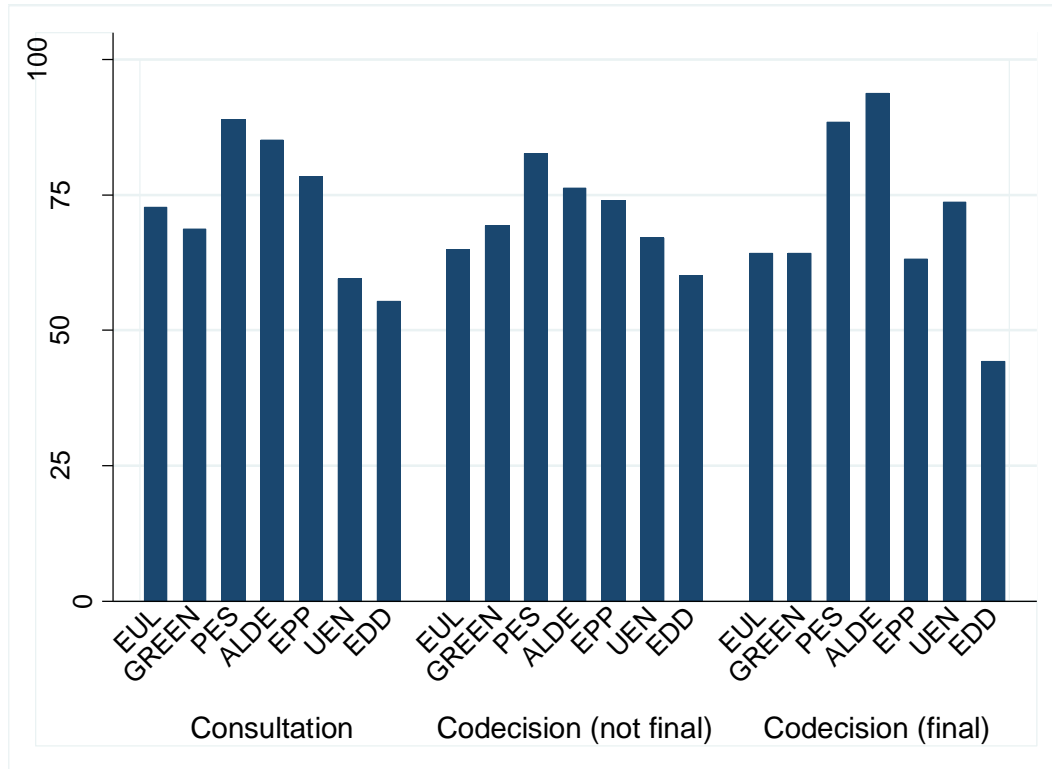


Figure 3. Frequency with which each EP party group was in the winning coalition for each category of votes.

Table 4 compares the number of times ALDE was on the winning side for the three categories of votes. For votes under the consultation procedure, ALDE was on the winning side 85% of the time; this drops to 75% for codecision votes that are not associated with final decisions; while as noted above, ALDE is on the winning side for 95% of final codecision votes. Pearson’s chi-square is a test of independence for categorical variables. In this case, the null hypothesis that the frequency with which ALDE is on the winning side is unrelated to the category of votes can be rejected. When the comparison is made between consultation votes and final codecision votes, the results are also significant (chi-square=5.14; $P < 0.05$). This provides further support for the second hypothesis.

Table 4. ALDE membership of winning coalition, by vote category (number and percentage of votes).

	Consultation	Codecision (Not final)	Codecision (Final)	Total
ALDE defeated	104 (15%)	167 (24%)	6 (6%)	277 (18%)
ALDE winning	595 (85%)	537 (76%)	89 (94%)	1,221 (82%)
Total	699 (100%)	704 (100%)	95 (100%)	1,498 (100%)

Pearson's chi-square: 28.18. P<0.00

The results presented here do not take into account the possibility that other variables affect the stability of coalition patterns and the frequency with which the ALDE group is on the winning side. Appendix 1 repeats these analyses, while introducing controls for the size of coalitions and for policy area. The relationships are not affected by the introduction of these controls. It is also possible that the results are affected by the decision to examine individual votes rather than entire proposals, as votes from the same proposal are not necessarily independent. For this reason, Appendix 2 repeats the main analyses at the level of proposals. The findings are broadly consistent regardless of which level of analysis is used.

Conclusion

Coalition formation in the European Parliament cannot be fully understood without reference to the external decision making context. The most significant source of variation in this respect is relations with the Council of Ministers. Under the codecision procedure, the EP and the Council must eventually come to an agreement; this requirement is absent under other procedures. Previous research on patterns of coalition formation in the EP has found that legislative procedure in itself is not an important

determinant of coalition behaviour (Hix *et al.* 2005, Kreppel 2000). However, the theoretical literature on bicameralism suggests that it is the process of forming a joint majority, rather than the legislative procedure *per se*, that is important. This paper has drawn on that literature to develop and test expectations regarding the effect of changes in inter-institutional relations on coalition formation in the EP.

It has often been claimed that decision making by way of joint majority is more stable than decision making under single majority rule. A number of implications of this for coalition formation were developed here. Under unicameralism, many different coalitions (and many different outcomes) might be possible in any given situation. This means that in the absence of other constraints there will be significant variation in coalition formation from one vote to the next, even when legislative actors take similar positions relative to each other. In contrast, the number of feasible coalitions in a given situation will tend to be relatively small under bicameralism, and there will consequently be greater consistency in coalition patterns. In the case of the EP, this implies more consistent coalition patterns on votes associated with final decisions under the codecision procedure compared to votes under the consultation procedure.

Another implication of bicameral stability that was tested here concerns which coalitions form. Of the two major dimensions of contestation in the EU, the integration dimension gives rise to significant differences between legislative actors in the EP and the Council, while the left-right dimension is associated with greater overlap between the two institutions. When both institutions decide by way of joint majority, often the only feasible coalition is one which favours changes on the left-right dimension. This places the median party in the EP on the left-right dimension in a pivotal position for coalition

formation. The pivotal actor in the EP was identified as the ALDE group, who were therefore expected to be on the winning side more often on votes associated with final decisions under codecision than for votes under the consultation procedure.

The results support these expectations. On votes associated with final decisions under the codecision procedure, coalition patterns in the EP were more clearly defined and consistent, and winning coalitions more often included the ALDE group, compared to votes under the consultation procedure. Given its location as the median actor in the EP on the dimension where bicameral coalitions are most likely to form, the support of the ALDE group was crucial to codecision agreements during the period analysed.

Joint decision making under the codecision procedure therefore creates clearly defined winners and losers among the EP party groups. The extension of the codecision procedure under the Lisbon Treaty can be expected to further enhance these developments. However, which parties are on the winning and losing side is also influenced by the composition of the EP. The analysis in this paper was restricted to the 5th EP term (1999-2004). The composition of the EP did not change substantially in the following term (2004-2009); changes following the 2009 elections were more substantial, with the Socialists in particular losing out. Nevertheless, the ALDE group is likely to continue to occupy a pivotal position during the 7th EP parliamentary term.

Another change that has occurred in more recent legislative terms has been a growing tendency for the EP and Council to reach agreements at an early stage. Between 1999 and 2004, 28% of codecision proposals were agreed at the first reading stage; this increased to 64% between 2004 and 2007 (European Parliament 2008, Part B). This is evidence of a learning process, whereby contacts between the institutions has increased

and actors on each side have become more aware of each other's positions. This development, along with the expansion of the codecision procedure to new policy areas, can be expected to lead to an increase in the consistency of coalition patterns in the EP and to a more important role for the median party group on the left-right dimension in coalition formation.

The results are also relevant to our understanding of bicameral decision making more generally. Previous tests of the ideas presented here have been conducted in experimental settings (e.g. Bottom *et al* 2000); this paper provides evidence that the institutional arrangement of bicameralism does promote stability in real-world legislatures. This stability is not neutral: bicameralism creates more clearly defined winners and losers within each chamber. But given that the winners in bicameral decision making are those occupying the median position on the dimension of greatest agreement between the chambers, this is surely an improvement on unrestricted majority rule under unicameralism, where anything is possible. The downside of bicameralism is of course that the status quo is difficult to change on dimensions where the chambers disagree: stability and gridlock often go hand in hand.

Notes

¹ The qualified majority threshold in the Council is approximately 74% of votes; this must also include a majority of member states representing at least 62% of the EU population. Under the Lisbon Treaty, a double majority threshold is introduced, whereby a decision must have the support of at least 55% of all member states representing at least 65% of the EU's population.

² It might be countered that the EP actors, knowing that their decisions are not binding under consultation, might express more extreme positions than they actually hold in order to get the attention of the Council. Nevertheless, the coalitions that form in the EP do so relatively independently of the coalitions that form in the Council.

³ A number of other factors have also been considered by coalition theorists, include the role of the formateur, the incumbent parties, the allocation of ministerial portfolios and pre-electoral commitments (Martin and Stevenson 2001: 36). These ideas are not discussed here given that they are relevant only to parliamentary democracies.

⁴ See www.votewatch.eu for a breakdown of the most common coalitions in the EP by policy area.

⁵ The pivotal actor in the Council is not the median actor, as it votes by qualified majority.

⁶ Tsebelis and Garret (2000) suggest that it will tend to be a split-the-difference outcome, unless either side enjoys certain bargaining advantages.

⁷ It is also possible for legislation to be adopted by the EP under 'early agreements'. In this case, an agreement with the Council is finalised before the EP plenary session, and the EP is asked to adopt the agreed legislation as a package. When this happens,

amendments are generally not tabled, so there very few votes in the dataset related to early agreements.

References

- Axelrod, Robert (1970). *Conflict of Interest*. Chicago: Markham.
- Black, Duncan (1958). *The Theory of Committees and Elections*. Cambridge: Cambridge University Press.
- Bottom, William, Cheryl Eavey, Gary Miller and Jennifer Nicoll Victor (2000). 'The institutional effect of majority rule instability: bicameralism in spatial policy decisions', in *The American Journal of Political Science*, 44:3, 523-540.
- Carrubba, Clifford J., Matthew Gabel, Lacey Murrah, Ryan Clough, Elizabeth Montgomery and Rebecca Schambach (2006), 'Off the Record: Unrecorded Legislative Votes, Selection Bias and Roll-Call Vote Analysis'. *British Journal of Political Science*, 36:4, 691-704.
- Crombez, Christophe (1996). 'Legislative Procedures in the European Community'. *British Journal of Political Science*, 26: 2, 199-228.
- European Parliament. 2008. "Working Group on Parliamentary Reform: Second Interim Report on Legislative Activities and Interinstitutional Relations". Brussels: European Parliament
- Farrell, Henry and Adrienne Héritier (2004). "Interorganizational negotiation and intraorganizational power in shared decision-making: Early agreements under co-decision and their impact on the European Parliament and Council." *Comparative Political Studies*, 37:10, 1184-212.
- Hammond, Thomas H. and Gary J. Miller (1987) 'The Core of the Constitution'. *American Political Science Review*, 81:4, 1155-74.

- Hix, Simon (1999). 'Dimensions and alignments in European Union Politics: Cognitive constraints and partisan responses'. *European Journal of Political Research* 35:1, 69-106.
- Hix, Simon, Abdul Noury and Gerard Roland (2005). 'Power to the Parties: Cohesion and Competition in the European Parliament, 1979-2001', *British Journal of Political Science* 35:2, 209-234
- Hix, Simon and Abdul Noury (2009). 'After Enlargement: Voting Patterns in the Sixth European Parliament'. *Legislative Studies Quarterly*, 34:2, 159-174.
- Hix, Simon, Abdul G. Noury and Gérard Roland (2007) *Democratic Politics in the European Parliament*. Cambridge: Cambridge University Press.
- Hörl, Bjorn, Andreas Warntjen and Arndt Wonka (2005), 'Built on Quicksand? A decade of Procedural Spatial Models on EU Legislative Decision-Making'. *Journal of European Public Policy*, 12:3, 592-606.
- Humphreys, Maccartan (2008). 'Existence of a multicameral core'. *Social Choice and Welfare*, 31:3, 503-520.
- Kardasheva, Raya (2009). 'The Power to Delay: The European Parliament's Influence in the Consultation Procedure'. *Journal of Common Market Studies* 47:2, 385-409.
- Kreppel, Amie (2000). 'Rules, Ideology and Coalition Formation in the European Parliament: Past, Present and Future'. *European Union Politics* 1:3, 340-362.
- Laver and Schofield (1990). *Multiparty Government: The Politics of Coalition in Europe*. Oxford: Oxford University Press.
- Lijphart, Arend (1999). *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries*. New Haven and London: Yale University Press.

- Manow, Philip and Holger Döring (2008), 'Electoral and Mechanical Causes of Divided Government in the European Union'. *Comparative Political Studies* 14, 10: 1349-1370.
- Marks, Gary and Marco R. Steenbergen (eds.) (2004). *European Integration and Political Conflict*. Cambridge: Cambridge University Press.
- Marks, Gary and Marco Steenbergen (2002). 'Understanding Political Contestation in the European Union'. *Comparative Political Studies* 35:8, 879-892.
- Martin, Lanny W. And Randolph T. Stevenson (2001). 'Government Formation in Parliamentary Democracies'. *American Journal of Political Science* 45:1, 33-50.
- McElroy, Gail and Kenneth Benoit (2007), 'Party Groups and Policy Positions in the European Parliament'. *Party Politics* 13:1, 5-28.
- McKelvey, Richard D. (1976). 'Intransitivities in multidimensional voting models and some implications for agenda control'. *Journal of Economic Theory* 12:3, 472-482.
- Miller, Gary T., Thomas H. Hammond, Charles Kile (1996). 'Bicameralism and the Core: An Experimental Test'. *Legislative Studies Quarterly*, 21:1, 83-103.
- Riker, William (1962). *The Theory of Political Coalitions*. New Haven: Yale University Press.
- Riker, William (1992). 'The Justification of Bicameralism', in *International Political Science Review*, 13:1, 101-116.
- Sandholtz, Wayne and Alec Stone Sweet, eds. (1998) *European Integration and Supranational Governance*. Oxford: Oxford University Press.

- Thomson, Robert, Jovanka Boerefijn and Frans Stokman (2004), 'Actor alignments in European Union decision-making'. *European Journal of Political Research* 43:2, 237-261.
- Tsebelis, George and Jeanette Money (1997). *Bicameralism*. Cambridge: Cambridge University Press.
- Tsebelis, George and Geoffrey Garrett (2000). "Legislative politics in the European Union", *European Union Politics*, 1:1, 9–36.
- Tsebelis, George (2002) *Veto Players: How Political Institutions Work*. Princeton: Princeton University Press.
- Zimmer, Christina, Gerald Schneider and Michael Dobbins (2005). 'The Contested Council: Conflict Dimensions of an Intergovernmental EU Institution'. *Political Studies* 53:2, 403-422.