Biased Ministers, Inefficiency, and Control in Distributive Policies

An Application to the EU Fisheries Policy

◆ **Fabio Franchino**
School of Public Policy, University College London

◆ **Anne J. Rahming**
London School of Economics and Political Science

ABSTRACT

The literature asserts that legislators are unlikely to adopt inefficient policies unanimously. Yet the systematic and unanimous increase in quantities of Total Allowable Catch, under the auspices of the Common Fisheries Policy (CFP), is inefficient by internationally recognized standards. This article develops a game of distributive politics to explain this puzzle. The game is based on the assumption that specialized Council formations are composed of preference outliers and behave like 'runaway institutions'. The article shows how, over a period of 16 years, ministers were significantly less concerned with environmental protection, were more supportive of (agri-)fishery issues, and were more right-wing than their governments. The article also tests the conservationist preferences of the European Commission. Finally, we map these preferences into the policy output of the CFP and show how the Council deals with problems created by its own decisions and by national implementation through the restraining of national authorities and delegation to the Commission.

Introduction

This work is motivated by a puzzle, a mismatch between what the literature on coalition behaviour and policy output tells us and what we see in the Common Fisheries Policy (CFP) of the European Union (EU). The literature asserts that legislators do not adopt inefficient policies unanimously. In the case of the CFP, over the years the Council of Fisheries Ministers of the EU has taken unanimous decisions that are inefficient by internationally recognized standards. A policy is considered economically efficient when its measures are set at a level at which marginal social cost and marginal social benefit are equal.

This article aims to contribute to the study of EU legislative and executive politics in three ways. First, it deals directly with the policy implications of an institutional feature that has been traditionally 'black boxed' in the study of the Council of Ministers. We contend that the jurisdictional differentiation into council formations is at the origin of specific patterns of policy output and generates specific types of policy failure. Interestingly, although sectoral differentiation has been dubbed 'the most striking feature of the way in which the Council is in practice composed' (Hayes-Renshaw and Wallace, 1997: 29; Westlake, 1999), EU scholars have paid scant attention to the policy implications of this design. In explaining the output of the Common Agricultural Policy (CAP), Scharpf (1988: 270–1) emphasizes the importance of decision rules and styles of decision-making, but he pays only marginal attention to the Council's internal structure. Henning (2001) provides institutional foundations for the inefficiency of the CAP by extending the legislative game of Baron and Ferejohn (1989). He argues that the CAP's inefficiently high subsidies are a direct consequence of the policy bias of the ministers sitting in the Agricultural Council. This article shows how unanimity can generate inefficient outcomes in the EU context. It provides empirical evidence of the policy bias of the members of specialized sectoral councils and maps these preferences into the policy output of the CFP.

Second, this work analyses how ministers deal with the collective dilemmas caused by the decisions they take within the Council and by the implementation problems created by their own national authorities. In other words, we argue that, to the extent that Council policy-making and national implementation jeopardise policy objectives, ministers will have incentives to delegate executive powers to the European Commission to solve their problems (see Epstein and O'Halloran, 1999: 219) and to restrain their own national authorities to ensure proper implementation. This section contributes to an increasing body of literature on delegation in the EU (e.g. Franchino, 2001; Pollack, 1997). It specifically aims at showing how the link between policy failure and delegation works in the Union.

Finally, the article produces insights into the impact of enlargement on distributive policies. It shows that the number of states is a significant determinant of inefficient policy output. This is particularly relevant because the next enlargement will include important fishing nations.

The paper is organized as follows. In the next section, we review why the literature concludes that unanimity should not produce inefficient outcomes in games of distributive politics. We then develop a model of EU distributive politics and show how this finding is confirmed in its standard format. Next, we modify the basic game to explain CFP policy outcomes. In the empirical sections that follow, we test two assumptions at the basis of this game and one proposition. Our main conclusion is that, over the 16-year period 1984–1999, the (Agri-)Fisheries Council of the Community was primarily composed of members with biased policy preferences. This has led to a pattern of decisions that, when compounded by national misapplication, have seriously compromised the conservation objectives of the CFP. Ministers have resorted to the imposition of statutory constraints on their national authorities and delegation to the Commission to escape from the problems their decisions have engendered. We conclude by assessing whether we can generalize these results and by speculating on the impact of enlargement.

Inefficient outcomes and coalitions in games of distributive politics

Some scholars are sceptical about relying on political solutions to market problems. Market imperfections, such as those in the system of property rights, are substituted by a mechanism for market intervention in which political actors pursue their own interests within the peculiar institutional framework of the public sector. The combination of self-interested political behaviour, majority rule, and other institutional features can lead to even more economically inefficient outcomes (Shepsle and Weingast, 1982).[1]

Weingast, Shepsle, and Johnsen (1981), for instance, argue that the size of a public project is likely to be greater than the economically efficient size because the taxation mechanism collectivizes the expenditures, while the beneficiaries of the project, factor owners and politicians of the recipient district, bear only a fraction of the total cost (their tax share). Shepsle and Weingast (1981) also assert that inefficient programmes in games of distributive politics are likely to be adopted unanimously because, *ex ante*, legislators prefer universalism (i.e. unanimous decisions) over a lottery of possible minimal winning coalitions. Their conclusion relies on the distinction between economic and political benefits and, importantly, it requires that the

sum of these benefits exceed the tax cost of the projects. If this assumption is relaxed and inefficiency is considered as the adoption of a measure with costs greater than the benefits, universalism and inefficiency are unlikely. Baron (1991; see also Ferejohn et al., 1987) extends the classic work of Baron and Ferejohn (1989) on bargaining in legislatures to distributive programmes. He shows that inefficient policies are more likely to be adopted under a closed amendment rule, the more patient the legislators and the larger the size of the legislature. Crucially, these policies are adopted as 'a consequence of the majoritarian incentive to concentrate the distribution of benefits when the costs are collectivized' (Baron, 1991: 74). Actually, requiring unanimous closure of the amendment process is seen as a mechanism to prevent their adoption.[2]

A model of distributive politics in the EU

An important class of market failures arises from the negative externalities associated with common resource problems (Hardin, 1968). Where there is a pool of scarce resources to which access is not restricted, each user will exploit the resources to the extent that her marginal private cost equals her marginal benefit, disregarding the fact that each additional effort of exploitation diminishes the return to all users.

The conservation pillar of the CFP has the primary aim of preventing the overutilization of EU fisheries resources. This mandate is addressed primarily through the dual logic of effort and exploitation reduction. A reduction in fleet sizes is pursued via the structural pillar of the policy while, at the same time, a reduction in the exploitation of critical stocks is undertaken via conservation measures, of which the yearly setting of Total Allowable Catch (TAC) by the Council is a key instrument. The principle of relative stability ensures that the fleet of each member state maintains entitlement to the same percentage of the TAC of each species over time.

However, these measures do not solve the negative externality to which the EU fisheries are subjected. They merely transfer a market problem into a political arena. We model the annual setting of TAC as a game of distributive politics that resembles the setting of trade tariffs or the adoption of particularistic programmes. All formulations of the players' utility functions and the structure of the game are common knowledge. The actors are the European Commission, which enjoys the sole right to initiate policy measures, and N members of the Fisheries Council, which adopt the Commission's proposal by qualified majority voting or amend it by unanimity. The configuration of preferences is adapted from the work on American

trade policy of Lohmann and O'Halloran (1994). The utility function of each government i is:

$$U_i(p_1, \ldots, p_n) = \beta \, p_i - p_i^2 - \gamma\Sigma_{j \in N \setminus i} \, p_j^2, \qquad \text{for } i \in N = \{1, \ldots, n\},$$

where p_i is the country-specific fishery measure (i.e. the country's TAC quota), β is a weight representing the fishery-specific conditions, and γ measures the negative cross-country effect of setting the measure.

This formulation captures the idea that each member state, in setting the measure, considers the benefits (βp_i) and the costs (p_i^2) accruing to the state. However, its utility is also affected by the decisions taken by other member states ($\gamma\Sigma \, p_j^2$). The utility of a government is maximized by setting $p_i = \beta/2$ because, for this value, $\partial U_i/\partial p_i = 0$. The measure is a function of the fishery-specific conditions but, as we shall see, this is an inefficiently high level. This is because, for a country i, the effect on other member states of setting this measure (the negative externality) is not part of its utility function.

The European Commission has a European-wide constituency, is more independent from short-term political pressure than the Council (Majone, 1996: 68–78; Moravcsik, 1998: 73–7, 485–9), and has the mandate of providing proposals based on scientific advice. Therefore, it is more inclined to consider the negative cross-country effect of setting the measures and is more likely to preserve the conservation objectives of the policy. This is similar to the idea that the US President, with a national constituency, tends to take into greater account the negative cross-district effect of setting tariffs (Lohmann and O'Halloran, 1994: 601). The utility function of the Commission can then be expressed as the sum of the utility functions of member states:

$$U_C(p_1, \ldots, p_n) = \Sigma_{i=1}^{n} (\beta \, p_i - p_i^2 - \gamma\Sigma_{j \in N \setminus i} \, p_j^2).$$

This function internalizes the negative externalities, as the value that maximizes its utility is $p^c_i = \beta/[2 + 2(n-1)\gamma]$, $\forall i$. The value of p_i is diminished by the negative effects on other member states of setting this measure, that is $2(n-1)\gamma$.

Interestingly, we cannot obtain unanimity and inefficient outcomes with these utility functions and applying the TAC decision-making process. Inefficiency is measured in this case with a value of p_i exceeding the value p^c_i that internalizes the externality. Each year's status quo is the previous year's unused TAC. This value usually amounts to zero since states normally exhaust most of the TAC in a given year. Hence, the players' utility in case of default also amounts to zero. The process begins with the Commission making a proposal to the Council that maximizes its utility. This is the vector $(p^{c,1}, \ldots, p^{c,n})$.[3] Can a member state propose an amendment to the Commission's proposal that is approved unanimously by the Council? Assume that member

state 1 proposes $(p^1_1, \ldots, p^1_n)$. Its problem can be described in the following terms:

$$\max\ U_1(p^1_1, \ldots, p^1_n) = \beta\ p_1 - p_1^2 - \gamma\Sigma_{j\in N\setminus 1}\ p_j^2$$

$$\text{subject to } U_j(p^1_1, \ldots, p^1_n) \geq U_j(p^c_1, \ldots, p^c_n) \text{ for } j\in N\setminus 1.$$

Each member state makes a proposal that maximizes its utility. However, such a proposal must provide at least the same utility to each other member state as the Commission's proposal does in order to garner unanimous support. Using a standard Lagrangian function, available on request, the solution to this system is the vector $(p^{c,1}, \ldots, p^{c,n})$ proposed by the Commission. A member state cannot improve on this proposal and get unanimous support. This result confirms Baron's (1991) conclusion. Unanimity internalizes negative externalities. The oldest decision-making procedure of the Union seems to be perfectly suited to efficient outcomes.

Producing inefficient policies

Inefficient policies could be produced if we consider members of some sectoral councils as preference outliers (Hix, 1999: 63–8). The US literature on the composition of parliamentary committees is useful here because it allows us to highlight interesting similarities and differences. For this perspective, there are two types of committees. Specialist committees are delegated authority over a policy jurisdiction that is of interest to a few legislators. Generalist committees cover issues of general importance and nearly every member of the legislative body would be interested in serving on one of them. The implication is that generalist committees tend to be more representative than specialist committees of the preferences of the floor's median legislator (Cox and McCubbins, 1993; Shepsle, 1978). Of course, the assignment process to the sectoral councils (the Council's analogues to the parliamentary committees) is in the hands of national governments (art. 203 EC) but the jurisdictional boundaries of the meetings lead to a similar division. Some sectoral councils, such as General Affairs, EcoFin, and Budget, have general responsibilities that cut across many issue areas. They are composed of senior ministers of national cabinets that have to respond to a more variegated set of constituents. Other Council formations such as Agriculture, Fisheries, and Industry are more specialized and composed of junior ministers serving well-defined constituencies (Hayes-Renshaw and Wallace, 1997: 29–33). The allocation process of national cabinet portfolios also tends to assign actors to specialized ministries who are in tune with these constituencies (Budge and

Keman, 1990). It is, then, reasonable to assert that sectoral councils with a wider jurisdiction are more attentive to the balance and representation of different interests, whereas members of specialized Council formations are more likely to be preference outliers.[4]

Another important factor to be considered is that, whatever the representativeness of parliamentary committees, their activities are controlled by the floor of the legislature through multiple referral or the assignment of amendment procedures to the committees' proposals. The output of sectoral councils is not subject to such procedures. There are only three rather weak control mechanisms. If issues overlap across Council jurisdictions, the presidency of the Council is likely to convene certain formations in 'back-to-back' format producing a certain degree of cross-meeting monitoring. In the case of serious disagreement or if the policy output is jeopardizing the objectives of other areas (for instance, the budgetary implications of agricultural price-setting), the General Affairs Council, or even the European Council, is likely to intervene to resolve disputes. Finally, article 2 of the Council's rules of procedure assigns to the General Affairs Council the power to merge or revoke entirely some Council formations. Control is then exercised only in limited circumstances, and the last device is a rather extreme measure that has to be weighed against the benefits of specialization. In conclusion, those sectoral councils that are preference outliers may behave like 'runaway' institutions, given the weak control mechanisms. Let us see how.

Members of the Fisheries Council could hold more optimistic views of the conditions of the fisheries or they could discount negative news to a greater extent. This is not unlikely given that fishermen's organizations, which are, moreover, small, concentrated, and relatively well organized for sustained lobbying of their ministers, generally share these views. If the members of the Fisheries Council systematically overestimate the sustainability of fisheries, we could consider them to be preference outliers, compared with a more representative body. The parameter in their utility function that gauges fishery-specific conditions is β and outlying preferences can be represented as having more optimistic views about these conditions. Formally, $\beta' > \beta$. The utility function of the sectoral council's members becomes:

$$U_1(p_1, \ldots, p_n) = \beta' \ p_i - p_i^2 - \gamma\Sigma_{j \in N \setminus i} \ p_j^2).$$

There is now the possibility for a hypothetical member state 1 to offer an amendment to the Commission's proposal that increases its utility and does not diminish other states' utility (the proof is available on request). However, this amendment is unlikely to be the equilibrium. Bargaining within the Council is weakly institutionalized. Its Rules of Procedure cover only the drawing up of the agenda, the final voting arrangements, and the

responsibilities of the committees (Hayes-Renshaw and Wallace, 1997: 264–73). The Commission's proposals are open to any amendments put forward by any member state. Hence, the Council is a small legislature working under an open amendment rule and within which delay is rather costly, at least in our case. Baron and Ferejohn (1989: 1195–8) assert that, under these conditions, we are likely to find unanimous coalitions that distribute benefits evenly among its members. This implies that the (subgame perfect) outcome of the amendment process is $p_i = \beta'/[2 + 2(n - 1)\gamma]$, $\forall i$. This value is higher than the efficient level and leads to an over-utilization of the commons and a lower total utility, if computed using β only.[5] In conclusion, one of the aims of this work is to test whether members of the Fisheries Council are preference outliers. This is an important factor that may lead to inefficient outcomes.

Inefficiency, control of implementation, and delegation to the Commission

The model also produces predictions regarding policy implementation. When the Council adopts a measure, it does not follow that the measure will be executed faithfully. If national administrations are in charge of implementation, there could be *ex post* incentives to tinker with the policy and to alter the way the measure is enforced and administered at the national level. This could be the result of the lobbying activity of influential national groups that are burdened by the policy. Moreover, ministers of specialized sectoral councils would have a rather accommodating approach to tinkering if their views matched those of these groups.

Implementation can be analysed as a straightforward prisoner's dilemma. Consider the following three games. In the first one, the faithful implementation (FI) game, each government executes the measure $p_i^{FI} = \beta'/[2 + 2(n - 1)\gamma]$, $\forall i$. The utility for each state is

$$U_i^{FI} = \frac{\beta'^2}{2 + 2(n-1)\gamma} - \frac{\beta'^2}{[2 + 2(n-1)\gamma]^2} - \frac{\gamma(n-1)\beta'^2}{[2 + 2(n-1)\gamma]^2}.$$

In the unilateral non-compliance (UN) game, one government does not comply, while the others do. The measures are $p_i^{UN} = \beta'/2$, and $p_i^{FI} = \beta'/[2 + 2(n - 1)\gamma]$, $\forall j$ and $j \in N \setminus i$. The utility for the non-compliant state is

$$U_i^{UN} = \frac{\beta'^2}{2} - \frac{\beta'^2}{4} - \frac{\gamma(n-1)\beta'^2}{[2 + 2(n-1)\gamma]^2}.$$

Finally, in the non-compliance (NC) game, governments adopt the measure $p_i^{NC} = \beta'/2, \forall i$. The utility of each member state is

$$U_i^{NC} = \frac{\beta'^2}{2} - \frac{\beta'^2}{4} - \frac{\gamma(n-1)\beta'^2}{4}.$$

Starting with the faithful implementation game, each state has an incentive not to comply because $U_i^{UN} > U_i^{FI}$. The end result is hence no compliance for all member states. However, this is clearly a suboptimal outcome because $U_i^{FI} > U_i^{NC}$. A way to avoid this result is to rely on the Commission for implementation (the CI game), where $p_i^{CI} = \beta / [2 + 2(n-1)\gamma]$, $\forall i$. The governments' utility is

$$U_i^{CI} = \frac{\beta'\beta}{2 + 2(n-1)\gamma} - \frac{\beta^2}{[2 + 2(n-1)\gamma]^2} - \frac{\gamma(n-1)\beta^2}{[2 + 2(n-1)\gamma]^2}.$$

The reliance on the Commission is not without risk because the values of beta differ (i.e. $\beta' > \beta$). Implementation by the Commission is preferred to no compliance (i.e $U_i^{CI} > U_i^{NC}$) in two cases: (a) if $\gamma < 1/(n-1)$ and $\beta' < \beta/[1 - \gamma(n-1)]$, or (b) if $\gamma > 1/(n-1)$. This is an interesting result. All else being equal, we should expect greater reliance on the Commission with an increase of the number of member states *or* an increase of the inter-country effect. Importantly, *this outcome should occur regardless of the difference between β′ and β.* In games of distributive politics, where the utility function of the Commission is the sum of the utility functions of member states, the likelihood of delegation to the Commission is *not* a function of the divergence of preferences between the Commission and the member states (in our case, such divergence is measured by β′ – β). This is a small step toward Majone's (2001) call for a positive theory of nonmajoritarian institutions and it will be subject to empirical test below.[6]

In the remaining part of the article, we test the model's two assumptions about actors' preferences and the prediction developed in this section. We will also show how policy preferences map into policy output.

Policy preferences and the CFP's conservation pillar

The CFP seeks to provide a unified approach to the creation of a sustainable fishing industry in Europe. This includes the restructuring and development of a common fishing fleet, a common fisheries market, a unified stance in regional negotiations, and, most controversially, a common approach to the management and conservation of fisheries resources.

The Total Allowable Catch (TAC) system covers the most important stocks in the North Atlantic and surrounding waters. In particular, the Northeast Atlantic averages over 70% of the EU catch and borders important fishing states. Shared stock TACs are negotiated bilaterally or regionally. For EU stocks, however, the Commission proposes TACs to the Council. Once the

Council has agreed on TACs, these are distributed among the member states using the principle of relative stability. TAC and quota determination takes place yearly in December. It is arguably the most political aspect of the CFP. Hence, the key actors, whose preferences we analyse, are the members of a specialized Council formation (the Fisheries Council) and the Commission.

Members of specialized Council formations: The Fisheries Council

The first assumption of our model is that *members of a specialized Council formation*, such as the Fisheries Council, *tend to be preference outliers*. We are interested in the period from 1984, when the first TAC and quotas were officially put in place under this system, to 1999. We have collected information on the partisan composition of member governments throughout this 16-year period. We have used three indicators of policy preferences available from the data set of Budge et al. (2001), who computed preferences by analysing parties' electoral manifestos. The first two measures are the attitude of parties toward (a) environmental protection and (b) agriculture and farming (categories 501 and 703, respectively). High values mean that parties pay greater attention to environmental issues or support policies benefiting farmers. The first category is the most closely related to the setting of TAC. The conservation pillar of the CFP has strong environmental relevance because it focuses on the sustainability and replenishment of fish stocks. The second category is broader. However, attitudes toward fishermen are subsumed under the more general heading of agricultural policy, given that farmers consist of a numerically greater social group. In other words, we assume that policy preferences toward farmers are a reasonably good proxy for preferences toward fishermen. The third measure is the broadest. It is the party placement on a left–right scale centred on zero, taking positive values for a right-wing position and negative values for a left-wing position.

Next, we computed a measure of government preference using the following formula (see Budge et al., 2001: 166):

$$\sum_{i=1}^{n} \text{Preference}_{i} * \frac{\text{No. Posts}_i}{\text{Total Posts}} \quad \text{for } i = 1 \ldots n.$$

The preference of a government is the sum of the preferences of each party *i* forming the government weighted by the share of cabinet ministerships held by the relevant party. For instance, the eighteenth Irish cabinet (July 1989–February 1992) was composed of more than 80% Fianna Fáil and about 19% Progressive Democratic Party preferences. Fianna Fáil held 13 cabinet posts, and the remaining 3 were allocated to the Democrats. Data on portfolio allocation were collected from Müller and Strøm (2000). We then

recorded the party affiliation of the politician holding the fisheries ministry or, as a proxy, the agriculture ministry. The final data set covers 83 governments. The last step consisted of summing the preferences of the members of the (Agri-)Fisheries Council on 1 December of each year and comparing them with the sum of the governmental preferences on the same date. The closer these figures are, the less the (Agri-)Fisheries Council is composed by preference outliers.

Results are shown in Figures 1 and 2. In Figure 1, we have mapped the preferences with regard to the environment and to the social group of fishermen/farmers. The results are quite interesting. The collective preference of each specialized Council (i.e. the sum of the preferences of each member) across the whole period under analysis is consistently more supportive of this group than that of their governments. However, differences tend first to increase, reaching a peak in 1995–6, and then to diminish over the last two years. This convergence could be the result of food scares across Europe. The appointment by Gerhard Schröder of the reputedly anti-farmer Renate Künast of the Green Party as the German Agriculture Minister is a case in point. In 1993 and 1995–7, all members of this Council, with the exception of Denmark and Luxembourg, were at least as supportive of fishermen/farmers as their governments or more so. The pattern is less clear in terms of environmental protection. Since 1994, however, members of this specialized Council have been considerably less concerned with environmental issues than their governments have been. In 1997, only representatives of Denmark and Ireland belonged to a party that gave more importance to environmental issues than their government did. Figure 2 maps the more general left–right preferences. With the exception of 1987, members of the specialized Council have been consistently more right-wing than their governments. Across the whole period, only two to three members of the Council were more left-wing than their governments.

Finally, we carried out tests to evaluate whether differences are significant. A *z*-test rejected the hypothesis that each couple of samples of preferences comes from the same population. Further, since observations are taken in pairs for each year, we conducted paired-sample *t*-tests to evaluate the significance of differences. Results confirm that the government–minister pairs for the three measures and the means of these pairs for the measures of fishermen/farmers support and left–right preferences are significantly distinct.[7] In conclusion, evidence corroborates the expectation that the members of this specialized Council formation tend to be preference outliers.
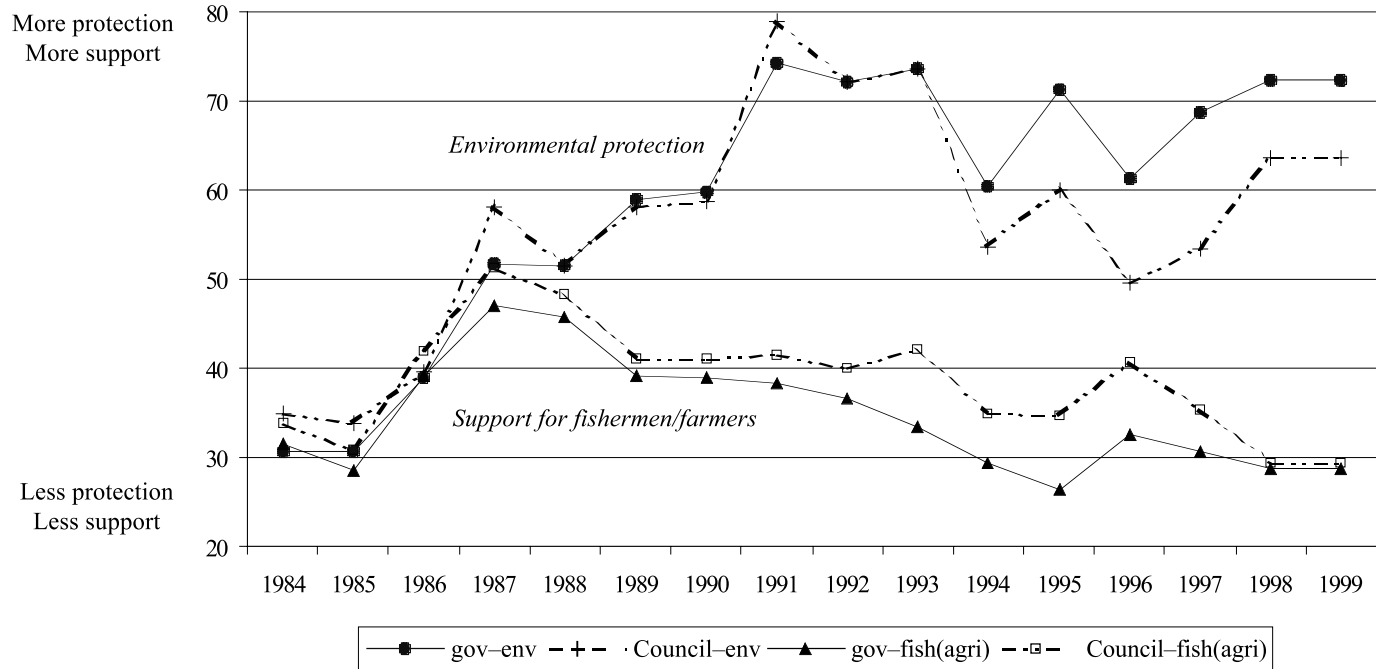
Figure 1   Preferences of the (Agri-)Fisheries Council and of governments.

Notes: gov = governments' preferences; Council = preferences of Council's members; env = preferences on environmental protection; fish(agri) = support for fishermen/farmers.
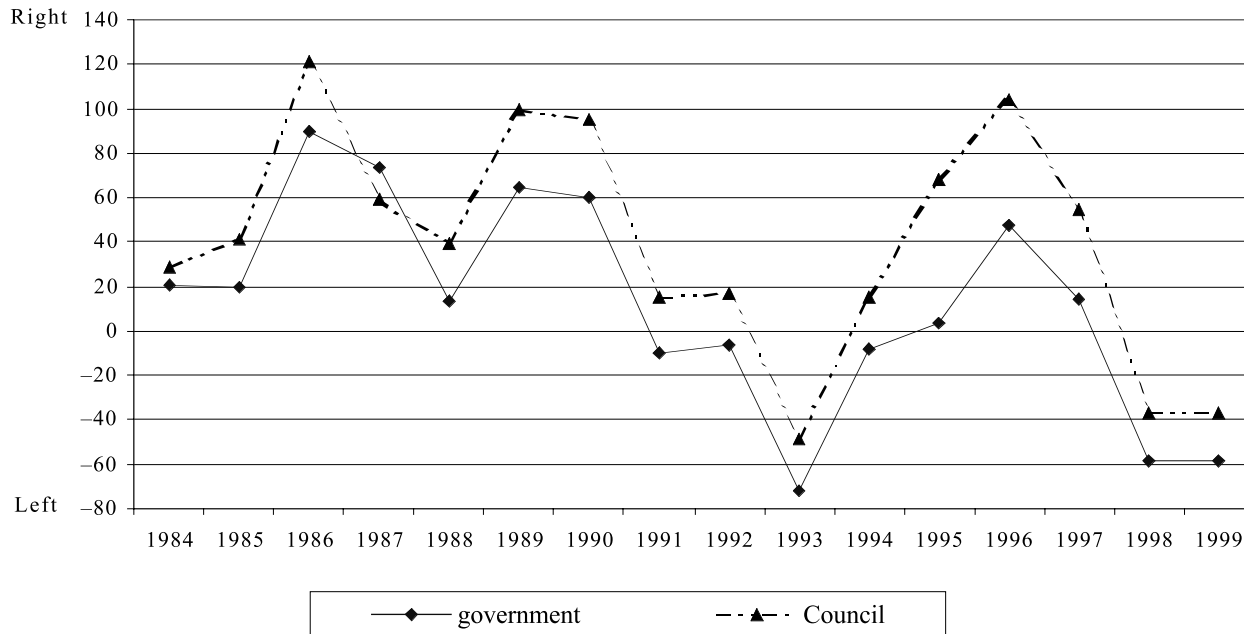
Figure 2 Left–right preferences of (Agri-)Fisheries Council and of governments.
Notes: government = governments' preferences; Council = preferences of Council's members.

The European Commission

The second assumption of our model is that the preferences of the Commission tend to reflect independent and internationally recognized expert advice. In other words, *the Commission tends to make 'efficient' proposals.* In order to test this proposition, it is important to point out that fisheries management decision-making is heavily dependent upon scientific information. Arguably, the most prestigious and independent institution for fisheries research is the International Council for the Exploration of the Sea (ICES), a scientific advisory and research body. The ICES's Advisory Committee for Fisheries Management (ACFM) produces a full yearly report on the state of the EU fisheries and provides advice on management targets on a stock-by-stock basis. This report is based on information collected from ICES's own research, national logbooks, biological samples, and other national statistics.

The ACFM report is passed on to the Commission late in the autumn of each year. This allows the Commission's own Scientific, Technical and Economic Committee (STECF) the opportunity to debate the points made. Our expectation is that the Commission's TAC proposals should not vary significantly from the ACFM data. If that is the case, proposals are considered efficient because they comply with internationally recognized sustainability criteria and should not lead to an overutilization of the fisheries. We have compared the 135 TACs proposed by the Commission for nine fish species in the 1985–99 period with the TAC advised by the ACFM. In the 56 cases where we could match a proposal with ACFM advice, we found that the Commission increased the ACFM advice by an average of 0.13%. The difference between the ACFM advice–Commission proposal pairs is clearly insignificant. The paired-sample t-statistic is only –0.018. We can assert that the Commission's proposals are efficient, to the extent that we regard ACFM advice as such. Students of the CFP confirm this observation. Lequesne (2000: 357), for instance, states that 'officials in the conservation units of DGXIV regard themselves as "guardians of stocks" '. In effect, with the exception of economists who are not represented in ICES, the majority of the STECF also participate in either the ACFM meeting or its working groups. Though it is not necessarily the case that actors behave similarly within different institutional frameworks, it is not surprising that STECF 'reports are based to a large extent on those of the Advisory Committee for Fisheries Management' (European Parliament, 1994: 31).

Policy preferences and policy output

From 1985 to 2000, the Fisheries Council increased more than 30% of the Commission's proposed TACs and the increases averaged 30%. This is

equivalent to 110,000 tons per year or to 80,000 tons per year, net of the quantities that the Council reduced. Although the Council adopted the Commission's proposals in the majority of the cases, each increase should be taken very seriously because overexploitation may lead to stock collapse. In effect, this policy output has severely jeopardized the conservation objectives of the CFP. The quantities of mature demersal fish in the sea were about 90% greater in the early 1970s than in the late 1990s (Commission of the EC, 2001: 7). North Sea cod and Northern hake stocks have been the subject of emergency measures in recent years by the Commission in an effort to undo some of the damage done by years of overexploitation. Both of these stocks are now considered by fisheries scientists to be in danger of collapse. As the Commission has pointed out, 'the annual pattern of decision-making has resulted *de facto* in a dilatory policy of stock management that has failed to safeguard or restore stocks' (Commission of the EC, 2000: 3). The ACFM estimated in 2000 that the spawning stock biomass (SSB) and the fishing mortality (F) rates[8] for cod had been at critical levels for 14 of the previous 18 years. The remaining four years' data show evidence of *F* rates above recommended levels and an SSB that was, at the beginning of 2000, too low to replenish stocks if fishing continued (ICES, 2000: 102). Hake stocks had also been below what the ACFM refers to as precautionary levels since 1978. In the previous 10 years, except for 1989 and 1995, landings of hake in the North Sea were significantly lower than the TAC. Mortality was regularly higher than the maximum 28% recommended in order to ensure sustainability, and SSB rates were above the B_{lim} rate of 120,000 tons only twice (ICES, 2001: 1–9). The Commission now has to organize recovery plans and the 2001 TAC for hake was reduced to half of that for the previous year, though, ironically, the Commission initially proposed a 74% reduction.

In this section, we test whether policy preferences have an impact on policy output. The dependent variable is the difference, for the 1985–2000 period, between the agreed and the proposed TAC for each species and fishing zone. The independent (political) variables are the three measures of Council members' policy preferences that we used above (*Environment*, *Fishermen*, *Left–Right*). We should expect a reduction in the dependent variable as preference for environmental protection increases or as support for fishermen/farmers diminishes. More caution should be used for predicting the effect of the left–right index because it is a very broad measurement. Nevertheless, a right-wing position implies less concern with environmental issues and more interest in the traditional values represented by fishing activities (see Budge et al., 2001: 21–4), hence more left-wing positions should lead to lower increases of the proposed TAC. Finally, a fourth independent variable of political importance (*States*) is the number of member states operating in the relevant fishing zone and harvesting the relevant species. This is a

Table 1 OLS estimates of increases in proposed TACs

Independent variables	Dependent variable: Agreed–Proposed TAC		
	I	II	III
Environment	−61.207		
	(−2.05)**		
Fishermen	44.867		
	(0.80)		
Left–Right	−7.384		
	(−0.98)		
Environment* States		−22.816	−15.900
		(−3.17)***	(−2.42)**
Fishermen* States		16.195	33.751
		(1.19)	(2.98)***
Left–Right* States		−3.268	−3.184
		(−1.79)*	(−1.75)*
States	368.335	1167.377	
	(2.19)**	(2.30)**	
ΔSSB	5.508	5.762	5.531
	(1.91)*	(1.99)**	(1.91)*
ΔF	−2157.850	−2104.432	−2142.026
	(−1.65)*	(−1.62)	(−1.64)
TAC Type	569.839	571.854	797.904
	(0.95)	(0.96)	(1.36)
Constant	1428.419	−633.182	−340.59
	(0.64)	(0.91)	(−0.50)
Adj. R^2	.012	.017	.014
F-statistic	2.91***	3.75***	3.48***
N	1,086	1,086	1,086

Notes: t-statistics in parentheses; *** α < .01; ** α < .05; * α < .1.

measure of the number of interests at play when setting a TAC for a specific fishing zone and species. As we shall see, it is particularly revealing when interacting with the variables on policy preferences.

We include three variables measuring the biological condition for each species, fishing zone, and year. The first two are the differences between (a) the current SSB level and its precautionary limits (as a percentage, ΔSSB) and (b) the mean F rate and its precautionary limits (ΔF). We should expect lower increases in TAC as the stock biomass or the fishing mortality approaches the precautionary levels. The last variable (*TAC Type*) is a dummy that codes whether the TAC is precautionary or analytical (precautionary TACs apply to stocks for which no scientifically based evaluation of fishing possibilities is available).

The results of the OLS regressions are shown in Table 1.[9] All the preference variables have the expected sign but only the measure that is more precisely linked to the setting of TAC (*Environment*) is significant. Ministers increase TAC to a lesser extent when they care more about protecting the environment. The impact is not negligible. Let us consider the two extreme values of *Environment*. The increase in TAC when the concern for the environment was at its lowest in 1984 was almost 3000 tons more than when such concern was at its highest, in 1991. This amounts to the whole 1999 TAC for megrims for the Norwegian and North Sea. The other two preference variables are significant only when interacting with the number of states that have an interest in the specific zone and species. In this case, left-wing ministers or those less supportive of fishermen/farmers tend to augment TAC to a lesser extent only as the number of states increases. In a way, the significant interaction with *States* is an expected outcome. There are different constellations of interests when setting different TACs, depending on the species, fishing zone, and gear. National interests depend upon up- and down-stream industries as well as long traditions of food consumption. For instance, the UK and Ireland benefit from protected harvesting zones in the Northeast Atlantic and from the contiguity of their territorial waters to this rich resource pool. For Belgium, the North Sea and the English Channel region are of great importance because it exploits nearly half of its valuable sole catch in these regions. Denmark, conversely, harvests most of its catch within Danish waters with the exception of cod, which it finds in the North Sea and the Baltic. France shares the Bay of Biscay and the adjoining Central Eastern Atlantic regions with Spain and Portugal.

States is also significant on its own. In the first column of the table, for instance, the mere addition of one interest around a specific species leads to an increase in the proposed quantity of TAC of about 370 tons. This is equivalent to Germany's 1999 cod quota for the Skagerrak. The first two biological variables are also moderately significant. Ministers increase the proposed quantities by around 55 tons with an increase of 10% of SSB over the precautionary level, whereas they reduce them by about 216 tons as the *F* rate approaches its precautionary level by 10 percentage points.

Policy output, national control, and delegation to the Commission

The consequences of the institutional design of the Council are not limited to the establishment of TACs that clearly endanger the conservation objectives of the CFP, but extend also to the faithful execution of those measures. Most

of the time, ministers who sit in the Council are responsible for the implementation of the decisions taken by it. Given their bias, we would be surprised if they have strong incentives to execute those policies in a correct manner. Nevertheless, ministers face a classical prisoner's dilemma in these circumstances, as we have shown above, and they will have incentives to act at the EU level to offset this potential problem. The proposition derived from our model is that *we should expect the Council to restrain national authorities and delegate powers to the Commission in the management of fishery resources with an increase of the number of member states or an increase in the inter-country effect.*

First, note that any legislative act adopted by the Council implies a certain degree of delegation to the Commission. This is because the Commission, under article 226 EC, has powers to initiate an infringement proceeding against a member state that fails to fulfil its obligations. To the extent that an EC law imposes constraints on national authorities, this can also be interpreted as (minimal) delegation to the Commission, even if no provision specifically delegates powers to it. The more detailed those constraints are, the more solid is the legal basis upon which the Commission can base an infringement proceeding. Obviously, the executive role of the Commission is further enhanced if more powers are conferred on it in secondary legislation.

We test this hypothesis both quantitatively and qualitatively. Given the small number of observations, the statistical tests must be complemented by an analysis of legislation. Our data set comprises 14 regulations that have been adopted since 1980 and that provide the basis for a net increase in control over member states and in delegation of executive powers to the Commission. We have developed two dependent variables. The first one, *Laws*, is the cumulative number of laws adopted up to the relevant year for the 1984–99 period. The variable starts at 3 in 1984 and, of course, ends at 14 in 1999. The second variable, *Words*, is the number of words of the legislation in force each year. In cases of amending regulations, we have considered only the net change in the words number. This variable ranges from 3777 to 18,663, averaging 10,066 and with a standard deviation of 5766. The use of *Words* follows the works of Huber, Shipan, and Pfahler (2001) and Huber and Shipan (2002), who consider statutes as blueprints for policy execution. According to these scholars, legislators expend a greater number of words in detailing the execution of a policy when they want to exercise greater control on bureaucrats. By analogy, EU legislators should adopt longer statutes when they want greater supranational control over the national execution of the CFP.

The inter-country effect can be considered as a negative externality that is generated by a misapplication of EC law in a member state and that imposes a cost on the other states. Lack of data does not allow us to use the best indicators of this behaviour, namely over-fishing and illegal or black landings.

Table 2 OLS estimates and pairwise Granger causality tests of North Sea wide by-catch and discards and legislation

OLS estimates

Independent variables	Dependent variables	
	Laws	*Words*
By-catch and discards$_{t-1}$	9.85e-6	0.015
	(1.68)	(1.09)
States	1.426	2732.185
	(6.24)**	(5.03)**
Constant	–11.342	–27127.01
	(–4.23)**	(–4.25)**
Adj. R^2	0.81	0.72
N	15	15

Granger causality tests (one-year lag)

Variables and direction of causation	*F-statistic*
By-catch and discards → Laws	3.79*
New Words → By-catch and discards (∆%)	3.37*

Notes: *t*-statistics in parentheses; ** α < .01; * α < .1.
N = 14 for the second Granger causality test.

The best proxy that we could use is the amount of *By-catch and discards* (time-lagged by one year). When fishing takes place outside the fishing season, outside the assigned fishing areas, or using inappropriate fishing gear, we are likely to see an increase in by-catch and discards. This leads to a further depletion of the stocks and seriously affects fellow fishermen who comply with the rules. It seems also that some practices tend to vary across national lines, provoking inter-state conflict.

Finally, the second independent variable is the number of member states (*States*). In our context, this variable is particularly important given enlargement to include important fishing nations (Spain and Portugal in 1986, Sweden and Finland in 1995).

The results of OLS regressions are shown in Table 2. Only the number of states is significant. An additional member state leads to the adoption of almost one and a half new regulations or to the addition of about 3000 new words to the existing statutes in force. This length is equivalent to Regulation 3760/92 establishing a Community system for fisheries and aquaculture. We also investigated the reason for the insignificance of the first independent

variable and suggest a two-way causation. New acts constraining member states may result from an increase in by-catch and discards. However, the new regulations are designed to increase supranational control over national authorities and should lead to a decrease in by-catch and discards. There is some support for this thesis, as shown in the results of Granger causality tests in Table 2. We can reject the hypothesis that *By-catch and discards* does not Granger cause *Laws*. Similarly, when considering the number of *New Words* in the legislative instruments adopted each year and the yearly percentage change in by-catch and discards, we can also reject the hypothesis that *New Words* does not Granger cause *By-catch and discards*.

Stronger support is provided by a qualitative analysis of the instruments adopted and the causal mechanisms. In the early 1980s, there were two baseline laws. The first was Regulation 753/80, repealed soon after by Regulation 2057/82, which established control measures for fishing activities by member states' vessels and laid down rules for the recording and transmission of catch data. The second was Regulation 170/83, establishing a Community system for the conservation and management of fishery resources (the TAC regulation). In the second half of the 1980s, it began to emerge, from rather incomplete data, that the by-catch and discards problem was of a sizeable nature. The amounts increased by an average of 20% in the 1984–8 period from 37,000 to 115,000 tons. Regulation 2057/82 was amended four times in the period between 1985 and 1988. Except for a consolidating measure, these amending laws provided for a moderate strengthening of the application of the fisheries conservation rules and an expansion in the provisions for data collection.

The Council adopted two major reforms in the early 1990s, once more accurate data showed that the amount of by-catch and discards in the 1989–91 period was almost double the 1988 level. In the 1992 amendment of the TAC regulation, the Council decided to improve the selectivity of fishing methods and gear in order to limit discards. Article 15 of this regulation confers upon the Commission the power to close fishery resources if the conservation of resources is seriously jeopardized. The second major reform was Regulation 2847/93, which established a Community system for the monitoring of conservation and other measures. The aim was to ensure the *proper implementation* of the CFP. Even though inspection and investigation are carried out at the national level, member states have to provide a considerable amount of data on their monitoring activities and sampling plans. The regulation provides for detailed rules on landings, sales, and quota consumption forecasts. For instance, article 15.3 asserts that, if a member state has not transmitted data concerning monthly catches on time, the Commission may deem 70% of the quota to be exhausted. Governments must also organize regular

checks on the structures of the fishing sector (e.g. the renewal of the fishing fleet) and on the marketing standards and price arrangements of fishery products. They must also establish a computerized validation system based on cross-checks and verification of data. Decisions concerning the monitoring of fishing gear have been centralized and are taken by the Council itself. There are also detailed rules on the measures to be taken in the case of non-compliance. The Commission has been conferred powers to set detailed implementation rules and to grant exemptions. In some circumstances, this institution must approve national sampling plans of landings. It also fixes the date on which the catches are deemed to have exhausted the quota and it operates deductions from the annual quota in the case of over-fishing. Crucially, the Commission has been delegated powers to conduct, within limits, on-the-spot checks and inspections in cooperation with national authorities.

In the five years following 1992, the provisions of Regulation 2847/93 were strengthened on three occasions. Regulation 2870/95 reinforces the control over fishing effort, requiring member states to take measures to ensure that masters of fishing vessels provide an 'effort report'. Member states must record all fishing effort deployed by vessels flying their flags. The Commission sets the provisions relating to the identification of static fishing gear and the date on which the maximum fishing effort level of a member state is reached. Regulation 686/97 establishes a satellite-based vessel monitoring system and requires member states to establish and operate fisheries monitoring centres to monitor fishing activities. Regulation 2846/98 reinforces controls on fishery products after landing and on trans-shipment operations and introduces monitoring programmes. New related acts were adopted in the second half of the 1990s. Regulation 847/96 includes rules to penalize over-fishing and Regulation 1447/99 establishes the types of behaviour considered to seriously infringe the CFP. The results of these measures are clear. The amount of by-catch and discards decreased, from its highest level of 223,000 tons in 1995, by an average of more than 9.5% in the four following years. The 1999 value was 'only' 28% higher than the 1988 level.

Summing up, the Council's own systematic increase of TAC, compounded by enlargements and national implementation problems, has led members of this institution gradually to pursue two strategies to enhance the credibility of policy commitments. The first has been mutual constraint, by adopting measures that increasingly restrain national executive action. The second has been a greater reliance on the Commission, an institution with a stronger conservationist bias.

Conclusion

We should be cautious in generalizing these findings. The budgetary crisis in the mid-1980s originated from systematic overpricing of agricultural produce. Some environmental and technical harmonization directives may have grossly underestimated the costs they impose on national administrations and industries. These policy outputs may have resulted from the fact that special-ized Council formations are sometimes composed of biased ministers. However, members of formations that cut across more jurisdictions and have more senior ministers are probably less likely to be preference outliers. Simi-larly, the difference in policy preferences between the Council and the Commission that we have seen in the CFP is not necessarily replicated in other policy areas. And, even if it is, decision-making within the Council may not produce perverse effects and there may not be delegation because the utility functions differ from those of distributive policies. However, national (mis)application of Union laws tends to lead to further restrictions on national authorities and delegation to the Commission.

The implications for the upcoming enlargement are not very reassuring. An increase in the number of interests involved tends to expand the perverse patterns of decision-making in distributive policies. As mentioned above, Baron (1991) shows that inefficient policies are more likely to be adopted by larger legislatures. Member states share fishing interests with applicant states in the Baltic (Estonia, Latvia, Lithuania, and Poland) and the Mediterranean Sea (Cyprus, Malta, and Turkey). The risk of overexploitation is especially serious in the Baltic region where, for instance, Polish landings of cod, herring, and sprat have increased by 86%, 53%, and 363%, respectively, over the past decade. Nevertheless, since alignment to the *acqui* in the area of inspection and control is still rather limited in these states, the effects of enlargement may be counterbalanced by a greater executive role of the Commission and more restrictions on member states (see also Kelemen, 2000). This latter development is somewhat counterintuitive if enlargement is perceived as leading to a dilution of the role of supranational institutions.

Notes

1   Other contributions emphasize the importance of asymmetric lobbying activi-
    ties, information asymmetries between voters and politicians, or credibility
    in producing inefficient policies. All contain elements of truth, but we focus
    only on preferences and institutional features in this work.

2   Niou and Ordeshook (1985) find that universal coalitions and inefficiency can
    be an equilibrium, but it is not unique and their work is not based on a model
    of a legislature.

3   The governments' utility from this proposal is always greater than the status
    quo utility for all utility formulations used in this work.

4   Budge and Keman (1990) see a tendency for parties to be rewarded with the
    ministries that are central to the policy area of their interest, implying a
    centrifugal tendency in portfolio allocation. Laver and Shepsle (1996), instead,
    assert that governments that are formed are likely to implement median
    policies on key issue dimensions. However, this may not be the case when
    ministers operate inside the Council (see also Austen-Smith and Banks, 1990).

5   The total utility (represented by the Commission's utility function) with p_i
    (β') is always lower than the utility with p_i (β). It could be argued that, since
    the Commission is fully informed about the Council's bias, it could change
    its proposal accordingly. We contend that this is unlikely because the
    Commission cherishes its reputation within the scientific community and its
    proposals match those of independent experts. Its reputation would be
    enhanced if it did not acquiesce to the demands of a less conservationist
    Council.

6   With fewer member states or a lower inter-country effect, delegation to the
    Commission occurs only if member states and the Commission attach rela-
    tively similar values to β, namely for a small preference divergence.

7   The Kolmogorov–Smirnov z-statistic (two-tailed significance) is 0.82 (.512) for
    the two samples on the environmental preferences, 0.67 (.759) and 0.52 (.948)
    for the fishermen/farmers and right–left preference samples respectively, n
    = 90. T-statistics of paired-sample tests are 2.25, –4.61, and –5.32 for the
    government–minister pairs (per country-year) of environmental protection,
    fishermen support, and right–left, respectively (significant at .05), n = 203. T-
    statistics of paired-sample tests are –6.01 and –6.19 for the yearly average
    government–minister pairs of fishermen support and right–left, respectively
    (significant at .01), n = 16.

8   Spawning stock biomass (*SSB*) estimates provide an indication of the size of
    the breeding stock available to replenish the resource, whereas fishing mortal-
    ity (*F*) measures the pressure put on a specific stock in any given year. The
    B_{lim} is the spawning stock biomass estimated to lead to potential stock
    collapse, whereas the B_{pa} is the precautionary level that affords a high proba-
    bility of maintaining SSB above B_{lim}. Similarly, F_{lim} is the fishing mortality
    estimated to lead to potential stock collapse and the F_{pa} is the precautionary
    level.

9   The low R^2, indicating a low goodness-of-fit of the model, is due to the fact
    that the dependent variable differs from zero in only 32% of the cases. The
    model then is an attempt to explain variation from a structural zero. However,
    results are not random, as the significance of the F-test shows. The signifi-
    cance of all the preference variables diminishes if we run the regressions with
    governmental preferences, indicating that the bias is important.

References

Austen-Smith, David and Jeffrey Banks (1990) 'Stable Governments and the Allocation of Policy Portfolios', *American Political Science Review* 84(3): 891–906.

Baron, David P. (1991) 'Majoritarian Incentives, Pork Barrel Programs, and Procedural Control', *American Journal of Political Science* 35(1): 57–90.

Baron, David P. and John A. Ferejohn (1989) 'Bargaining in Legislatures', *American Political Science Review* 83(4): 1181–206.

Budge, Ian and Hans Keman (eds) (1990) *How Party Government Works: Testing a Theory of Formation, Functioning and Termination in 20 Democracies.* Oxford: Oxford University Press.

Budge, Ian, Hans-Dieter Klingemann, Andrea Volkens, Judith Bara, and Eric Tanenbaum (eds) (2001) *Mapping Policy Preferences: Estimates for Parties, Electors, and Governments 1945–1998.* Oxford: Oxford University Press.

Commission of the EC (2000) *Communication from the Commission to the Council and the European Parliament: Application of the Precautionary Principle and Multi-annual Arrangements for Setting TACs.* COM/2000/0803 final. Vol. 1. Brussels: CEC.

Commission of the EC (2001) *The Future of the Common Fisheries Policy.* Vol. 1. Brussels: CEC.

Cox, Gary W. and Mathew D. McCubbins (1993) *Legislative Leviathan: Party Government in the House.* Berkeley, CA: University of California Press.

Epstein, David and Sharyn O'Halloran (1999) *Delegating Powers: A Transaction Cost Politics Approach to Policy Making under Separate Powers.* Cambridge: Cambridge University Press.

European Parliament (1994) *Manual on the Common Fisheries Policy.* Brussels: Directorate-General for Research.

Ferejohn, John A., Morris P. Fiorina, and Richard D. McKelvey (1987) 'Sophisticated Voting and Agenda Independence in the Distributive Politics Setting' *American Journal of Political Science* 31(2): 169–93.

Franchino, Fabio (2001) 'Delegation and Constraints in the National Execution of the EC Policies: A Longitudinal and Qualitative Analysis', *West European Politics* 24(4): 169–92.

Hardin, Garrett (1968) 'The Tragedy of the Commons', *Science* 162: 1243–8.

Hayes-Renshaw, Fiona and Helen Wallace (1997) *The Council of Ministers.* London: Macmillan.

Henning, Christian H. C. A. (2001) 'Institutional Foundation of Economically Inefficient Agricultural Policy within the EU-System: A Neoclassical Approach', paper presented at the Conference of the European Consortium for Political Research, 6–8 September 2001, University of Kent, Canterbury, UK.

Hix, Simon (1999) *The Political System of the European Union.* London: Macmillan.

Huber, John D. and Charles R. Shipan (2002) *Deliberate Discretion? The Institutional Foundations of Bureaucratic Autonomy.* Cambridge: Cambridge University Press.

Huber, John D., Charles R. Shipan, and Madelaine Pfahler (2001) 'Legislatures and Statutory Control of Bureaucracy', *American Journal of Political Science* 45(2): 330–45.

ICES (International Council for the Exploration of the Sea) (2000) *Report on the Assessment of Demersal Stocks in the North Sea and Skagerrak.* Copenhagen: ICES.

ICES (International Council for the Exploration of the Sea) (2001) *Report of the Working Group on the Assessment of Southern Shelf Demersal Stocks.* Copenhagen: ICES.

Kelemen, R. Daniel (2000) 'Regulatory Federalism: EU Environmental Regulation in Comparative Perspective', *Journal of Public Policy* 20(3): 133–67.

Laver, Michael and Kenneth A. Shepsle (eds) (1996) *Making and Breaking Governments: Cabinets and Legislatures in Parliamentary Democracies.* Cambridge: Cambridge University Press.

Lequesne, Christian (2000) 'The Common Fisheries Policy. Letting the Little Ones Go?', in Helen Wallace and William Wallace (eds) *Policy-Making in the European Union*, pp. 345–72. Oxford: Oxford University Press.

Lohmann, Susanne and Sharyn O'Halloran (1994) 'Divided Government and U.S. Trade Policy: Theory and Evidence', *International Organization* 48(4): 595–632.

Majone, Giandomenico (1996) *Regulating Europe.* London: Routledge.

Majone, Giandomenico (2001) 'Nonmajoritarian Institutions and the Limits of Democratic Governance: A Political Transaction-Cost Approach', *Journal of Institutional and Theoretical Economics* 157(1): 57–78.

Moravcsik, Andrew (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht.* Ithaca, NY: Cornell University Press.

Müller, Wolfgang C. and Kaare Strøm (eds) (2000) *Coalition Governments in Western Europe.* Oxford: Oxford University Press.

Niou, Emerson M. S. and Peter C. Ordeshook (1985) 'Universalism in Congress', *American Journal of Political Science* 29(2): 246–58.

Pollack, Mark A. (1997) 'Delegation, Agency, and Agenda Setting in the European Community', *International Organization* 51(1): 99–134.

Scharpf, Fritz W. (1988) 'The Joint-Decision Trap: Lessons from German Federalism and European Integration', *Public Administration* 66 (Autumn): 239–78.

Shepsle, Kenneth A. (1978) *The Giant Jigsaw Puzzle: Democratic Committee Assignments in the Modern House.* Chicago, IL: University of Chicago Press.

Shepsle, Kenneth A. and Barry R. Weingast (1981) 'Political Preferences for the Pork Barrel: A Generalization', *American Journal of Political Science* 25(1): 96–111.

Shepsle, Kenneth A. and Barry R. Weingast (1982) 'Political Solutions to Market Problems', *American Political Science Review* 78(2): 417–34.

Weingast, Barry R., Kenneth A. Shepsle, and C. Johnsen (1981) 'The Political Economy of Benefits and Costs: A Neoclassical Approach to Distributive Politics', *Journal of Political Economy* 89(4): 642–64.

Westlake, Martin (1999) *The Council of the European Union.* London: John Harper Publishing.

About the authors

Fabio Franchino is a Lecturer in Political Science in the School of Public Policy, University College London, 29/30 Tavistock Square, London WC1H 9QU, UK.
Fax: +44 20 7679 4969
E-mail: f.franchino@ucl.ac.uk

Anne J. Rahming is a PhD candidate in the Department of Government, London School of Economics and Political Science, Houghton Street, London WC2A 2AE, UK.
Fax: +44 20 7831 1707
E-mail: A.J.Rahming@lse.ac.uk