

Microstates in Negotiations beyond the Nation-State: Malta, Cyprus and Luxembourg as Active and Successful Policy Shapers?

Diana Panke*

School of Politics and International Relations, University College Dublin,
Dublin 4, Ireland

(E-mail: diana.panke@ucd.ie)

Received 11 June 2010; accepted 5 September 2010

Abstract

Malta, Cyprus and Luxembourg are sovereign states with less than one million inhabitants and, consequently, are often referred to as “microstates.” This article inquires into the negotiation activities and conditions for success of microstates in negotiations beyond the nation-state. It develops a set of hypotheses on negotiation activity and on negotiation success and tests them qualitatively by drawing on the example of day-to-day negotiations in the European Union. Luxembourg is considerably more active than Malta and Cyprus. This is due to differences in domestic coordination practices (performance and cooperation between lead ministries and Permanent Representations), as well as different negotiation styles (proactive vs. reactive). Microstates can be influential, if they actively participate in negotiations for issues of high importance and if they select effective strategies in the given setting. Thus, microstates can sometimes turn into successful shapers of law beyond the nation-state – despite their slimmer administrations, fewer staff and – on average – negligible bargaining power.

Keywords

microstates, international negotiation, negotiation activity, negotiation success

Microstates, as states with less than one million inhabitants, face severe capacity limitations due to slim ministries, a limited number of experts, and slim delegations.

*) Diana Panke is Lecturer of Politics at the University College Dublin, Ireland. Her research interests focus on governance beyond the nation-state. She works on small states in international negotiations, on the role of capacities for the shaping of law beyond the nation-state, on the development and degeneration of international norms, as well as on compliance and legalization. Her most recent books include *Small States in the European Union: Coping With Structural Disadvantages* (Ashgate 2010) and *The Effectiveness of the European Court of Justice: Why Reluctant States Comply* (Manchester University Press 2010).

This article is part of the research project, “Small States in the European Union: Coping with Structural Disadvantages,” which is funded by the Irish Research Council for the Humanities and Social Sciences (IRCHSS). I would like to thank the interview partners for their time and the information they provided. Without their support, this article could not have been written. I am also grateful for the research support of Lisa Ahles, José Canto and Natalie Manning.

Nonetheless, they are participants in international negotiation settings. We do not know much about the negotiation behavior of microstates, since research very often puts big players into the limelight. In order to shed light on this gap, this study addresses the following questions: What difficulties do microstates face in international negotiations? Can microstates nevertheless actively participate in international negotiations and are some microstates in a better position to apply negotiation strategies to advance their own positions than others? Under what conditions can microstates exert influence on outcomes of negotiations beyond the nation-state?

To answer these questions, this article draws on the empirical example of day-to-day negotiations in the European Union (EU). The EU presents an interesting case, as most of the secondary law (directives and regulations) is produced under a weighted voting system. This poses difficulties for microstates that have very few votes and constitutes an unlikely context for the active and successful participation of microstates in negotiations beyond the nation-state. In addition, the EU's three microstates, Luxembourg, Malta and Cyprus, differ in terms of the duration of their membership and expertise in the negotiation setting and administrative routines, allowing for systematic testing of how these variables influence their conduct in negotiations and their chances to exert influence.

First, the article looks at the difficulties that microstates face in EU day-to-day negotiations and theorizes how microstates can nevertheless actively participate and effectively influence European policies. Then, it empirically examines hypotheses on the microstates' active participation in negotiations beyond the nation-state. This reveals that Luxembourg is much more engaged in EU policy-making than Cyprus and Malta, because of its effective domestic coordination routines and because of its long-lasting experiences. Activity is an important precondition for the success of microstates, but is not sufficient. Based on two agricultural issues, it illustrates that big states are most influential, but that microstates can successfully influence parts of negotiation outcomes even in weighted voting negotiation settings – but only under certain conditions. Microstates need to set priorities and apply persuasion-based strategies in the early stages of negotiations (e.g. constructive and well-reasoned arguments) or apply bargaining-based negotiation strategies which compensate for their generally limited bargaining leverage in the later stages of negotiations (e.g. joining coalitions or using pivotal positions to exert concessions vis-à-vis key players).

Micro Member States in Negotiations beyond the Nation-State – Obstacles, Activity and Influence

Microstates are small sovereign states with less than one million citizens. In the EU, three states qualify as micro member states: Malta, Cyprus and Luxembourg.

Among them, Cyprus is the biggest state with approximately 800,000 inhabitants and four votes under Qualified Majority Voting (QMV) out of a total of 345, followed by Luxembourg with approximately 480,000 citizens and four votes, and finally Malta with about 400,000 inhabitants and three votes.¹

In the day-to-day negotiations of the EU, microstates face a series of size-related difficulties. Firstly, microstates tend to not only have a small population, but also a slim public administration. Thus, ministries have few personnel and experts and often slimmer delegations with high workloads (Buttigieg 2004; Pirota 1997). These features make it difficult for microstates to cover all aspects that are on the negotiation agenda and to actively participate in negotiations in regard to all the issues at stake.²

Secondly, microstates face size-related obstacles in exerting influence via bargaining and argumentative strategies. Given that in the first pillar of the EU many policies are decided under QMV rather than the one-state, one-vote rule, microstates have less leverage if a vote is taken on the ministerial level of the Council of Ministers (Cini 2007). Yet, the overwhelming majority of decisions is taken on the working group or COREPER (Committee of Permanent Representatives) level and forwarded to the ministerial level; these do not need ministerial discussions and are, therefore, rubberstamped by the ministers. On both lower levels of the Council, experts and diplomats do not engage in voting. Instead, they rely on bargaining and argumentation to reach a consensus on a policy proposal (Lewis 2005). At first sight, one could assume that this empowers microstates. However, the negotiations in working parties and the COREPER take place under the shadow of potential future votes. Hence, while everyone seeks to reach consensus, controversial issues trigger coalition building in which the actors seek to gather as many votes as necessary to obtain at least a blocking minority (interviews PermRep#23, 22-07-08; PermRep#36, 01-12-08). Thus, the number of votes has an effect even on the lower levels of the Council (interview PermRep#10, 12-06-08). In this context, microstates face a disadvantage since it is less likely that Malta, Cyprus, or Luxembourg become pivotal players, transforming a minority coalition into a majority. Moreover, microstates have small economies and can hardly offer side-payments to others to get their support in

¹ The Lisbon Treaty changes the system of weighted voting. Instead of having certain numbers of votes assigned to each state, the Lisbon Treaty is based on the double majority principle, according to which 55% of the Member States representing at least 65% of the population are required to pass a legal act. Thus the three micro states will also have limited political weight once the relevant articles in the Lisbon Treaty enter into force (due to the second component of the double majority principle).

² For example, “The difficulty you have as a small member state and the frustration of a small member state is that you are not able to be an expert in everything.” (interview PermRep#39, 03-12-08). Similarly: “It’s very difficult to cope with all issues because, you know we’re a relatively small service and issues are the same for all, big and small. It’s not easy to cope and to have a real informed opinion and analysis on all issues if you like” (interview PermRep#45, 22-01-09).

negotiations. Finally, microstates also face disadvantages when decisions are taken via the exchange of arguments. Due to their smaller size, they employ fewer staff in their ministries (Thorhallsson and Wivel 2006; Nugent 2006). Consequently, compared to bigger states, microstates have fewer policy experts who can prepare scientifically up-to date and compelling arguments and lack experts for some of the most important policy issues.

How do microstates cope with these size-related difficulties? Can we expect differences in the level of negotiation activities and the chances for negotiation success among microstates? Are some microstates better at coping with their size than others?

Actively engaging in arguing or bargaining in the working parties of the Council of Ministers is an important precondition for negotiation success.³ If a microstate does not voice its policy preferences at all, they cannot be accommodated. In many EU negotiations, piggybacking or free-riding on bigger states is not sufficient to successfully upload one's own preferences to the EU level. Quite frequently, states have similar problems or preferred outcomes for some of the issues at stake, yet there are always items on the agenda where a state has particular interests that are not identical with that of others. At least in these situations, engaging in arguing, bargaining, and contacting others in the working parties and the COREPER, and lobbying the Commission, the Presidency and possibly also the European Parliament are key to successful uploading of domestic interests (Dür and Mateo 2010; Naurin 2009).

However, to be active, states must develop national positions from the beginning of negotiations and be able to adapt these positions during the negotiations. Without a national position at all, or with a position that is far out of the consensus range and cannot be adapted, delegations of microstates can hardly engage in arguing, bargaining and lobbying. Hence, the first hypothesis focuses on how domestic coordination practices enable states to quickly produce and adapt national preferences so that the delegations can apply negotiation strategies to actively pursue national interests. For this purpose, it is essential that the Permanent Representations (PermReps) and the ministries perform well and both parties cooperate smoothly. If ministries have to wait for information on the development of negotiations from the PermReps, the development and the adaptation of positions can easily get delayed. A smooth development and adjustment of national preferences requires also that both parties work efficiently. Ministries improve their performance, if working routines are not disrupted, the ministerial staff have sufficient knowledge on EU decision making and are motivated to engage in EU-related work, and the development and adjustment of national

³ "If you do nothing, you can't hope the Commission or the President will take over of your comments. That's a prerequisite. You have to do something" (interview PermRep#49, 12-02-09). And "That's not a good thing if you silent. Eventually the Commission and the Presidency will forget you" (interview PermRep#49, 12-02-09).

positions are not delayed by domestic veto players. High performance on the side of PermReps requires not only to regularly produce reports on the stage of negotiations and the preferences and problems of other states, but also internal vertical and horizontal coordination meetings dealing with the fine-tuning of positions and the development of strategies. The better each party performs and the smoother the cooperation between them, the more likely it is that states swiftly produce and adapt their positions to the issues that are on the agenda in a particular stage of negotiations, which is a precondition for delegations to actively engage in negotiations.

H1: The higher the performance of ministries, the higher the performance of Permanent Representations, and the better both parties cooperate, the more swiftly states can develop and adapt national positions and the more active delegations can be in international negotiations.

Activity levels might also be influenced by the duration of membership in the EU. New microstates, such as Malta and Cyprus, face severe shortcomings in their staff capacity in the ministries and therefore also in the PermReps in Brussels. They are less experienced in how the Brussels game is played, which increases the transaction costs for the strategies and which makes it difficult to adapt to the culture of EU negotiations. As a result of the latter, new microstates are often less proactive, less insistent and frequently hesitate to contradict the Commission or the Presidency (interview PermRep#49, 12-02-09). By contrast, a microstate, such as Luxembourg, one of the founding member states, has already considerably more experience with EU negotiations. This makes it easier to decide where to invest the available limited resources and is also conducive to a proactive negotiation culture.

H2: The longer states are members of an international or supranational organization, the more proactive their negotiation culture becomes and the higher their activity level.

Actively participating rather than passively following negotiations is important, but not sufficient, for successfully shaping negotiations.⁴ Against this background, the following question becomes very important: How can microstates successfully make their voices heard, even though they have very few votes and can easily run into difficulties to develop good and innovative arguments due to fewer experts in their ministries back home?

⁴ For example, "If you are just sitting there doing nothing, you can't hope that someone will take over your idea. Yes, you have to be active. It's not enough to have a successful negotiation. If you are completely alone on some point and make a lot of comments and argumentation, then it won't be in the text. That's true" (interview PermRep#49, 12-02-09).

On their own, small states have a hard time exerting influence in the working parties of the Council and the COREPER or the Special Agricultural Committee (SAC).⁵ Although voting takes place only on the ministerial level, negotiations in the other arenas take place in the shadow of votes.⁶ Joining a coalition is one way through which microstates can exert influence. However, this strategy only works successfully if a sufficient number of other states have similar concerns and if they either form a majority or a blocking minority (interviews PermRep#8, 27-05-09; PermRep#36, 01-12-08). Otherwise, microstates cannot expect that their most important interests are promoted through the coalition.

H3: Microstates can successfully influence policies beyond the nation-state in joining coalitions, if their most important interests fit into the agenda of the coalition and if the coalition is big enough to at least form a blocking minority.

In cases in which a microstate cannot pursue its interests in concert with others, it can seek to gain influence by arguing or bargaining vis-à-vis the Presidency or the Commission. Contacting the European Commission as the alleged friend of small states is a prominent strategy among small states – although the Commission has no vote in the Council (Bunse, Magnette and Nicolaidis 2005). The European Commission not only drafts the policy proposals before Council negotiations start, it is also present in all working group, COREPER and ministerial level negotiations and participates in the CAP triologue meetings between the Commission, the Presidency and a member state at the very end of negotiations. During these meetings, the Commission can substantively influence the content of the final proposals that are tabled for voting by the member states (interview PermRep#68, 18-06-09). The Presidency not only sets the meeting agenda and table issues, but is also responsible for drafting compromises (Warntjen 2008; Elgström 2001; Tallberg 2003). Although EU negotiations are conducted with the aim of achieving consensus, especially in the late stages of negotiations, the Presidency is sensitive to get the necessary majorities to pass EU law (interview PermRep#60, 30-03-09). This opens windows of opportunity for smaller states. In early stages of negotiations, they can seek to argumentatively persuade the Presidency and the Commission to take their perspective into account (interview PermRep#41, 12-01-09; PermRep#21, 22-07-08; PermRep#42, 12-01-09; PermRep#6, 09-05-08). This is especially effective if the state not only flags problems, but also proposes solutions, and if the argument resonates well with prior

⁵ “I think the best is to find friends. That this is the most important...” (interview PermRep#33, 26-11-08). Or “Luxembourg, they don’t have any other chance than forming coalitions, for them its tradition, the Benelux, it’s just tradition and it’s still working and this is because they don’t have capacity and they rely on the Dutch and the Belgian capacity to defend them” (interview PermRep#21, 22-07-08).

⁶ “But as the time goes by, once you reach the final stage of the negotiation, people are just counting the votes.” (interview PermRep#41, 12-01-09).

convictions of the Presidency and the Commission (interview PermRep#50, 13-02-09). By contrast, bargaining is more likely to be effective in the final stage of negotiations, in which Presidencies and the Commission seek to achieve compromises (interview PermRep#17, 17-07-08; PermRep#6, 09-05-08). In this stage, big member states have advantages vis-à-vis smaller ones.⁷ Although microstates have few votes, they can use the potential ‘no vote’ as a bargaining chip vis-à-vis the Presidency or the Commission to get concessions, if there is a chance that the microstate could become a pivotal player in the future or if a logic of appropriateness demands bringing the state into the boat.

H4a: Microstates can successfully influence policies beyond the nation-state in lobbying the Presidency or the Commission during early stages of the negotiations, if they do not only flag problems but also propose constructive solutions and if their arguments are well reasoned.

H4b: Microstates can successfully influence policies beyond the nation-state in lobbying the Presidency or the Commission in later stages of the negotiations, if there is a chance that they turn into pivotal players or if the logic of appropriateness demands to bring the state into the boat.

The two subsequent sections test these hypotheses qualitatively. In both sections, the analysis is based on semi-structured interviews conducted with officials from the ministries and PermReps in Brussels between April 2008 and March 2010, as well as on publicly available documents. The last section presents two case studies, selected according to a most similar systems design. Thus, the case selection keeps all but one explanatory variable constant, which allows systematic assessment in how far a weighted voting rule (spirit drinks case) and in how far a consensus norm (common agricultural health check case) makes a difference in the prospects of microstates to influence policy outcomes. Both case studies apply process-tracing methods, which allow us to comprehensively test the hypotheses.

Explaining the Negotiation Activity of Microstates

Before states can actively participate in international negotiations, they have to develop negotiation positions for the issues at stake. The domestic coordination differs substantively between Malta, Cyprus and Luxembourg.

⁷ “In my experience I would say especially Germany, France UK, these are the member states that are the driving force and their voice really counts, well unfortunately for smaller member states, I’d say more than smaller member states. Also I think that when the Presidencies try to get compromise proposals, I think they need certain bigger member states to base their initial, how should I put it, to have an anchor for their proposals before they try to get ... because it’s difficult, it’s very difficult to get something across if you need all the 27 member states for that.” (interview PermRep#17, 17-07-08).

Performance of Permanent Representations

In all three microstates, PermReps are formally responsible for forwarding official documentation to the ministries, providing input for the development and adjustment of national positions (e.g. in preparing reports on the developments of negotiations, preferences of other delegations), and for negotiating in the Council of Minister's working parties and the COREPER. Especially the second tasks profits from regular meetings in the PermReps. All three microstates have weekly meetings within COREPER I, but it is only in Luxembourg that the meetings are comprehensive and also open for COREPER II members and vice versa (interviews PermRep#27, 05-08-08; PermRep##30, 09-09-08; PermRep#15, 10-07-08 PermRep#49, 12-02-09; PermRep#56, 19-03-09). In Luxembourg, meetings are strongly policy-oriented and in Malta, they focus on the operational level including working group themes. By contrast, many of the meetings in Cyprus deal with broad and general themes or COREPER issues, but not the working groups (PermRep#30, 09-09-08; PermRep#56, 19-03-09; PermRep#15, 10-07-08).

Performance of Ministries

In the three microstates, lead ministries have different degrees of autonomy. Formally, parliaments cannot intervene in the making of instructions for negotiations in Luxembourg and Cyprus, while the Maltese parliament can issue a scrutiny reserve on governmental positions (Szalay 2005; PermRep#16, 11-07-08; PermRep#47, 05-02-09; PermRep#45, 22-01-09). While parliaments are not very strong in the three European microstates (e.g. compared to the Danish *Folketing*) and the lead ministries are relatively autonomous horizontally, the formal vertical fragmentation of power portrays a different picture. In Malta, the EU secretariat of the Prime Minister's office can reformulate instructions before ministries send them to Brussels or forward the instructions themselves after reviewing and possibly adapting them (interviews PermRep#16, 11-07-08; PermRep#39, 03-12-08). This reduces the autonomy of the lead ministry and can cause delays (interview PermRep#56, 19-03-09). In Cyprus, the Department for EU Affairs at the MFA as well as the President's office have considerably more limited competences and can only interfere with the ministerial proposal for a position if it concerns the Council level or for exceptional and highly politicized issues (interviews PermRep#27, 05-08-08; PermRep#30, 09-09-08). Lead ministries in Luxembourg have the greatest independence from hierarchical coordinators. Here, neither the MFA nor the PM office can unilaterally change positions, but they can only organize and chair coordination meetings for very political, domestically contested issues (interviews PermRep#15, 10-07-09; PermRep#47, 05-02-09; PermRep#49, 12-02-09). Yet, autonomy can only be conducive to the quick development of national positions, if the working conditions are stable and the ministerial staff have sufficient knowledge of the EU and do not prioritize

domestic over European issues. While the EU orientation is the strongest in Luxembourg, the knowledge about the EU and the willingness to prioritize EU over domestic work is weakest in Cyprus (interviews PermRep#15, 10-07-09; PermRep#30, 09-09-08; PermRep#45, 22-01-09). Thus, although Cyprus has de facto relatively autonomous lead ministries, the speed of the development and adjustment of positions is lower than in Malta, because ministries tend to work on domestic files first before they engage in EU work. In addition, Maltese and Cypriot ministerial staff face disadvantages compared to their colleagues in Luxembourg (interview PermRep#56, 19-03-09). In the course of EU accession in 2004, ministries in Malta and Cyprus were partially reorganized, which disrupted working relationships and routines to some extent and reduced the speed of working on EU and domestic files (PermRep#16, 11-07-08; PermRep#27, 05-08-08).

Cooperation Practices Between the Ministries Back Home and the Permanent Representations in Brussels

The three microstates also differ in the way the ministries and PermReps cooperate. Formally, the loci of coordination is in the capital and PermReps mainly forward Commission dossiers, provide information when requested, negotiate based on instructions, and prepare reports on the developments of negotiations (Kerremans and Beyers 2001). Yet, the actual practices often deviate from formal procedures and vary considerably between member states. In Luxembourg, the relationship between ministries and the PermRep is inherently cooperative. The experts in Brussels have very long postings (in some cases more than 20 years) and have gathered quite a lot of expertise that they can use whenever regulations or directives are revised. As a consequence, the PermRep is very active in drafting positions and the coordination practices have a slight bias toward the Permanent Representation (interview PermRep#49, 12-02-09). Especially at the beginning of negotiations, Maltese ministries do the major share of the work with the PermRep to develop a framework position, as a consequence of which it risks being not tailored to the issues that are tabled for discussion in the working groups and does not take into consideration the possible positions of other states and the eventual development of negotiations.⁸ Since the framework position (“government position”) has to be drafted by the affected ministries and finalized and approved by the EU Secretariat of the PM office, it is likely that the negotiation instructions arrive with a delay in Brussels, which decreases the activity level of Malta in early stages of working group negotiations (interviews PermRep#56, 19-03-09; PermRep#39, 03-12-08). In addition, capacity requirements are higher in the Maltese ministries than in Luxembourg, in which the Permanent

⁸) As a result, delegations face the challenge of presenting positions that might be difficult for other states to support. This is especially problematic if a smaller state is far out of the consensus range and means that it cannot effectively shape outcomes according to its liking (interview PermRep#41, 12-01-09).

Representation can bring in more expertise due to its long terms of office and is more strongly engaged in the development and adjustment of positions.⁹ In Cyprus, ministries often do not provide instructions in time for the beginning of negotiations and are slow in adjusting positions during negotiations. Consequently, PermReps step in and develop positions if it becomes apparent that the ministry will not be able to provide an instruction during early stages of negotiations (interviews PermRep#45, 22-01-09; PermRep#56, 19-03-09, PermRep#21, 22-07-08).

The performance of ministries and of PermReps and the cooperation between both parties is best in Luxembourg, followed by Malta and then Cyprus. Thus, compared to Luxembourg, Malta, and especially Cyprus, are more likely to face delays in the arrival of instructions in Brussels, which decreases the overall activity level of their delegations. In line with these expectations, interviewees report that Luxembourg usually participates more actively in negotiations than Malta and Cyprus.¹⁰

The second hypothesis expects that the duration of membership influences the negotiation styles of states and their activity level. Older small member states generally tend to be well networked, while newer states have fewer networks. Luxembourgish delegations have many more experiences with EU negotiations¹¹ and can more easily draw on existing contacts with other states or Community institutions (interview PermRep#2, 10-04-09), whereas the other two microstates have to invest considerably more staff time to detect and contact addressees and find out whether they would cooperate, which increases the transaction costs of shaping strategies and reduces their overall activity level.¹² Also, compared to

⁹ "The ministries don't have real patterns of turnover. It's a bilateral arrangement between the attaché and the ministry. One can easily stay ten years. I think the last financial affairs attaché was here 15-20 years (...) Ministers like to keep people here because the longer they are here the more experience they have and through this experience they have more and more insight. They can also learn over the years to have more input in the working groups. I'm not sure if it's a conscious strategy, but it's a situation that is useful to make up" (interview PermRep#47, 05-02-09). And: "What is our advantage in comparison to the Commission staff? Our experts place for a long time period. We have some experts on files for 20 years. Some people in the Commission are changing every five years. That's an advantage. We have some really good people in some key policy fields." (interview PermRep#49, 12-02-09).

¹⁰ "Malta and Cyprus are not very active in the Council, but Luxembourg is very active. Sometimes it is not a matter of size, it is also a matter of knowledge" (interview PermRep#2, 10-04-08). "Cyprus is very inactive" (interview PermRep#52, 06-03-09); "You could say that Malta is rather silent" (interview PermRep#42, 12-01-09). "I could say, it is also Malta and Cyprus that I do not hear so much from" (interview PermRep#33, 26-11-08).

¹¹ E.g. "To be successful, you need to be active and make comments. You need to make a lot of preparatory work and you have national experts that know the files. There are some fields where we have good experts, that's the big point. What is our advantage in comparison to the Commission staff? Our experts place for a long time period. We have some experts on files for 20 years. Some people in the Commission are changing every five years. That's an advantage. We have some really good people in some key policy fields. In others, we let it go because we can't follow everything." (interview PermRep#49, 12-02-09). E.g. An official reported "what they [Malta] lack is the experience" (interview PermRep#16, 11-07-08).

¹² "I think it has been a major advantage to have been a founding member, and to have been part of this

Malta and Cyprus, the Luxembourgish delegation is much more proactive and constructive in providing expertise from previous negotiations, which is possible due to the very long postings of staff in its PermRep (interview PermRep#49, 12-02-09). Thus, Luxembourg does not shy away from the Commission, the Presidency or big member states, but is very insistent if very important issues are at stake, whereas Malta and Cyprus as newer member states are more inclined to give in.¹³ In line with the hypothesis, Luxembourg as an old member state is indeed willing to make a mark out of consensus range and is an active participant in negotiations, while Malta and especially Cyprus are far less active¹⁴ and often tend to follow the majority (interview PermRep#16, 11-07-08).¹⁵

In sum, both hypotheses predicted considerable differences in the activity level of Luxembourg compared to Malta and Cyprus. In line with this, we have seen that highly performing and smoothly cooperating ministries and PermReps as well as a long duration of membership foster high activity levels. Differences in activity levels also translate into differences regarding the overall success of Malta, Cyprus and Luxembourg in shaping EU policy outcomes. Interviewees reported that Luxembourg is overall much more successful in uploading its own interests to the EU level than Malta or Cyprus.¹⁶

process for 50 years now. That means that we have over all this time had the opportunity to build this direct contact with people, both in the Commission and in the secretariat. I think that the personal contact between representatives of small member states and people in the Commission and the Secretariat and in Parliament, that I think remains the key" (interview PermRep#15, 10-07-08).

¹³ "The problem with them is that they are a small, new member state. They are often afraid in some files in augmenting against the Commission. I have some contacts with my colleagues who say we don't like that but we don't want to upset the Commission people so we don't say anything. That's the difference between an old, small member state like us where we say what we want and we don't care what the Commission people think." (interview PermRep#49, 12-02-09).

¹⁴ E.g. "We tend to be reactive as opposed to proactive. Reactive in the sense that we rely much on ... I could see it that the positions and the opinions that are provided on the negotiation table are highly valuable because it does bring together a collective expertise that you would never come out of your bureaucracy because it's so small." (interview PermRep#39, 03-12-08). Also e.g. "In general, Malta goes with general positions unless there are certain ... we generally have less issues." (interview PermRep#39, 03-12-08). E.g. "The possibility that Malta has an issue that is really different from the majority is minimal" (interview PermRep#39, 03-12-08).

¹⁵ E.g. "We don't want to be isolated and we see where the discussion goes and we react to the situation." (interview PermRep#45, 22-01-09).

¹⁶ E.g. "We can see for example that Luxembourg is extremely effective in terms of getting their point. But it depends on the field. In my field, I see that my Luxembourg colleagues are really extremely good and they can get a result." (interview PermRep#10, 12-06-08). "Luxembourg you can see that it's a really small member state with very limited capacities. But taking that into consideration, they still I think manage to get, on the things that are most important to them, they somehow try to get them across and they are lots of times, if you take account of their size, relatively successful." (interview PermRep#17, 17-07-08). VS "If you take Cyprus and Malta it's also because of the limited capacity to, well the limited level of expertise and capacity to; well technical capacity or people you know working capacity because they are small so they can not have a position on every dossier, so. (...) So maybe they didn't invest as much as was needed to, to really be able to weigh in the process" (interview PermRep#41, 12-01-09).

Explaining Negotiation Failures and Successes of Microstates

This section analysis two negotiations in the agricultural policy area that were concluded in 2008 to analyze the conditions under which microstates can successfully influence policy outcomes. The spirit drinks regulation¹⁷ and the Common Agricultural Policy (CAP) health check are instances in which at least some of the three microstates had strong interests at stake and incentives to set priorities and invest their limited resources to influence the outcome according to their wishes.¹⁸ The cases are selected according to a most similar systems design. Both negotiations differ in one fundamental regard: while both negotiations formally apply QMV, the CAP negotiations are usually dealt with by a consensual practice in the Council (e.g. Fouilleux 2006: 344). This made the Presidency and the Commission more responsive to individual microstates' demands in the endgame of the CAP negotiations, while coalition-building was the most promising microstate strategy in the Vodka case. This allows for plausibility probes of the negotiation success hypotheses.

The Spirit Drinks Negotiations

In the 2005 spirit drinks negotiations that sought a revision of the 1989 regulation, the member states disagreed on how to define "vodka." The European Commission regarded vodka as a 'spirit drink produced of ethyl alcohol of agricultural origin' (Commission of the European Communities 2005: 29) and proposed that the raw materials used to produce vodka should be printed somewhere on the label (Commission of the European Communities 2005: 29, d). While the Baltic and Nordic states as well as Poland wanted a vodka definition only allowing potatoes and cereals as raw materials, the UK, France, Hungary, and Bulgaria produced vodka out of sugar beet, grapes, citrus fruit and molasses and opted for a broad definition of allowed raw materials (Mercer 2006, interviews PermRep#56, 19-03-09; PermRep#43, 13-01-09). Among the microstates, only Cyprus was

¹⁷ Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labeling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89, *OJ L 39, 13.2.2008, pp. 16-54*.

¹⁸ The CAP health check resulted in three regulations: Firstly, the Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007. Secondly, the Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 And thirdly the Council Regulation (EC) No 74/2009 of 19 January 2009 amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

very interested in the vodka issue, while Malta and Luxembourg had no significant vodka industries and were thus relatively inactive (interviews PermRep#56, 19-03-09; PermRep#43, 13-01-09). In Cyprus, vodka production is based on grapes and accounts for 18% of the spirit drinks sector, which makes vodka the third most important spirit drink in Cyprus (Cooper 2004). Cyprus was supporting the broad Commission proposal and objecting the claim of the purist coalition that only cereals and potato should be used for the production of vodka.

The stakes were high: if the vodka purists would manage to shape the spirit drink regulation fully in accordance with their interests, the UK, Cyprus, Hungary and Bulgaria could no longer sell their products as ‘vodka’ since they use raw materials other than cereals or potatoes for the distillation.

Cyprus was not highly active on its own (interview PermRep#65, 22-05-09; PermRep#60, 30-03-09). Yet, it did approach the Council Presidency, albeit not very successfully. In the early debate, arguments about traditional vodka ingredients and producers were very prominent. However, since Cyprus produced vodka out of grapes and not out of potatoes and cereals, it – as well as the other grape or sugar based vodka producers – could not make convincing tradition-related arguments vis-à-vis the Finnish presidency (interviews Ministry of Agriculture#3, 03-04-09; PermRep#54, 18-03-09).

To advance its interests and compensate for its limited bargaining leverage, Cyprus joined the UK-led coalition (interview PermRep#54, 18-03-09). The UK, as the coalition leader, was very successful in gathering additional supporters in the course of negotiations (interview PermRep#61, 02-04-09). Through “payments” in the form of support on other issues, the Netherlands, the Czech Republic, France, and Ireland supported the British claim for a broader vodka-definition together with Bulgaria, Hungary and Cyprus (interview PermRep#60, 30-03-09). The UK’s primary interest was to include sugar beet as a raw material for the vodka production, while France, Hungary, Bulgaria and Cyprus primarily wanted to include grapes, sugar cane and citrus fruits (interview Ministry of Agriculture#3, 03-04-09). Hence, the internal coherence of the coalition was not very high with regard to a positive common goal (in which raw materials should be allowed). But since the partners shared a notion of which outcome would not be acceptable (potatoes and cereals only), they could form a blocking minority with 120 votes (interviews EP#2, 02-04-09; Ministry of Agriculture#3, 03-04-09). Because of this, the German presidency did not support a position according to which vodka can exclusively be made of potatoes and cereals and did not support a proposal with very strict labeling requirements for non-traditional vodka – although the vodka purists strongly pushed both items and were successful in the lead EP committee (interview PermRep#61, 02-04-09, Organized interests#3, 18-04-09). Instead, the German presidency supported a compromise according to which vodka from raw materials other than cereals and potatoes has to be labeled

in line with the relevant labeling directive (Art. 13II of Directive 2000/13/EC) as “vodka made out of...” instead of simply “vodka” (interview Ministry of Agriculture#3, 03-04-09).

Like other small states in the UK-led coalition, Cyprus did not individually bargain for concessions vis-à-vis the Presidency or the Commission towards the end of the negotiations. This was not deemed necessary given that the compromise proposal with an unrestrictive backside labeling clause was in their win sets (interview Organized Interests#2, 16-04-09). Even if Cyprus had bargained, we would not expect a different negotiation outcome. First, Cyprus was not a pivotal player since all but three countries (Poland, Sweden, and Lithuania) voted in favor of the German compromise. Second, Cyprus could not revert to a logic of appropriateness, supporting the new or small member states in the spirit drinks negotiations, because new as well as small member states were on different sides.

In line with hypothesis three, Cyprus compensated for its limited bargaining leverage in joining the UK-led coalition. In line with hypothesis 4a Cyprus could not make constructive and compelling arguments early in the negotiations, while it did not seek to exert influence via bargaining at the end of negotiations.

The Common Agricultural Policy Health Check Negotiations

After much resistance, the Common Agricultural Policy (CAP) was fundamentally reformed in 2003 (Daugbjerg 2002; Gohin and Latruffe 2006).¹⁹ The agricultural ministers agreed on a fix CAP budget until 2013. They also agreed to future changes in the handling of subsidies. Instead of attaching subsidies to certain agricultural goods, they shall be granted to farmers (“Single Farm Payment Scheme”),²⁰ but member states can decide to subsidize certain agricultural sectors rather than others. This was very important because it shifted the system to the distribution of funds across member states rather than across farmers producing the goods that are subsidized. This allowed controlling exactly how much money different states will get for each of their agricultural sectors (national budget ceilings).²¹ Furthermore, the single farm payments were linked to compliance with environmental, food safety, plant health standards as well as animal welfare and health standards (“cross compliance”). Moreover, the 2003 CAP reform reduced the financial support for bigger farms to pursue rural development aims and introduced reforms in several sectors (e.g. gradually abolishing milk quotas).

¹⁹ Council Regulation (EC) No 1782/2003 of 29 September 2003 established common rules for direct support schemes under the common agricultural policy and established certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, No 1156/2006

²⁰ C.f. http://ec.europa.eu/agriculture/capreform/infosheets/pay_en.pdf (accessed on May 28th, 2009).

²¹ This reform also introduced a greater market mechanism into the agricultural sector as farmers have an incentive to produce what consumers demand rather than what they can get subsidies for.

In late 2007, two years after the 2003 reforms had been implemented; the European Commission started the CAP health check. The aim was to assess the merits and pitfalls of the 2003 reform measures and propose adjustments to the member states that resulted in the revision of three regulations: the rural development, the CMO (Common Market Organization), and the direct payment regulations (interview PermRep#68, 18-06-09). In general, the member states fortified the direction of the measures of the 2003 reform. The most comprehensive discussions focused on the direct payment regulation, which was rewritten to some extent (interview PermRep#68, 18-06-09). For example, member states agreed that states have to change most of the coupled payments (subsidies for certain agricultural products) into single farm payments; they decided that new member states can keep a Single Area Payment Scheme that allows them to pay subsidies per hectare of farmland three years longer (until 2013) before they have to adopt the Single Farm Payment Scheme; they decided that the EU-12 member states get €90 million (interview PermRep#68, 18-06-09), new member states operating the Single Area Payment Scheme can adopt Article 68 measures (to redirect up to 10% of their national budget ceilings from one sector to another or to support environmental measures or insurance schemes for farmers); they consented that direct aids to farmers are reduced and the money is put into a country-based rural development fund which the EU matches to 75% (and 90% in regions with low GDPs) and which can be used by states to finance environmental programs (e.g. climate change, biodiversity, innovations in the dairy sector).

Naturally, all member states, including the three microstates, had strong interests in the health check negotiations since a major share of the EU's budget is spent on the CAP (Kay 2003). One of the major cleavages in the CAP Health Check negotiations was between CAP conservatives and CAP liberals. While the conservatives favor EU subsidies to maintain the agricultural production, guarantee a constant supply of goods and provide a higher or sustainable level of income for farmers (e.g. interview PermRep#6, 09-05-08), the liberals prefer that less of the EU budget is redistributed in the CAP. Conservative countries include France, Belgium, Luxembourg, Germany as well as some of the countries who financially profit from EU payments more than they contribute, while liberal countries include the UK, Sweden, Denmark and the Netherlands, as well as some of the states who are net contributors to the EU budget. In the CAP, the Franco-German led conservatives form the dominating coalition, whilst the liberal coalition is too small to constitute a blocking minority.²²

²² "France is very conservative in the CAP. It's the UK that's on the other side of the equation along with Sweden, Denmark, the Netherlands and one or two other countries to an extent. But the so-called liberals on the CAP question don't really generate enough balls to constitute a blocking minority so these negotiations tend to be quite conservative." (interview PermRep#61, 02-04-09).

All three microstates belong to the conservative coalition. Agriculture is an important policy field in Malta and Cyprus (Hadjimanolis and Dickson 2001), which are in the conservative coalition because they are among those who benefit from the CAP. Luxembourg is the biggest per capita net contributor (interview PermRep#68, 18-06-09; Carrubba 1997: 472), but was nevertheless in favor of most of the issues in the conservative camp, largely because its agriculture depends heavily on subsidies and a tradition of guaranteed prices (Ackrill 2000: 27). In joining the dominant coalition (including Germany, France, Belgium and Austria), Malta, Cyprus as well as Luxembourg could safeguard many of their interests (interview PermRep#68, 18-06-09).

Apart from the preferences that they shared with their coalition partners, Malta and Cyprus had particular interests in getting as much out of the CAP for their farmers as possible and preventing a reduction of the CAP budget that can be distributed among the states (as the liberals would prefer to reduce the overall amount of subsidies) (interviews PermRep#56, 19-03-09; PermRep#61, 02-04-09). Luxembourg had particularly strong interests in the dairy sector (e.g. correction scheme on milk quota), land parcel transfer rules, and minimum thresholds for direct payments, (interview PermRep#68, 18-06-09). It was very active and approached the Commission and the Presidency in tabling constructive proposals from early on with 30 to 40 pages (interview PermRep#68, 18-06-09). In doing this, Luxembourg could revert to its strong expertise and convince the addressees of most of its points (interview PermRep#68, 18-06-09). The Luxembourg expert was dealing with the CAP regulations much longer than most of the Commission staff, and knew the history of the files significantly well. Together with up to date scientifically backed insights, his reputation allowed for successful influence through making constructive arguments (interview PermRep#68, 18-06-09). This is in line with hypothesis three.

Luxembourg was an active member of the conservative coalition with especially close ties to Belgium and also approached the Presidency and the Commission in the very early stages of the negotiations, presenting compelling and constructive proposals. With this strategy mix, Luxembourg was very successful in securing payments²³ not the least because France (being itself a CAP conservative and an old member state) was highly responsive to the arguments from the delegation of Luxembourg.²⁴

²³ “Yes, they are definitely more active but I think you have to remember as well that Luxembourg are typically aligned with the Belgians and the French so actually they punch well above their weight because of those cultural, historical and ideological linkages to France quite frankly. I mean, they do punch well above their weight in agriculture, I mean the entirety of Luxembourg is an FA for example, per hectare payments for agriculture in Luxembourg are around €500, no sorry they’re not that high, they’re around €400 per hectare. In Latvia, it’s €62 per hectare.” (interview PermRep#61, 02-04-09).

²⁴ And “But in terms of your specific question, I think Luxembourg punches well above its weight because of its cultural and ideological linkages to France but also because it’s an old member state and old member states do much better out of the CAP than new member states” (interview PermRep#61, 02-04-09). And

While Malta and Cyprus had been rather inactive and considerably less successful in the earlier stages of the negotiations (interview PermRep#68, 18-06-09), they entered into direct contact with the French Presidency and the Commission towards the end in the trialogue meetings.²⁵ The French Presidency and the Commission were responsive to their demands to ensure that the necessary qualified majority can be obtained to pass the health check regulation: “I’ve got to be honest, the health check is the only time I can ever recall Malta sticking its head above the parameters and asking for something explicitly. When they did, they got it. But as I said I’m sure they got it because it was the French Presidency that was perfectly happy to give out a few Christmas presents to get its qualified majority rather than super-efficient negotiating from the Maltese. Right place, right time, right question” (interview PermRep#61, 02-04-09).²⁶ The Commission also responded to the requests of Malta as well as Cyprus, because they were new member states and the Commission wanted to avoid the new member states as blocking or abstaining from a vote or even voting negatively. Thus, the Commission made symbolic concessions to all new states (interview PermRep#68, 18-06-09) and distributed 90 million Euros among them.

In sum, as expected by the coalition hypothesis (H3), all three microstates joined the conservative coalition that safeguarded important interests (interview PermRep#68, 18-06-09) and because the opposing liberal coalition was too weak to stop the continuation of the 2003 CAP reforms through the health check negotiations.

“much of the reform was in the direction that Luxembourg would favour so things like maintaining market management instruments was very much something Luxembourg could support. Things like introducing risk management measures into the CAP. These wee things that were driven by France but are things Luxembourg would very much support.” (interview PermRep#61, 02-04-09).

²⁵ “The Maltese, they’re reasonably conservative too when it comes to agriculture and actually if I have to be honest they’re very, very muted in their performance on agricultural negotiations typically. They don’t say a great deal, they don’t seem to want a great deal, they wanted 2 million at the end of the health check and they got it but they are typically not great actors in agricultural debates.” (interview PermRep#61, 02-04-09). And “it is also Malta and Cyprus that I do not hear so much from” (interview PermRep#33, 26-11-08).

²⁶ Through approaching the presidency at the very end of negotiations, Malta as well as Cyprus achieved additional gains beyond the general ones they got via the CAP conservative coalition. “But in terms of a specific thing that they got that they wouldn’t have got otherwise, there are one or two examples. Like I said, the Maltese €2 million in the final package; I can’t remember what it was for Cyprus, I think it was an agreement that Cyprus would be allowed to increase the state aid ceiling that they had in Agriculture, something like that. But Cyprus is mentioned specifically in the context of state aid so it got a specific issue, but in the grand scheme of CAP, you know, €50 billion a year, the couple of million that Malta got and the few million that Cyprus got, you know, these tiny sweeteners to be perfectly frank.” (interview PermRep#61, 02-04-09). “Among the new member states, the vast majority are clearly quite conservative in terms of the Common Agricultural Policy and they are clearly quite content in the way in which France drove the reform. So from that perspective, you could argue that while they do have individual and specific problems, the general shape of the reform being driven by France is something that they can go along with, so the delivery of their objectives actually, when it coincides with what the Presidency wants and when it coincides with what a couple of other big member states want, you are almost certainly going to get your objectives delivered almost *de facto*.” (interview PermRep#61, 02-04-09).

I mean, sometimes it's the smaller member states arguably who get the right outcome but that's because they're aligned with a number of big member states that support the same thing. So you may get, for example, member states like Slovenia, very small, tiny member states like Malta and Cyprus, they get very good outcomes in terms of CAP reform but not through their own efforts but because they're aligned with the French, the Spanish and the Germans but really it's those bigger member states that have driven the debate (interview PermRep#61, 02-04-09).

In line with the Presidency/Commission hypothesis (H4b), each of the three microstates successfully lobbied both institutional actors in addition to the engagement in the conservative coalition because they had particular interests that were not fully promoted by their coalition (e.g. getting as much subsidies as possible). The French Presidency and the Commission were responsive to each of the three microstates. The Presidency made concessions to Malta and Cyprus, because it belonged to the conservative camp as well as had an interest in securing a stable majority to conclude the health check reforms. The Commission was sensitive to both new microstates and their demands to get additional payments, because it wanted to pacify all 12 new members as well and agree to an overall additional payment of 90 million Euros for all 12 new member states together (which is rather symbolic and not much money in the CAP context) (interview PermRep#68, 18-06-09). Thus, in the final trialogue meetings, the Presidency and the Commission offered side payments to Malta and Cyprus in order to pass the health check regulation with a majority as big as possible. Luxembourg had three trialogue meetings, but used them to address minor issues, as all the important points had been successfully promoted in earlier stages of the CAP health check negotiations (interview PermRep#68, 18-06-09).

Conclusions

How do microstates manage to actively and successfully participate in negotiations beyond the nation-state and are some microstates better at coping with size-related difficulties than others? At first glance, it seems safe to assume that Malta, Luxembourg and Cyprus are indeed not very successful in pursuing their preferences in EU negotiations due to the weighted voting system and their small share of votes and because the administrative and personnel capacities are severely limited for countries with less than one million inhabitants, making it difficult to actively advance good arguments. Yet, microstates set priorities for the most important files under discussion. Consequently, they focus on a smaller number of issues, but seek to actively participate in these negotiations. Actively engaging in negotiations is an important precondition for negotiation success. Without making their voices heard, microstates cannot influence a policy outcome according to their liking. Luxembourg, Malta and Cyprus are all micro states. Does this mean that they are all equally (in)active in EU negotiations and equally (un)successful? And if not, why?

Overall, Luxembourg is considerably more active and also more successful than Malta, followed by Cyprus. This can be explained through differences in administrative routines, negotiation styles, and expertise gathered in the course of the EU membership. Although all states grapple with shortcomings of staff, time, and administrative support, Luxembourg developed very smooth coordination practices between ministries in the capital and the Permanent Representation in Brussels, which allows for the timely development of national positions. By contrast, in Malta and especially in Cyprus delayed instructions are more frequently the case, which reduced the activity level of their respective delegations in Brussels. Without a national position, they cannot actively make the interests of their countries heard, which reduces their activity level (H1). In addition to their smoother administrative routines, Luxembourg is more active than the other two microstates due to its longer lasting experiences with EU decision-making and its proactive and constructive negotiation style (H2). Newcomers to the EU tend to be hesitant to pursue preferences that are not compatible with the interests of the European Commission and apply more timid negotiation styles, which reduce their activity levels. Luxembourg is not only more active than Malta followed by Cyprus, but is also perceived as more successful in EU negotiations.

To more closely analyze under which conditions microstates can influence policy outcomes, this article used two empirical cases to illustrate negotiation success hypotheses (H3, 4a and b). Since microstates run more easily into personnel, financial and administrative capacity shortcomings than other EU member states that are up to 200 times as big as Malta, Luxembourg and Cyprus, they have to carefully select the issues in which they are going to be engaged. In both negotiations, the spirit drink regulation and the CAP health check, big member states played the most prominent roles and had the greatest influence over the outcomes. Yet, smaller states that prioritized these negotiations did not remain silent and also secured gains. As expected, the microstates with interests at stake acted in concert with the coalition that was closest to their respective interests (H3). This allowed them to compensate for their limited bargaining leverage and to secure some of their most important interests. In addition to joining coalitions, microstates also contacted the Presidency and the Commission from early on. In this respect, Luxembourg was considerably more active and more successful than Malta and Cyprus, as Luxembourg is in a better position to use a constructive argumentative style than Cyprus and Malta which have less experience with EU policies and EU negotiations (H3a). While Luxembourg turned into a successful argumentative policy-shaper in the CAP negotiations, Malta and Cyprus gained influence in the dialogue meetings that the Presidency organized with the Commission and each member state individually. Lobbying the Presidency and the Commission at the end of negotiations was successful in the CAP health check. The CAP health check negotiations formally need QMV, but are usually *de facto* based on consensus (Fouilleux 2006: 344). As a result, the Presidencies and the

Commission strive to bring as many states into the boat as possible. Since the new member states argued that they deserved greater financial support which resonated well with a logic of appropriateness in the Commission, and since the Presidency wanted to avoid a wide-spread negative vote or abstention among the 12 new states, the new microstates gained bargaining leverage which they turned into last minute concessions in the health check negotiation outcome (interview PermRep#61, 02-04-09). This is in line with hypothesis 3b.

What can we learn from the conduct of microstates in EU negotiations for microstates in international negotiations in general? Firstly, microstates have considerably less administrative negotiation support: the ministries and delegations are smaller and less staff is available to develop and defend national positions. Thus, being selective and only investing scarce resources in negotiations when really important issues are at stake is an essential strategy. For the issues that states have an important interest in, it is, secondly, essential they do not passively follow the negotiations, but actively engage in the various arguing and bargaining strategies. Thirdly, this is especially effective, if microstates can act in concert with like-minded states. Yet, if the overlap of interests between a microstate and its coalition is not sufficient to cover all crucial interests, lobbying key actors can be a fruitful endeavor. This, however, requires well reasoned and constructive arguments that resonate well with the addressees, or decision-making rules and norms of appropriateness in the international institution that allows a microstate to become a de facto pivotal player. The analysis of two EU case studies showed that weighted voting systems and consensual negotiation practices (giving all states a de facto veto) provide windows of opportunity for microstates to influence policy outcomes via bargaining. However, the analysis also demonstrated that it is less likely that a microstate becomes a pivotal player if a weighted voting majority rule is applied (e.g., the spirit drinks negotiations in the EU or negotiations in the IMF or the Council of Europe) than in a negotiation system with strong consensus norms (e.g., the CAP health check negotiations in the EU or negotiations in the OECD or the ASEAN).

References

- Ackrill, R. (2000). *The Common Agricultural Policy: Politics Against Markets*. University Association for Contemporary European Studies: Continuum International Publishing Group.
- Bunse, S., P. Mognette and K. Nicolaidis (2005). "Is the Commission the Small Member States' Best Friend?" *Swedish Institute for European Studies* 9.
- Buttigieg, E. (2004). "Challenges Facing Malta as a Micro-State in an Enlarged Union." *Bank of Valetta Review* 29: 1–15.
- Carrubba, C. J. (1997). "Net Financial Transfers in the European Union: Who Gets What and Why?" *The Journal of Politics* 59, 2: 469–96.
- Cini, M. (2007). *European Union Politics*. Oxford: Oxford University Press.

- Commission of the European Communities (2005). *Proposal for a Regulation of the European Parliament and of the Council on the Definition, Description, Presentation and Labelling of Spirit Drinks, COM(2005) 125 final*, Brussels: Commission of the European Communities.
- Cooper, B. (2004). "Country by Country: The Alcohol Market in the Enlarged EU." In Management Briefing: Just-Drinks.com.
- Daugbjerg, C. (2002). "Reforming the CAP: Policy Networks and Broader Institutional Structures." *Journal of Common Market Studies* 37, 3: 407–28.
- Dür, A. and G. Mateo (2010). "Bargaining Power and Negotiation Tactics: The Negotiations on the EU's Financial Perspective, 2007–13." *Journal of Common Market Studies* 48, 3: 557–78.
- Elgström, O. (2001). "The Honest Broker? – The EU Council Presidency as a Mediator." In 4th Pan-European IR Conference, 8–10 September 2001: Canterbury.
- Fouilleux, E. (2006). "The Common Agricultural Policy," in Michelle Cini, editor, *European Union Politics*. Oxford: Oxford University Press, 340–55.
- Gohin, A. and L. Latruffe (2006). "The Luxembourg Common Agricultural Policy Reform and the European Food Industries: What's at Stake?" *Canadian Journal of Agricultural Economics* 54, 1: 175–94.
- Hadjimanolis, A. and K. Dickson (2001). "Development of National Innovation Policy in Small Developing Countries: The Case of Cyprus." *Research Policy* 30: 805–17.
- Kay, A. (2003). "Path Dependency and the CAP?" *European Journal of Public Policy* 10, 3: 405–20.
- Kerremans, B. and J. Beyers (2001). "The Belgian Permanent Representation to the European Union: Mailbox, Messenger, or Representative?" in Hussein Kassim, Anand Menon, B. Guy Peters and Vincent Wright, editors, *The National Co-ordination of EU Policy. The European Level*. Oxford: Oxford University Press, 191–210.
- Lewis, J. (2005). "The Janus Face of Brussels: Socialization and Everyday Decision Making in the European Union." *International Organization* 59: 937–71.
- Mercer, C. (2006). Vodka War Splits EU. In *Food Production Daily*. <http://www.foodproductiondaily.com/Supply-Chain/Vodka-war-splits-EU>.
- Naurin, D. (2009). "Most Common When Least Important: Deliberation in the European Council of Ministers." *British Journal of Political Science* 40: 31–50.
- Nugent, N. (2006). "Cyprus and the European Union: The Significance of its Smallness, both as an Applicant and a Member." *European Integration* 28, 1: 51–71.
- Pirotta, G. A. (1997). "Politics and Public Service Reform in Small States: Malta." *Public Administration and Development* 17: 197–207.
- Szalay, K. (2005). *Scrutiny of EU Affairs in the National Parliaments of the New Member States. A Comparative Analysis*, Budapest: Hungarian National Assembly.
- Tallberg, J. (2003). "The Agenda-shaping Powers of the EU Council Presidency." *Journal of European Public Policy* 10, 1: 1–19.
- Thorhallsson, B. and A. Wivel (2006). "Small States in the European Union: What Do We Know and What Would We Like to Know?" *Cambridge Review of International Affairs* 19, 4: 651–68.
- Warntjen, A. (2008). "The Council Presidency: Power Broker or Burden? An Empirical Analysis." *European Union Politics* 9, 3: 316–38.

