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**Master's Thesis**

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**Bargaining Power of the Benelux Region  
within the EU Council**

Master's Thesis

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Year of the defence: 2024

## **Declaration**

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2. I hereby declare that my thesis has not been used to gain any other academic title.
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4. During the preparation of this thesis, the author used the DeepL translator in order to translate the Abstract and Conclusion into the Czech language. After using this tool/service, the author reviewed and edited the content as necessary and takes full responsibility for the content of the publication.

In Prague on July 31<sup>st</sup> 2024

David Masselter

## References

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## **Abstract**

This thesis concerns itself with the analysis of bargaining or voting power of the Benelux region in the Council of the European Union. For Benelux' voting power there has been a significant research gap regarding modern Council compositions and the objectives of the research focus on determining the current bargaining power of the region and finding out whether Benelux is able to leverage it in the voting process of the Council. Furthermore, it contrasts the findings with those of comparable alliances and member states within the EU. As Benelux is the only formalized coalition in the EU Council, institutionalist theories suggest that there may be a high degree of collaboration between the three member states and the thesis seeks to answer that. To determine the influence of Benelux on voting outcomes, algorithmic calculations such as the Shapley-Shubik Index (SSI) and the Banzhaf Power Index (BPI) are used to calculate the region's theoretical voting power. These calculations are then contrasted with real-world data from the VoteWatch data set for all Qualified Majority Votes (QMV) in the Council from 2009-2022. The results equate the current voting power of the region to that of Spain, but they also show a gradual loss in power throughout all Treaty changes. The results also reveal key policy areas in which the region either frequently allies or disagrees on. Finally, it concludes that there is a mismatch between the calculated voting power and the voting outcomes due to consensus-building practices. Especially, the loss of weighted votes under Lisbon rules lowers the opportunities for pivotal votes for all actors, yet despite having fewer opportunities to cast pivotal votes, compared to larger actors the region manages to put up a united front.

## **Abstrakt**

Tato práce se zabývá analýzou vyjednávací nebo hlasovací síly regionu Beneluxu v Radě Evropské unie. Pokud jde o hlasovací sílu Beneluxu, existuje značná mezera ve výzkumu moderního složení Rady a cíle výzkumu se zaměřují na zjištění současné vyjednávací síly regionu a zjištění, zda je Benelux schopen ji využít při hlasování v Radě. Dále porovnává zjištěné výsledky s výsledky srovnatelných aliancí a členských států v rámci EU. Vzhledem k tomu, že Benelux je jedinou

formalizovanou koalici v Radě EU, institucionalistické teorie naznačují, že mezi třemi členskými státy může existovat vysoká míra spolupráce, na což se práce snaží odpovědět. K určení vlivu Beneluxu na výsledky hlasování jsou použity algoritmické výpočty, jako je Shapley-Shubikův index (SSI) a Banzhafův index síly (BPI), které vypočítávají teoretickou sílu hlasů tohoto regionu. Tyto výpočty jsou pak porovnány s reálnými údaji ze souboru dat VoteWatch pro všechny hlasování kvalifikovanou většinou (QMV) v Radě v letech 2009-2022. Výsledky srovnávají současnou hlasovací sílu regionu s hlasovací silou Španělska, ale zároveň ukazují postupnou ztrátu síly v průběhu všech změn Smlouvy. Výsledky rovněž odhalují klíčové politické oblasti, v nichž se region buď často spojuje, nebo s nimi nesouhlasí. Nakonec dochází k závěru, že existuje nesoulad mezi vypočtenou hlasovací silou a výsledky hlasování v důsledku postupů budování konsensu. Zejména ztráta vážených hlasů podle lisabonských pravidel snižuje možnosti rozhodujících hlasů pro všechny aktéry, avšak navzdory tomu, že region má méně možností odevzdat rozhodující hlasy, se mu ve srovnání s většími aktéry daří vystupovat jednotně.

## **Keywords**

EU Council, Voting, Pivotality, Benelux, Consensus, Coalitions

## **Klíčová slova**

Rada EU, Hlasování, Pivotnost, Benelux, Konsensus, Koalice

## **Title**

Bargaining Power of the Benelux Region within the EU Council

## **Název práce**

Vyjednávací síla regionu Beneluxu v Radě EU

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## Abbreviations

<b>Abbreviation</b>	<b>Full Form</b>
EU	European Union
QMV	Qualified Majority Voting
SSI	Shapley-Shubik Index
BPI	Banzhaf Power Index
IGC	Intergovernmental Conference
V4	Visegrád Group (Czech Republic, Hungary, Poland, Slovakia)
EP	European Parliament
GDP	Gross Domestic Product
MEP	Member of the European Parliament

## Introduction

The topic of the thesis is the bargaining power of the Benelux region within the European Union (EU). Historically, as founding members of the EU, the three Benelux countries have certainly lost in terms of relative bargaining power in the EU over time given the expansive nature of the EU. However, that is true for any of the founding members. Given the rise of Euroscepticism within newer states due to the shared governing power with big states such as France and Germany an insight into the bargaining power of one of the smaller regions may be able to delve into the topic further and either alleviate or worsen this scepticism. The thesis briefly explores the evolution of the bargaining power that may have been present for the Benelux region, but the main focus is the current bargaining power of the Benelux region within the EU as expressed in theoretical and empirical aspects.

In this case, the term bargaining power signifies the voting or lobbying strength that the Benelux region would be able to leverage in the EU decision-making process, more specifically in the Council of the European Union as coalition building between countries is more central to the discourse compared to other arms of the EU legislative process such as the European Parliament (EP). The term bargaining power can be more nuanced than sheer voting power as it also extends to soft bargaining, but because this thesis primarily analyses voting power, both terms are used synonymously. The thesis uses the Shapley-Shubik Index (SSI) and the Banzhaf Power Index (BPI) to calculate the theoretical voting power and its evolution for Benelux. Furthermore, it also examines the real-world voting behavior of the

region through the VoteWatch<sup>1</sup> dataset spanning from 2009 to 2022. Additionally, drawing from literature about institutionalism in the EU it is possible to establish a clear view of how bargaining power is and can be used within the Union. For one, the literature is informative about different bargaining tactics used by EU member states, but it also gives an insight into how institutionalization is a unique case for the Benelux region, compared to other EU coalitions.

However, there is a significant research gap when it comes to the Benelux region as a whole, and there is no current research on the bargaining power of the region within the EU. On the other hand, similar literature about comparative regions of the EU such as Visegrád (V4) and the Nordics exists and is used as both a guideline and a comparative tool for this thesis. Primarily, this thesis draws on game theory calculations such as the voting power indexes for assessing the theoretical bargaining power of the region. The outcome of these calculations is then compared to real-world data provided by the VoteWatch Data set, and it is then possible to establish whether the region punches above or below its weight when it comes to bargaining power. The data also reveals in which areas the region is the most cohesive. Lastly, while Benelux has historically played an important role in the development of the EU, this study aims to assess the influence of their current bargaining strategy within the EU Council and contrast their influence to that of other EU Coalitions.

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<sup>1</sup> HIX, Simon et al., 2022. *VoteWatch Europe dataset*.

## **1. Research Target, Research Question**

The research target of the thesis is relatively clear-cut in that it seeks to find out whether the Benelux region has and exercises any significant bargaining power in the Council. However, in order to answer this question, there are other issues that can also be addressed by the project in the process. These questions include whether the voting patterns of Benelux countries align or deviate from each other, as well as other actors and for which policy areas there is shared political interest within the Benelux region. Essentially this question represents a back test of the hypothesis that a high degree of institutionalization, which is the case for Benelux, should also lead to a higher degree of shared positions than other members of the Council. Given the easy accessibility of policy area through the VoteWatch dataset, it seems only logical to further explore differences in policy area as well. Lastly, other EU coalition formations also form part of the research target, as they can be used for comparative reasons. As such, the research questions include whether Benelux has more pivotal power than other regions, both in theory and in praxis.

## **2. Literature Review**

With the bargaining power of the Benelux region as the topic of the thesis, it is important for the literary sources of the thesis to establish the historical role of the region as a formalized institution. An overview of the historical role of the region up to the present day will then allow the application of literary theories, namely institutionalism and intergovernmentalism to the thesis. These competing theories build the framework for a conceptual analysis of bargaining power through different calculations and game theory models. In theory, the outcomes of these models would serve to establish a test and outcome towards the prevalence of either theory when

it comes to Benelux. Lastly, the literature review links the framework and concepts to scholarly findings on related topics such as the bargaining power and strategies of weak states or other regional groupings in the EU.

Robert Steinmetz' book on Small States in Europe serves as an introduction into the topic by focusing on the region through individual member states like Luxembourg and the Netherlands rather than Benelux as a whole.<sup>2</sup> However, it is also insightful for the history of Benelux and even current workings of the institution. As founding members of the EU, these countries have managed to continuously negotiate for an amount of voting power in proportion to their population that, according to Steinmetz, no country would be able to achieve if it were to join the EU now. Furthermore, it elaborates more on Benelux partnerships within EU institutions as Benelux leaders meet prior to every EU Council meeting in order to publish a joint position. While the book mainly focuses on Luxembourg, I would argue, that on a larger scale, most of the arguments contributing to a high bargaining power of Luxembourg would also translate to the Benelux coalition as a whole. As such, the history and the prestige of the Benelux Union make it so that Benelux leaders have an unprecedented degree of experience and influence when it comes to cross-national institutionalization and are able to defend their national interests in the EU despite their relatively small size. However, the region also has to pick its bargains carefully as it may be more or less influential depending on the political issue at stake. Furthermore, Benelux' interests do not always fully align. Steinmetz illustrates this point by exemplifying several examples of Luxembourg taking opposing positions to Belgium and the Netherlands and siding with large states such as Germany and

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<sup>2</sup> STEINMETZ, Robert and WIVEL, Anders (eds.), 2016. Small States in Europe: Challenges and Opportunities.

France on defense and security policy while siding with the UK against market protectionism. (Steinmetz 2016, pp. 131–146) To understand Benelux' unprecedented level of institutionalization, Ruse's article in the Journal of Contemporary European Research<sup>3</sup> gives a good overview and explanation of this as it shows how Benelux is the only regional group that succeeded to continuously lobby in Intergovernmental Conferences (IGC)s to be allowed to maintain its status as a formal institutionalized group within the EU. Under Article 350 of the Lisbon Treaty, Benelux was granted an enabling clause in the Treaty on the Functioning of the European Union that allows the region to uphold their deeper degree of integration that other member states would no longer be able to replicate. This legally allows Benelux to be allowed to keep shared institutions such as the Benelux Parliament and the Benelux Court of Justice, as well as other forms of institutional cooperation, that other member states would not be allowed to replicate. As such, it can be said that Benelux is the most formally institutionalized coalition within the European Union. (Ruse 2012, p. 332) A similar point of view is provided by Inotai<sup>4</sup> who views the Benelux partnership as a sort of precursor and experiment prior to the EU. The author goes into the failures of Benelux projects as well as successes. While the author does compare the region to other European subregions, he claims that Benelux was/is in a unique position as the countries within the group are more closely aligned politically as well as more comparable in terms of capital availability compared to subregions such as the Iberian Peninsula for example. Furthermore, the author claims that Benelux did have an impact and interest within EU voting to support similar legislation in support of smaller countries. However, he also suggests that the influence might

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<sup>3</sup> RUSE, Ilze, 2012. The Bargaining Power of Territorially Constituted Institutionalised Coalitions in EU Council Negotiations,

<sup>4</sup> INOTAI, András, 1998. Correlations between European Integration and Sub-Regional Cooperation: Theoretical Background, Experience and Policy Impacts.

see a lot of diminishment with Eastern enlargement. Obviously, the Benelux region has had quite a bit of political impact through its cooperation historically, but it remains to be seen how it translates to the here and now. (Inotai 1998) The need for shared political motivations to achieve Benelux collaboration as mentioned by Steinmetz is further outlined by Jeremy Walsh's overview of the Benelux Economic Union.<sup>5</sup> The article mainly focuses on the history of Benelux with the original Benelux Economic Union treaty and argues that it would be beneficial to expand the treaty beyond its original purpose under the name of "Benelux Plus". However, these points are not very important for the thesis, but what is important is the policy areas outlined by the article that the region is already dedicated to working on, "Benelux Plus" would simply help streamline these goals. These goals include cross-border cooperation when it comes to climate change, pollution and land use. The article also writes about cooperation, strategy, and joint policy proposals within the EU and it highlights that as a region Benelux actually possessed the same amount of voting power in the EU as major countries such as Germany or France, at least when the article was published, in terms of weighted voting power assigned by the Nice Rule. On the other hand, it also shows that while Luxembourg is rather neutral, Belgium and the Netherlands have significant political divides in some policy areas. However, as a whole, the Benelux region largely favors liberal policies and further political integration within the EU. Lastly, I think from the article, it can be concluded that the strength of the region when it comes to EU influence hinges on issuing joint memoranda and position papers to influence EU decision-making. (Walsh 2008)

The literary theory necessary for the thesis is provided by different works approaching the topic of EU negotiations and bargaining in the EU Council from

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<sup>5</sup> WALSH, Jerem. Benelux Economic Union - A new Role for the Twenty-First Century.

different strands of theory such as institutionalism and intergovernmentalism. Pollack's work "The New Institutionalisms and European Integration"<sup>6</sup> approaches the topic of EU bargaining from the lens of rational-choice institutionalism and argues that this line of thinking is the most applicable theory to EU decision-making, especially when it comes to the EU Council. Through this theoretical background, this piece of literature discusses the influence of state voting power in the Council, and it highlights ways of assessing this influence through tools such as power index analyses, a method that other articles shed further light on. Analyzing these voting power dynamics is crucial for building an understanding of Benelux' influence in the Council, especially since the region has a unique degree of institutionalization. (Pollack 2007)

In a similar line, but more focused on multi-level governance is Jachtenfuchs and Kohler's article "Governance and Institutional Development"<sup>7</sup> which focuses on the institutional structure of the EU apparatus to see how it affects EU policy. The article gives interesting insights into the interplay between the different levels of EU policy-making that could to some extent also be applied to Benelux. It also reveals some important findings that somewhat undermine the previously mentioned power indexes, because the article argues that EU Council negotiations often lead to consensus-building and weaker compromises rather than outright disagreements in Council voting. More broadly, institutionalism encourages collective decision-making rather than hard bargaining throughout the EU apparatus. (Jachtenfuchs, Kohler 2007, p. 104) Regarding institutionalist theory, the Benelux region should theoretically be enticed to follow common policy goals and find compromises between themselves before negotiating at the EU level. As previously outlined by Ruse, the Benelux should

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<sup>6</sup> POLLACK, Mark. The New Institutionalisms and European Integration. Constitutionalism Web-Papers,

<sup>7</sup>JACHTENFUCHS, Markus and KOHLER-KOCH, BEate, 2007. Governance and institutional development.



theoretically have the strongest coalition outlets in the EU due to institutionalized cooperation and information sharing. This also means that the three nations usually consult with each other first before positioning themselves on EU agenda topics. The outcomes of these negotiations can be found in the form of joint position papers and memoranda which would, in theory, have the countries stand out as a united front in EU negotiations. Whether this is true remains to be examined in the scope of this thesis. For the aforementioned reasons, the article claims that the formalized institutional backbone of the region greatly increases its bargaining power. The theoretical nature of the article puts a theory forward that could explain potential thesis results showing a high degree of bargaining power for the Benelux region. However, the article also puts ideas forward on why this institutionalized coalition may not yield results, notably, if the coalition does not share enough mutual policy preferences. (Ruse 2012) As a sort of counter piece to institutionalism, but not necessarily in opposition to it stands Moravcsik and Schimmelfennig's chapter on Liberal Intergovernmentalism.<sup>8</sup> While the authors acknowledge that most of the EU Council decisions are driven by consensus-building, oftentimes the more important votes are those in which intergovernmentalism takes over. In this process, the authors argue that the size of the country and other factors do not matter as much, but what matters are coalitions and intergovernmental alliances. According to this logic, Benelux, due to shared regional policy preferences, would have unique opportunities to shape policy-making in the EU Council. (Moravcsik, Schimmelfennig 2009) Lastly, Slapin offers a middle piece between these different theories and even though the article analyzes intergovernmental conferences, I would argue that similar dynamics would apply to bargaining in the EU Council, even if most votes do not require

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<sup>8</sup>Moravcsik, Andrew & Schimmelfennig, Frank. (2018). 4. Liberal Intergovernmentalism.

unanimity. Slapin's article analyzes Europe's Intergovernmental Conferences from the point of view of institutionalism through which he seeks to understand the outcomes of these conferences. He claims that intergovernmentalism is often used as a theory to explain EU bargaining, but he draws from different approaches such as neofunctionalism, historical institutionalism, multilevel governance, and supranational governance in order to argue institutionalism is more prominent in IGC negotiations than interstate bargaining. The author finds that at least when it comes to IGCs, smaller states have a disproportionate power thanks to their veto rights. These conferences are also a major source for bargaining to occur. As the article explains, smaller states usually oppose resolutions that would give them a smaller representation in EU institutions such as the EU Council and in general smaller states are able to block major institutional reforms as a bargaining tool. Whether the Benelux states represent shared positions during IGCs would have to be studied further. In general, it can be said that since institutional change for the EU requires unanimous support, small states gain disproportionate influence over institution-building which assures that they retain influence in the EU Council as well. (Slapin 2008)

Assessing bargaining power can be difficult for several reasons and there are different approaches and concepts when it comes to displaying and capturing bargaining power. While some of the literature focuses on game theory and computer algorithms to calculate the bargaining power of member states or regions based on numbers, different parts of the literature focus on more qualitative approaches to assessing bargaining power. Generally, it can be said that hard bargaining in the form of pivotal votes is more of a game theory approach whereas qualitative approaches yield more reliable results when it comes to soft bargaining through negotiations and consensus-building. The literature addresses the strengths, weaknesses and limits

of both approaches effectively. Schneider's article on Bargaining Power in the European Union evaluates the accuracy of different models created to capture the bargaining power of states within the EU.<sup>9</sup> The article draws several conclusions that are important for this thesis. For one, it emphasizes the impact of voting power when it comes to bargaining in the EU. This means that as a collective, the Benelux region would enjoy significantly more leverage in EU bargaining on their own. However, the article also explores other game theory models. In fact, bargaining is a multifaceted topic and the bargaining process can look different in a lot of ways and sometimes the outcomes hinge on luck too. For example, when a country with as little voting power as Malta or Luxembourg is in a pivotal position to influence the outcome of a vote on its own. I would imagine that on the scale of the entire Benelux region, the occurrence of these situations may only be amplified. Furthermore, the article is also helpful in outlining the limitations on certain approaches for calculating the bargaining power of states, as it states that bargaining power is not simply just a proportionate mirroring of its voting power but rather it is more complex and there can be several other approaches to the bargaining process. (Schneider, Finker, & Bailer 2010) When it comes to the pivotal aspects of bargaining power Mayer<sup>10</sup> stresses that the initial voting systems in the EU Council were built around the Benelux coalition being able to counterbalance the other larger players. Mayer's thesis focuses on the role of Luxembourg in the EEC and highlights the impact that Luxembourg had when voting along with the Benelux region. The Benelux region always held the deciding vote when one large country voted differently than the other large countries. Even though this is no longer the case in the current EU formation, I believe that it would be

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<sup>9</sup> SCHNEIDER, Gerald, FINKE, Daniel and BAILER, Stefanie, 2010. Bargaining Power in the European Union: An Evaluation of Competing Game-Theoretic Models,

<sup>10</sup> MAYER, Alexander, 2018. Essays on voting power.

possible to calculate the voting weight and exemplify possible scenarios for the current composition of the EU, taking into account all the new members that have joined since. Widgren<sup>11</sup> and Schneider et al. build on slightly different calculations for assessing voting power but they both use somewhat outdated strategies and calculations based on times in which the voting system in the Council was different, especially since the introduction of QVM has likely led to a decrease in bargaining strength of the region. Even though calculations and methods would have to be adjusted for this thesis, both papers highlight the fact that pivotal power is a significant bargaining tool and Widgren raises some presuppositions applicable to the thesis. Notably, the pivotal power of coalitions seems to be more relevant for blocking proposals rather than pushing them. (Widgren 1995) More relevant for the computational analysis of pivotal power is the article by Sciabolazza<sup>12</sup> where he explores the bargaining power in the EU Council in relation to the location of funds of the EU budget. While the link is not that important, the author provides great detail about the 2 most prominent calculations used to assess bargaining power, the Shapley-Shubik Index and the Banzhaf index. When it comes to assessing the bargaining power in the Council, he concludes that both methods yield reliable results with the latter BPI being slightly more appropriate than the SSI. (Sciabolazza 2022, p. 443) Another example of essentially the same calculations is provided by Kirsch in his article exploring the hypothetical bargaining power of member states after a potential Ukraine or Turkey accession.<sup>13</sup> For his analysis Kirsch uses the IOP 2.0 computer program to calculate both SSI and BPI, and the use of these tools as well

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<sup>11</sup> WIDGRÉN, Mika and WIDGREN, Mika, 1995. Probabilistic Voting Power in the EU Council: The Cases of Trade Policy and Social Regulation,

<sup>12</sup> SCIABOLAZZA, Valerio Leone, 2022. Bargaining within the Council of the European Union: An Empirical Study on the Allocation of Funds of the European Budget,

<sup>13</sup> KIRSCH, Werner, 2022. The distribution of power within the EU: perspectives on a Ukrainian accession and a Turkish accession.

as the implications on his projects are directly applicable to this thesis. Furthermore, Kirsch claims that the rule preventing three countries from blocking proposals is statistically insignificant enough when it comes to the power indexes that it does not have to be assessed. (Kirsch 2022) However, all the authors on pivotal bargaining have acknowledged that pivotal power does not always tell the full story when it comes to Council bargaining and Dür and Mateo's article explores soft bargaining options that may in some cases be more applicable.<sup>14</sup> The article goes into the different bargaining strategies that member states employ in EU negotiations. It presents various methods that have been used to study the bargaining strategies of member state representatives, some of which are useful for the thesis. In general, the article finds that the bargaining strategy of a country greatly depends on different factors, mainly power, preferences and culture. When it comes to the Benelux region these factors are mainly based on economic power and an institutionalist background. While the region does not perfectly fit into any of the classifications such as collectivist or individualistic as the Nordics or the Southern European might, the Benelux region has a history of collaboration and consensus-building when it comes to their bargaining strategy. As such, I believe that the region is more likely to favor soft bargaining tactics as opposed to hard bargaining tactics. This methodology is useful for comparing the bargaining power of Benelux to other regional groupings and may explain potential differences. Furthermore, it also highlights the importance of understanding the impact of soft bargaining. (Dür, Mateo 2010) As such, the article indirectly highlights the limitations of power indexes such as the BPI and SSI as they focus primarily on pivotal power which more closely aligns with hard bargaining.

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<sup>14</sup> DÜR, Andreas and MATEO, Gemma, 2010. Choosing a bargaining strategy in EU negotiations: power, preferences, and culture.

The last section of the literature review consists of more qualitative analyses that focus on the bargaining of Benelux and similar regions, usually through specific case studies. The literature is useful to understand primary Benelux bargaining strategies, but it also shows parallels to other European subregions. For example, Christina Schneider<sup>15</sup> analyzes the bargaining power of weak states, and she does so using the accession of Spain and Portugal into the EU where Greece managed to bargain for other terms by threatening to veto the enlargement. While this situation is somewhat abnormal as it does not reflect the ordinary co-decision procedure that is used for most EU decision-making, it is a tool that Benelux or even just one of the member countries could make use of. In fact, other articles such as the one by Frank Jungbluth<sup>16</sup> overlap in this matter where it focuses on Benelux and V4 positions on Balkan enlargement. It shows that the Benelux countries are willing to publish joint position statements for issues such as enlargement to further their political interests. Furthermore, there are other instances that Schneider outlines in her paper where weak member states have a higher degree of leverage to further their interests, such as EU budget reforms, intergovernmental conferences and trade rounds. It would have to be researched further whether Benelux has actively participated in this kind of bargaining and if so, in what instances. (Schneider 2011) Jungbluth's policy brief analyses Member of the European Parliament (MEP) voting records on EU enlargement between V4 and Benelux. In general, the brief concludes that V4 MEPS tends to vote in favor of expansion whereas Benelux does not. However, there are still some inconsistencies as Czechia tends to vote against expansion, in some cases even more so than Belgium. When it comes to the voting behavior, the members of

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<sup>15</sup> SCHNEIDER, Christina J., 2011. Weak States and Institutionalized Bargaining Power in International Organizations1: Weak States and Institutionalized Bargaining Power,

<sup>16</sup> JUNGBLUTH, Frank, 2020. Evaluating the Positions of the Visegrád Group and the Benelux Union on the EU Enlargement Policy and the EU Accession of the Western Balkan Countries.

each group do not seem to share a strategic voting alliance, but it may be driven by personal/ overlapping interests. For example, Czechia tends to vote more in line with Benelux countries than any V4 member, and Luxembourg never votes against expansion but rather it only abstains when it is not in favor of it. After all, when it comes to this issue, it is clear that there is a strong correlation when it comes to Benelux voting trends, but a more expansive analysis into other policy issues would be necessary to make conclusive statements. However, it also highlights that collaboration between Benelux in other regions is at least to some extent possible as for the issue of EU enlargement, even though there was some disagreement between the regions, both published a joint statement about pushing for a credible and constructive approach towards EU enlargement. (Jungbluth 2020) Lastly, Schout's article about the Dutch political strategy in the EU<sup>17</sup> is only loosely related to the thesis topic, but it does outline some points about the state of the Benelux alliance. Mainly, the author argues that the Netherlands needs to build up alliances with regions that go beyond Benelux to counterbalance the big countries Germany and France. Furthermore, the author claims that the Benelux partners themselves struggle to formulate "clear goals". This is a point that other sources have pointed out as well by stating that Benelux bargaining has the potential to be influential but only if it manages to formulate a shared position. (Schout 2018)

In conclusion, it can be said that there is a significant research gap when it comes to assessing and evaluating the bargaining power of the Benelux region. A research gap that is worth exploring due to the unprecedented degree of cooperation and institutionalization present in the region. While there have been insightful pieces of literature about Benelux' bargaining power in previous EU formations, the issue

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<sup>17</sup> SCHOUT, Adriaan, 2018. Deepening EU integration and the Netherlands' EU narrative.

has seen little interest in recent years and under recent voting rules. As such, it remains to be seen whether institutionalist theories are applicable to the case of the Benelux region where a high degree of institutionalization should theoretically facilitate political cooperation and coordinated voting in the Council. Furthermore, the literature review has also presented some limitations when it comes to the assessment of bargaining power. For example, the authors seem conclusive in stating that the Benelux region may be more fond of soft bargaining and also that consensus-building is a prevalent strategy in EU Council negotiations, but at the same time, EU Council negotiations are untransparent and hard to assess. This leads me to believe that power indexes and the analysis of voting records may be the most reliable and statistically tangible tools for assessing voting power in the Council. Touching further upon the institutionalist theories, a comparative analysis with other regions such as V4 or Nordic countries should reveal that the Benelux region has a higher degree of collaboration in Council voting than other groupings.

### **3. Conceptual and Theoretical Framework, Research Hypotheses**

The thesis builds on the concept of bargaining power, notably that of the Benelux region as part of the European Union. In this regard, bargaining power represents the shared influence that the Benelux region may or may not be able to exercise over the EU legislative process. Another fundamental concept is coalition building, not of Benelux as such but between Benelux and other regions. The idea behind this is that Benelux along with other small regions such as the Nordics or the Baltics may have increased leverage over the political process rather than on its own. Game theory as applied to EU bargaining by Schneider et. al. (2010) represents



another concept crucial for the understanding of how the bargaining process works and how bargaining strategies take on different forms depending on factors such as voting power, coalitions, and sometimes even pure chance. The phenomenon of small state bargaining can also be explored, and it remains to be seen if Benelux member states individually have to rely on that as strongly as other small states or whether their degree of coordination allows them to act more like a large state.

From a theoretical point of view, there are different theories that overlap with the scope of the thesis. The theoretical framework of the thesis includes Rational-Choice Institutionalism, Multi-Level Governance, Liberal Intergovernmentalism, and general observations about Intergovernmentalism. The institutionalist perspective is multifaceted in this regard, because the Benelux region does not only make use of institutionalized bargaining as part of the EU, but Benelux itself represents an institutionalized coalition of its own that should in theory account for the political strategy and outcomes for the region. When it comes to bargaining power Rational-Choice Institutionalism would presuppose that most of the bargaining happens through consensus-building in order to ensure smooth votes and institutional procedures. However, it also highlights that being able to make votes pass or fail gives pivotal actors a higher degree of influence on the bargaining process as these actors would be able to block or derail the usual process. (Pollack 2007, p. 149) From this point of view, it can be hypothesized that Benelux should demonstrate a high degree of voting cohesion, meaning that they frequently vote together.

Furthermore, it highlights the utility of power indexes such as the BPI and SSI for the study of bargaining power in the EU Council. According to Jachtenfuchs and Kohler's chapter on multi-level governance, it can be hypothesized that the institutional structure of the EU legislative apparatus facilitates Benelux' ability to

influence voting outcomes due to their coalition formation. (Jachtenfuchs, Kohler, 2007, pp. 101-106). Power indexes aimed to capture pivotal power express the ability of one or multiple actors to sway the outcome of a vote, but they also show the potential leverage that a region would be able to exercise when finding consensus prior to a Council vote is not possible. On the other hand, intergovernmental approaches highlight the importance of coalition building as well as the use of hard bargaining to achieve political goals. Benelux would be in an advantageous position for hard bargaining due to having a pure numbers advantage in voting, at least under the current QVM system where the votes of each country count as 1 rather than being weighted. From the standpoint of liberal intergovernmentalism, due to presumable shared policy preferences, Benelux should have more influence in shaping policymaking in the Council compared to other actors because the region is more able to use bargaining tools such as the threat to veto. (Moravcsik, Schimmelfennig 2009, p. 74) In short, the influence of Benelux in the Council should be comparatively higher according to both institutional and intergovernmental theories. For one, the reliance of the region on negotiating and forming consensus among each other should reinforce the negotiation front of Benelux prior to any voting occurring. For another, the shared regional political goals should in theory make the region more easily able to coalesce and be more effective in hard bargaining strategies. Given the fact that Council negotiations are often closed to the public, power indexes, and hard bargaining strategies and outcomes are easier to capture than soft bargaining strategies such as consensus-building, they make for the most tangible assessment tool for bargaining power when it comes to the EU Council.

To conclude it can be said that several hypotheses can be drawn based on observations of the primary literature and their theoretical applications. Given the high

degree of institutionalization of the Benelux region, it should theoretically rely on shared positions and coordinated bargaining among Benelux members. Furthermore, the institutional framework of the EU and specifically the Council should theoretically increase the influence of individual Benelux member states but also as a collective. From a strategic standpoint regarding the institutional history as well as the sizes of member states, assumptions regarding the bargaining strategy can also be made.

All of these factors lead to the following hypotheses:

**Benelux has a higher degree of voting cohesion between its member states compared to other states.**

**Benelux has a higher influence on Council voting outcomes than comparable states and regions, which can be assessed both through their theoretical power indexes as well as their VoteWatch records.**

**The Benelux region is in pivotal positions more often than comparable EU coalitions.**

## **4. Empirical Data and Analytical Technique**

As a first step of the thesis, it is crucial to calculate the theoretical voting power of the region within the EU Council. However, this is a difficult task as voting in the European Union Council is quite complex as it requires multiple factors to align for a vote to pass, and these factors have gradually changed over time with the Treaty of Nice and afterwards also the Treaty of Lisbon. As a result, evaluating the theoretical voting power for the Benelux region requires the use of different variables for each voting system. According to the observations of Valerio Leone Sciabolazza in his analysis of EU Council bargaining power, the Shapley-Shubik Index (SSI) and the Banzhaf Power Index (BPI) yield similar non-contradicting results, with the BPI being slightly more appropriate than the SSI. (Sciabolazza 2022, p. 243) However, similarly

to Sciabolazza, I will be calculating both in order to use the latter as a test to see whether the findings are robust.

Of course, there are different voting systems in place, so the calculations for the voting power indexes will be different before and after the Treaty of Nice, due to the changes in voting weights and the changes in voting rules. Furthermore, similar to Kirsch's (2022) article, because of the increased complexities in calculation the rule that prevents three countries from blocking proposals is not taken into account, mainly because it is statistically insignificant but also because it is seen as a last resort in Council votes. As the SSI is linear, the voting weight does not need to be calculated for Benelux as a whole block, but it can be calculated using the regular EU compositions. While this is not the case for the BPI, it is still likely to yield similar results although less accurate than the SSI. Combined Benelux bargaining power as expressed by the SSI simply represents the sum of Shapley values of Belgium, Netherlands, and Luxembourg. Given the large size and complexity of the possible coalitions, the calculations for this thesis will be made algorithmically rather than using a simple formula. This is achieved using Thomas Bräuninger and Thomas König computer program IOP 2.0<sup>18</sup>.

The calculations representing the bargaining strength prior to the Treaty of Nice for Qualified Majority Voting (QMV) consider different voting weights and win conditions than later iteration of voting rules. As a consequence, different calculations are required for each voting system. Prior to Nice, voting in the Council was purely based on weighted voting whereas Nice introduced a different distribution of weights, as well as introducing a minimum of 50% of member votes representing at least 62%

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<sup>18</sup> Bräuninger, T., & König, T. (n.d.). *Indices of Power (2.0)* [Computer software]. University of Konstanz. <http://www.tbraeuninger.de/IOP.html>.

of the population. After the Treaty of Lisbon, the QVM system was revamped into a system that does not make use of weighted votes but requires a minimum of 55% of member votes representing at least 65% of the EU population. The weighted data as well as the population data prior to and after the Treaty of Nice are provided alongside the IOP 2.0 dataset, but the current population weight data of the EU is based on the latest numbers published by Eurostat<sup>19</sup>.

For example, under the current EU formation, the bargaining power of the Benelux region would be approximately 8%. This means that given a politically randomized issue, the Benelux has a theoretical pivotal power of 8% in a QVM vote. This figure would be the 4th highest in the EU placing Benelux' voting power below that of Germany, France and Italy, and above that of Spain. However theoretical voting strength is not necessarily representative of reality, which is why the rest of the analysis focuses on voting records.

Using the VoteWatch data set, specific votes can be filtered to only display votes where the Benelux region was pivotal. This is done by first filtering out all of the votes where Benelux did not vote as a block, assigning the weighted population points to each country and only taking qualified majority votes into account that passed the member threshold as well the population threshold by a margin lower than that of either the population weight or votes (3) of the Benelux region. The same is also done for votes that did not pass by the same margins. For earlier voting data, the conditions can be adjusted accordingly. The sum of these cases can then be used to calculate the effective pivotal power of the Region, and the percentage of votes where Benelux is pivotal can be contrasted with its theoretical pivotal power calculated previously. Having access to the filtered cases of votes makes it possible to further analyze the

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<sup>19</sup> EUROSTAT. Population change - Demographic balance and crude rates at national level.

voting behavior of Benelux. For one, it is possible to assess what policy areas the region is most likely to form a cohesive alliance in or for which ones it does not vote as a block. Lastly, the VoteWatch data is also adjusted to assess the pivotal power of other regions, which are then compared to the Benelux region in terms of bargaining power and policy.

## **5. Bargaining Power of Benelux as Expressed by Power Indexes**

### **5.1 Introduction**

This section explores the theoretical or calculated voting power of the Benelux countries in the Council of the European Union using both the Shapley-Shubik Index (SSI) as well as a normalized version of the Banzhaf Power Index (BPI). While both Indexes are prominently used in the research of voting power and pivoting power, the Banzhaf Index is concerned with raw pivotal power as it assesses the probability of a player being pivotal in a decision-making process, whereas the Shapley Index assesses the weight of each player in each coalition while considering the formation order of all possible coalitions. Despite these differences in calculation, results of both indexes yield similar results with generally few notable differences between the two.

The Shapley-Shubik Index calculation used by IOP 2.0 is based on the Shapley value outlined in a 1954 paper by Shapley and Shubik<sup>20</sup> and it purely focuses on theoretical possibilities in a voting system without taking into account any sociological aspects of the voting process. The calculation for this is rather straightforward, and I will use a short example using three players A, B and C to

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<sup>20</sup> SHAPLEY, L. S. and SHUBIK, Martin, 1954. A Method for Evaluating the Distribution of Power in a Committee System.

illustrate the way it works. For the sake of simplicity, I will assume that all players have the same number of votes, in this case, 1 and that a total of 2 votes is required to pass a vote. As the Shapley-Shubik Index takes account of the order of each player, this leaves us with 6 possible permutations.

*Example 1*

ABC	ACB	BAC
BCA	CAB	CBA

*Example 1* shows all the permutations for players A, B and C under the logic of the Shapley Shubik Index. For each one of these permutations, the second player in line is pivotal as the player is the one reaching the required threshold of 2 votes. In this case, this means that each player is pivotal exactly twice. Calculating the Shapley values for each voter is as easy as dividing the total number of times a player has been pivotal by the total number of permutations. In this case, each player has a Shapley value of  $2/6$  which means that all players essentially have the same voting power under these voting rules.

The Banzhaf Power Index used by IOP 2.0 is based on a 1979 paper by Shapley and Dubey<sup>21</sup> where the authors propose a complicated mathematical notation for the normalized Banzhaf Power Index but the Index on its own was invented by Lyonel Penrose and it was the first popular index used for capturing voting power. The BPI uses a different approach than the SSI which I will illustrate using the same example as for the Shapley value. For the Banzhaf value, order does

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<sup>21</sup> DUBEY, Pradeep and SHAPLEY, Lloyd S., 1979. Mathematical Properties of the Banzhaf Power Index.

not play a role and it simply takes into account how often a player is pivotal in every single winning coalition.

*Example 2*

ABC

ACB

BAC

*Example 2* shows all permutations for players A, B and C under the logic of the Banzhaf Power Index. For the example of A, B and C, each player is critical in 2 coalitions consisting of either A&B, B&C or A&C. To determine the Banzhaf value, each player's number of critical votes is then divided by the sum of all critical votes, similar to the Shapley value. While for this example, the Shapley and Banzhaf values both amount to 1/3, under more complex voting rules these values usually differ by a few percentages because generally, both calculations assume different sizes and numbers of winning coalitions. (Dubey, Chapley 1979)

While the Shapley value is already scalable, I have chosen to go with the normalized Banzhaf value for its scalability which allows for the data to scale to 100% when combining the powers of all players, which also means that it is easier to track changes from one voting system to another because they're all based on the same scale.

However, unlike the Shapley value, the Banzhaf value is not truly linear which means that determining the power of a coalition by adding together the voting powers of each coalition member is somewhat inaccurate<sup>22</sup> (Brink, Van der Laan, 1996). This is also among the reasons why the efficiency of the Banzhaf value is highly contested

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<sup>22</sup> VAN DEN BRINK, Ren&#x000E9; and VAN DER LAAN, Gerard, 1998. Axiomatizations of the normalized Banzhaf value and the Shapley value.



and why the Shapley value is usually the preferred of the two. This also means that, to calculate a true Banzhaf value for a coalition the coalition would have to be treated as a single player, but this would require the change of all the voting rules such as the thresholds and would introduce further unnecessary variables. For this reason, I have chosen to move forward with the same voting rules for each calculation with the only difference being that the added totals under the Banzhaf value may be inaccurate, however, each country's single power value remains true. Additionally, in my results, I have therefore shifted greater importance towards the Shapley-Shubik Index with the Banzhaf Index mostly serving as further confirmation.

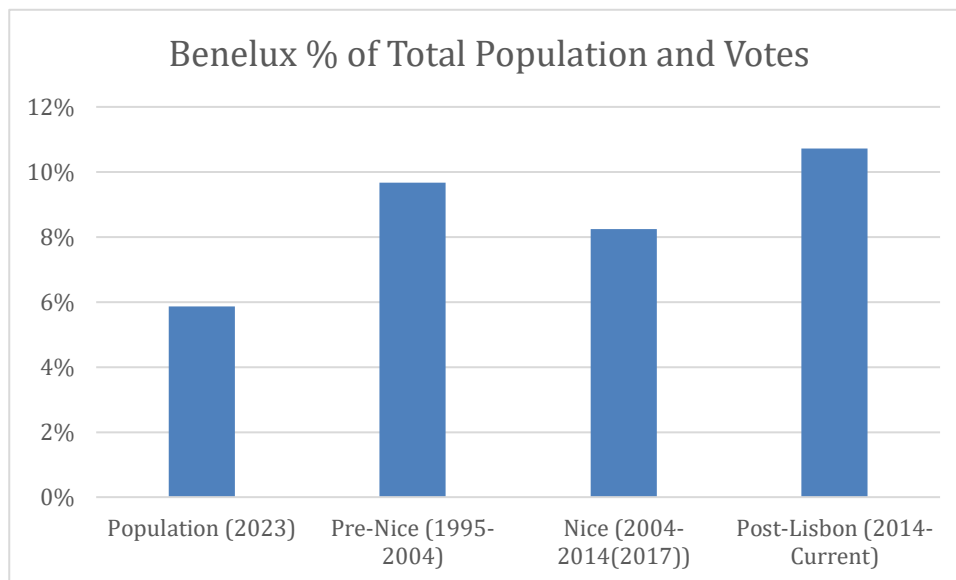
## **5.2 Historical Background**

Voting and Pivotal Power in the Council is an important topic for Benelux, and especially Luxembourg and the voting power of the region has been a much-debated issue since the dawn of the European Economic Community. It is well known that Luxembourg used to be considered a null player under weighted voting from 1958 to 1972 because the country was only assigned a single vote which was not enough to be pivotal in the voting on any act proposed by the Commission. As a consequence, the addition of Luxembourg to any coalition did never have any outcome on a QMV vote which is why Luxembourg did not significantly contribute to a Benelux coalition. However, since the Accession Treaty in 1973, the voting weights for all players were changed and Luxembourg was allowed to have some impact on weighted voting in the EU Council.

As outlined by Mayer (2018), Benelux was given the same number of votes to match one large country in the EEC, however, this dynamic has increased for the most part even favoring Benelux' number of weighted votes prior to Nice, and going back matching Germany, France, Italy and the UK's 29 votes each. However, as

visible by the power indexes of these countries, combined Benelux has at times enjoyed greater voting power than the large countries due to the majority condition in country voting.

*Figure 1*



*Figure 1* shows the distribution of votes and population share for the Benelux region compared to the EU totals. Population is often taken as an indicator for representation, and it is clear that compared to its population Benelux countries have a share of votes exceeding their share of the EU population due to the small nature of the region. Small states have generally always had a higher percentage of weighted votes compared to their population, presumably in order to avoid making small states null players in the same way that Luxembourg was. It is therefore not surprising that the population rules were introduced in the Treaty of Nice to minimize this edge in favor of more populous countries. For this reason, the raw percentages based on the number of total votes that can be cast do not tell the full story as they

do not account for additional voting rules that have been introduced and amended with the treaties of Nice and Lisbon.

While it would seem logical that after Brexit the voting power of all countries would increase due to the removal of one player, the British exit actually also meant that the 55% majority requirement decreased from a minimum of 16 to 15. This in turn increased the relative contribution of population towards voting power which resulted in some of the less populous countries losing voting power with the UK leaving. While the region may proportionately have more weighted votes, or in the case of Lisbon more votes due to every state just getting a single vote, the gradual introduction of new voting rules has actually harmed the voting power of Benelux in favor of larger and more populous countries.

In order to more easily compare the different voting systems, I have always included the maximum number of players as long as they had been assigned an official voting weight. For example, the Accession Treaty system was amended in 2003 to assign votes to the new countries even though the system was set to be replaced by the Treaty of Nice just a year later. Using all possible given voting weights also means that the outcomes of the calculations hinge more on changes in the voting system than they do on new players participating. Logically, in a game of 20 players, the average % of voting power logically decreases with each new player joining. For the same reason, I have also used the most recent population data based on 2023 Eurostat numbers for each calculation requiring a population threshold.

### **5.3 Analysis of Power Indexes**

The Banzhaf and Shapley Indexes yield similar results with most of the results being off by a few percentages, but the normalization of the Banzhaf index could have slightly decreased or increased the variations between voting systems. However,

when ranking the countries by their orders based on either index in every voting system, the ranking remains exactly the same.

*Table 1*

Countries	Pre-Nice (1995-2004)		Nice (2004-2017)		Post-Lisbon (2014-Current)		Post-Brexit	
	SSI	BPI	SSI	BPI	SSI	BPI	SSI	BPI
Germany	7.59%	7.60%	8.59%	7.60%	14.95%	10.36%	18.15%	12.21%
France	7.59%	7.60%	8.54%	7.60%	11.41%	8.49%	13.62%	10.09%
United Kingdom	7.59%	7.60%	8.54%	7.60%	11.22%	8.39%		
Italy	7.59%	7.60%	8.52%	7.60%	9.66%	7.55%	11.51%	8.78%
Spain	6.02%	6.36%	7.90%	7.25%	7.66%	6.35%	9.28%	7.69%
Poland	6.02%	6.36%	7.84%	7.25%	6.06%	4.93%	6.64%	6.21%
Netherlands	3.91%	4.14%	3.61%	3.90%	3.36%	3.52%	3.61%	3.80%
Belgium	3.91%	4.14%	3.32%	3.61%	2.45%	2.92%	2.62%	3.08%
Czech Republic	3.91%	4.14%	3.32%	3.61%	2.32%	2.83%	2.47%	2.97%
Greece	3.91%	4.14%	3.32%	3.61%	2.26%	2.79%	2.41%	2.92%
Portugal	3.91%	4.14%	3.32%	3.61%	2.26%	2.79%	2.41%	2.92%
Hungary	3.91%	4.14%	3.32%	3.61%	2.14%	2.71%	2.27%	2.81%
Sweden	3.37%	3.38%	2.75%	3.03%	2.28%	2.80%	2.43%	2.93%
Austria	3.37%	3.38%	2.75%	3.03%	2.08%	2.67%	2.21%	2.77%
Denmark	2.65%	2.52%	1.91%	2.14%	1.62%	2.36%	1.70%	2.39%
Finland	2.65%	2.52%	1.91%	2.14%	1.57%	2.32%	1.64%	2.34%
Slovakia	2.65%	2.52%	1.91%	2.14%	1.55%	2.31%	1.63%	2.33%
Ireland	2.65%	2.52%	1.91%	2.14%	1.52%	2.29%	1.60%	2.30%
Cyprus	2.07%	1.69%	1.09%	1.23%	0.94%	1.87%	0.89%	1.79%
Luxembourg	2.07%	1.69%	1.09%	1.23%	0.89%	1.84%	0.85%	1.75%
Romania			3.91%	4.17%	3.54%	3.63%	3.81%	3.94%
Bulgaria			2.75%	3.03%	1.70%	2.41%	1.78%	2.45%
Croatia			1.90%	2.14%	1.33%	2.15%	1.37%	2.13%
Lithuania	2.65%	2.52%	1.90%	2.14%	1.19%	2.05%	1.20%	2.01%
Slovenia	2.65%	2.52%	1.09%	1.23%	1.10%	1.98%	1.09%	1.93%
Latvia	2.65%	2.52%	1.09%	1.23%	1.06%	1.95%	1.04%	1.89%
Estonia	2.65%	2.52%	1.09%	1.23%	0.99%	1.90%	0.96%	1.83%
Malta	2.07%	1.69%	0.80%	0.93%	0.88%	1.83%	0.83%	1.74%

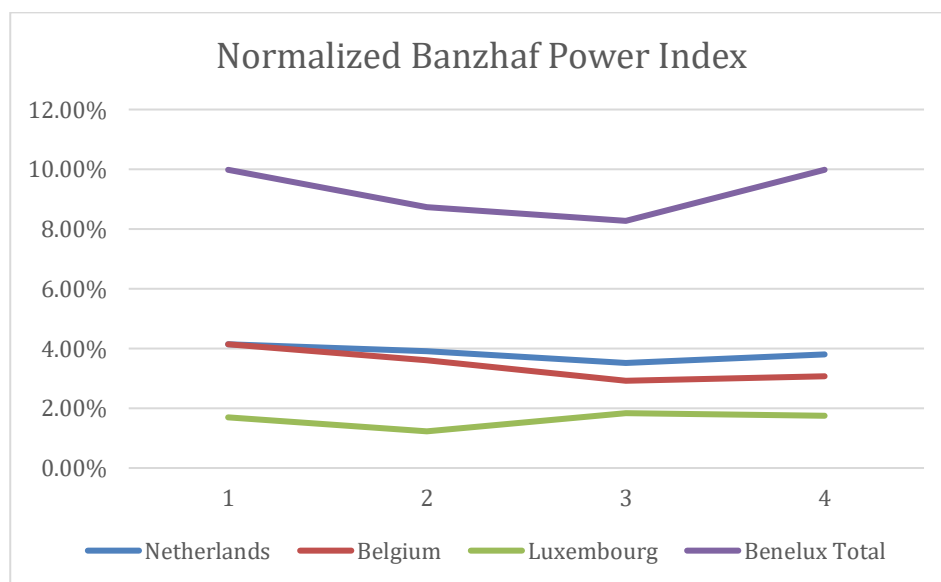
*Table 1* shows the distribution of voting power as measured by the SSI and BPI of all member states for the pre-Nice voting rules, the Nice voting rules, the Lisbon voting rules, and the post-Brexit environment.

### 5.3.1 Voting Power of Benelux Over Time

Naturally, as the voting process in the EU Council has changed, so has the voting power of all actors including Benelux. While most scholars agree that large states have been the undisputed winners of both the Lisbon and Nice Treaties due to the introduction of the majority population rule in Council voting and even Brexit, it

does not necessarily mean that Benelux emerges as a loser in the end. The data shows that all states lower in population than Poland have essentially lost voting power with the Nice rules by both SSI and BPI metrics, and the Lisbon rules have shifted powers even more in favor of larger countries where Germany, the UK, and France were the only countries gaining power while everyone else lost.

*Figure 2*



*Figure 2* shows the changes in voting power as measured by the BPI for all Benelux member states throughout different changes in the voting environment, 1 representing the pre-Nice rules, 2 the Nice rules, 3 the Lisbon rules, and 4 the Lisbon rules after Brexit. Based on the data, with Brexit the playing field has evened a little bit for medium-sized states. This is due to multiple reasons. Not only has the British exit led to one less member state, which as previously explained redistributes the power previously held by the UK to the remaining players, but Britain being the second most populated member state has also lowered the overall EU population by a substantial amount. Both power indexes show an increase in voting power of the

Benelux region through Brexit with the Banzhaf Index showing the biggest change to the point where Brexit is enough to cover the power lost with the introduction of the population rules completely, putting the value back to 9.98%.

On the individual country level, the SSI and Banzhaf values for the Benelux countries play out rather similarly, with all of them generally losing voting power by less than 1% for every change in the voting rules while large countries emerge as the clear winners. There are two notable exceptions to this though, the first being an increase of Luxembourg's Banzhaf value with the Lisbon voting rules. This is likely attributable to the way in which the Banzhaf value is calculated, and it could be interpreted that Luxembourg's sheer influence on the pivotability of a vote is increased by the abolishment of weighted votes. The second exception is Luxembourg losing 0.05% of its SSI and 0.09% of its BPI with the British exit. This can be explained by the majority country rule now being reached by just 15 countries instead of the previous 16 which puts a slightly higher weight on population requirements which translates to the bottom 6 countries in terms of populations losing in voting power while all others can see a slight increase, even though large countries proportionately gain more from Brexit.

### **5.3.2 Comparative Analysis**

With Benelux voting power having been structured around the weight of large EU players, it is only natural to compare it to those. For the sake of visualization, I have included the largest player Germany, as well as Poland and Spain because their population is only slightly larger than that of Benelux.

Figure 3

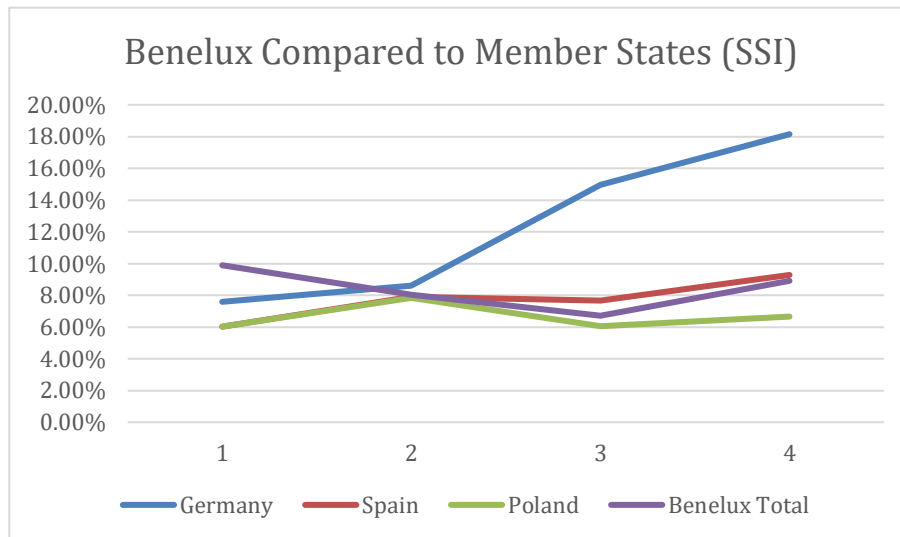


Figure 3 shows the changes in voting power as measured by the SSI for the selected member states throughout different changes in the voting environment. Unsurprisingly, prior to the introduction of the population rule Benelux had a higher voting power than even Germany, mainly because as a collective prior to Nice, the region had 12 weighted votes whereas Germany only had 10. Interestingly, Benelux was able to perform its ancient role of counterbalancing the large states the best under the Nice rules, where its pivotal power was the closest to Germany with 8.02% and 8.59% respectively. The same number of weighted votes, 29, the 62% population requirement favoring Germany and the 50% country agreement favoring Benelux almost evened out miraculously under Nice rules. Poland and Spain also have similar voting power with 7.84% and 7.90% due to both countries having 27 votes each. However, with the Treaty of Lisbon's abandonment of weighted votes and a higher population threshold Germany emerges as the clear winner with a Shapley value of 14.95% and mid-sized regions like Spain, Poland, and even Benelux lose out with 7.66%, 6.06%, and 6.71% respectively. This effectively means that from this point

onwards Germany now holds twice the voting power of Benelux which was previously meant to counterbalance large countries including Germany. While the British exit has led to the country's power being absorbed by most of the other countries, this dynamic has not changed but Germany's lead over Benelux has still increased in terms of raw percentages, with 18.15% as opposed to 8.90% which effectively makes for a difference of 9.25%. Under the current formation, Benelux holds about the same power as Spain's 9.28%, while Poland holds slightly less power with 6.64% despite its population advantage over the Benelux region.

### **5.3.3 Other Coalitions**

When it comes to other regional coalitions in the Council, I picked Visegrád, the Nordic Alliance, and the Baltics in order to compare them to Benelux but when it comes to their voting powers the numbers are unsurprising and match up with their population sizes. Benelux has a total population of roughly 30 million, whereas Poland alone already has more than that which makes the V4 group in total have about twice the population in Benelux while also consisting of 4 countries. The Baltics and Nordics each consist of 3 members like Benelux but with smaller populations of about 6 and 22 million inhabitants roughly. Furthermore, under weighted voting prior to Lisbon Visegrád had by far the most votes with 21 and later 58 votes corresponding to about twice as many as Benelux with 12 and 29 votes respectively. On the lower end of the spectrum are the Baltics with 9 and 15 votes and, slightly closer to Benelux, there's the Nordic Alliance with 10 and 24 votes respectively.



Figure 4

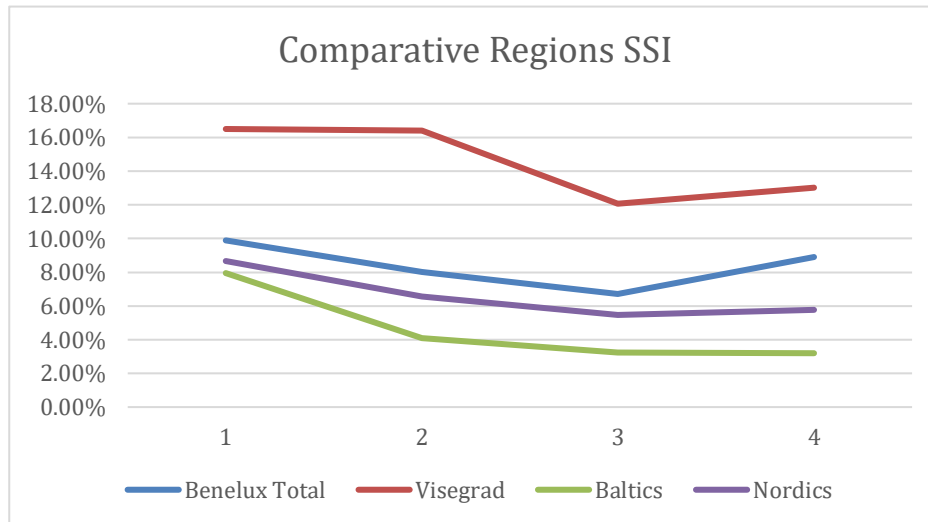


Figure 4 shows the changes in voting power as measured by the SSI for all regions throughout different changes in the voting environment. Visegrád is clearly more powerful than any of the other groupings due to its population and numbers advantage as it consists of 4 members whereas the other groupings only consist of 3. Visegrád's Shapley power is nearly unaffected by the changes in voting weights introduced by Nice whereas Benelux and the Nordics see a slight decrease in power while the Baltics lose almost half of their previous power. Later, Lisbon's lack of weighted votes caused Visegrád to be one of the major losers of this change as the region's Shapley value drops by 4 percentage points. All other regions lose voting power with Lisbon as well, however percentage-wise, it is considerably less. Finally, with Brexit, most of the regions absorb some of the UK's former voting power except for the Baltics which lose out even more due to their population numbers being so low as Latvia and Estonia fall below the population threshold that would have enabled them to gain power. The end result is that on the lower end, the voting powers of the regions are more spaced out than ever before while also bridging some of the gap towards the higher end represented by the Visegrád countries.

## 5.4 Limitations

Voting Power, as expressed through BPI and SSI indexes, comes with several limitations, mainly due to the nature of them being purely mathematical. The lack of sociological factors means that every possible coalition or winning coalition is treated as if it has the same likelihood of coming into place, which is somewhat unrealistic as it does not take into account any strategic alliances or policy preferences between the countries. Furthermore, as explored in the upcoming chapter, voting in the Council is sometimes just a formal procedure used to solidify choices already made in the consensus-building stage, which means that the true influence of the countries is probably more at play during consensus-building than the voting stage. However, this also does not completely negate a country's voting power as the point of consensus-building is getting votes to pass, usually unanimously, which means that every country is probably able to make appropriate demands proportional to its voting power during consensus-building.

Further limitations apply when considering the voting rules of the different processes. As is typical for the calculation of power indexes in the EU Council, for the sake of simplicity, the blocking minority rule is usually not accounted for. However, possible blocking coalitions under all applicable voting systems only produces a small number of coalitions which is unlikely to significantly impact the overall result. Furthermore, the calculations put equal weight on all voting rules being met when the reality is that this may not always be the case. For example, Article 3 1 (a) (ii)<sup>23</sup> in the Treaty of Nice introduces the population requirement rule more as a post-vote validity test as the verification of 62% of the EU population being represented in a vote has to be requested by a member state. However, I could not find any documentation of

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<sup>23</sup> European Union. Treaty of Nice. Article 3 1 (a) (ii).

a request for this verification ever being made by a member state. Furthermore, in some cases, new members have been assigned voting weights upon their accession to the EU even if the time they were able to cast votes under a certain system was limited. In some cases, for the pre-Nice rules, joining countries like all members of V4 would have only made use of that voting system for its final 6 months.

It is also important to state that the voting rules only represent qualified majority voting in the Council while certain policy areas require different sets of voting rules. Even though nowadays most decisions in the Council are decided by QMV votes this has not always been the case. The EU has gradually been moving towards QMV for all votes but prior to the Treaty of Nice, QMV was only used for limited policy areas while many important policy areas still required unanimity. In essence, this means that just comparing the differences between voting powers under the QMV systems fails to capture an important secondary dynamic which is that of QMV becoming more prevalent. In other words, not only have small countries gradually been losing voting power under QMV, but the expansion of the QMV policy areas with each treaty has harmed the voting power of small countries even more as they would have essentially had equal voting power regardless of size under unanimity previously.

Lastly, it remains to be seen whether the presumption that Benelux or other coalitions can even stand as a block that coordinates their votes within the group, so the sum of Benelux voting power indexes merely represents a scenario in which each group presents internally aligned votes which may not even be the case.

## **5.5 Conclusions**

To conclude, I think that both the Shapley-Shubik Index and the Banzhaf Power Index have been reliable methods to assess the changes in voting power between the different voting systems and as expected both indexes have yielded

similar results despite varying methodology. When it comes to the voting powers, they have been comparable to other research done in this matter that broadly concludes that the Nice and Lisbon voting rule changes have mostly benefited the largest of countries in the Council.

Luxembourg's previous status as a null player highlights the importance of meaningful voting weight distribution and the numbers show that Luxembourg has at least been able to hold voting power to some extent, especially when voting alongside Benelux even if new treaty voting rules have consistently threatened the voting power of all small states.

For Brexit, the results have also been similar to the findings of Brexit-related research which mainly emphasized the emergence of large countries as the clear winners but somewhat surprisingly Benelux as a whole has actually seen an increase in voting power despite Luxembourg's power decreasing slightly, at least considering Shapley values.

When it comes to Benelux serving as a counterbalance to the larger states up to the Treaty of Lisbon this has been the case even if not intended. With Nice, the voting power of Benelux was closely matching the largest states and prior to Nice it was even slightly higher. However, with the Treaty of Lisbon, these changes and the lead of larger states over Benelux and all other countries significantly increased. In short, whereas Benelux was previously matching the power of the most populous countries Germany and France, the current Lisbon rules put the region's voting power just under Spain which is currently the 4<sup>th</sup> largest country in the EU.

In comparison to other regions, it can be said that Benelux has not fared too badly throughout the different voting systems, with V4 logically being the most powerful coalition by sheer numbers advantage alone but Benelux has consistently

held the lead over the Nordics and the Baltics. It has also been notable how Benelux gained a substantial lead over the latter two with Nice and thereafter due to its high population density.

Lastly, this also partially confirms the research hypothesis that states that Benelux is expected to have a higher degree of influence on Council voting than comparable coalitions or states. With the exception of V4, which can logically be explained due to the sheer numbers advantage in both the member state and population requirements, Benelux does have more influence than the other regional coalitions consisting of 3 countries. In some ways, they even exceed the hypothesized power as earlier voting rulesets even allow Benelux a lead over the larger states. In how far, Benelux is comparable to Spain as a state would have to be further determined, but under the current constellation that is what the region's voting power plays out to match most closely.

## **6. Voting Power as Expressed by Council Voting Records**

### **6.1 Introduction**

Since the dawn of its establishment in 1944, Benelux has promoted regional integration and policy alignment, including when dealing with the region's bigger and more powerful neighbors. With the creation of the EU and its gradual expansion, this formal coalition has always remained, and it is unique and unprecedented in this regard as formalized coalitions have been outlawed in the EU. Given this coalition as well as the regional proximity it is to be expected that there is a high degree of policy coordination which may reflect in the way the Benelux countries vote in the Council. This analytical section is primarily based on the VoteWatch European Council dataset that recorded all votes cast by EU member state governments in the Council of Ministers from July 2009 to February 2022. This means that the data does not capture any voting records prior to the Nice voting rules. In the first stage, this section focuses on the assessment of voting cohesion of Benelux and comparable regions, and in a second stage, it analyses the frequency at which these countries have been in pivotable positions during qualified majority voting. Analyzing the voting cohesion of Benelux does not only shed light on how effective this coalition is, if at all but it also sheds light on how the different policy areas and the different Council configurations affect the voting cohesion of the region. Lastly, having explored the theoretical voting power through indexes of power in the previous section, it can be explored how this data is reflected in the real world and if voting power has much of an impact on voting outcomes.

## 6.2 Voting Cohesion

### 6.2.1 Voting Cohesion of Benelux and Other Regional Groupings

When it comes to the voting cohesion of Benelux or comparable alliances it is important to keep in mind that there already is a high degree of voting cohesion throughout the entirety of the Council. Based on the data's 1262 QMV votes over the 13-year timespan 65% of them have passed with unanimous agreement meaning that every member state has voted for the legislation. Furthermore, the average percentage that a member state votes yes on legislation is 96.66%, for an abstention it's 1.40%, for a no vote it's 1.13% and for not voting it's 0.68%. This means that voting cohesions across all groupings are going to be high in general, which emphasizes the importance of small variations in the data. In order to best assess the voting cohesion of Benelux, I have also introduced a comparative control group based on the probability of 3 members voting cohesively, this is derived from the sum of cubes of each option's distribution throughout the dataset.

$$P (\text{Probability of consensus}) = P1^3(\text{Probability of Option 1}) \times P2^3 \times P3^3 \times P4^3$$

$$P = 0.9666^3 \times 0.014^3 \times 0.0113^3 \times 0.0068^3 = 0.9022$$

This calculation shows the multiplication of the cubed percentage distributions of the four voting options and results in the final probability of three member states voting cohesively being 0.9022 or 90.22%.

Figure 5

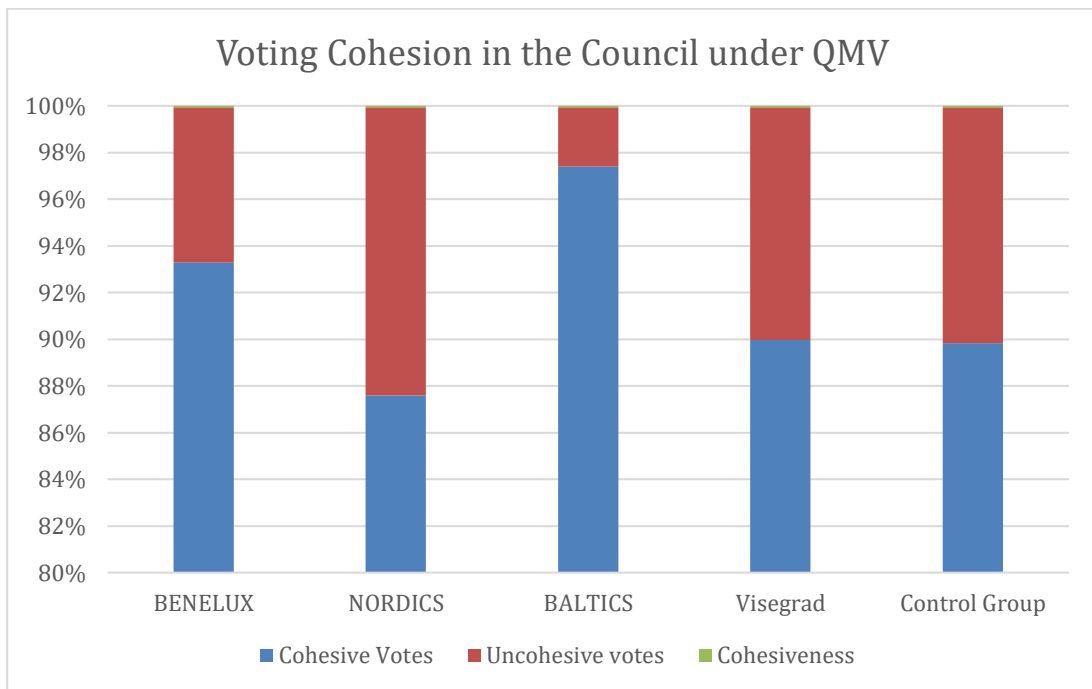


Figure 5 shows the voting cohesions of all selected regions, including votes that they have cast in a cohesive manner as well as votes that the regions could not agree on. It is important to mention that the graph only considers equal votes which means that abstentions cast in favor of other group members' opposing votes would not be captured in the chart. Based on the Council votes it is clear that there is a major discrepancy between the cohesions of the different regions. The Nordic Alliance is by far the least cohesive with only 87.64% voting cohesion, and Visegrád is only slightly better with 90.03%. Both regions display lower cohesion than the control group at 90.22%, but it must be noted that the control group's percentage is based on a three-member coalition. Calculated on a four-member coalition the likelihood of four member states voting cohesively would be 87.13% which means that Visegrád is actually slightly more cohesive than expected. The Baltic region is the clear winner with 97.47%, Benelux is the clear second with 93.35% and the



Visegrád group falls even below the control group 90.03%. While the point differences may not look sizeable, the differences between the regions are quite noticeable when considering the fact that a high number of proposals are already accepted unanimously. If we assume that proposals accepted unanimously have already gone through rigorous consensus-building prior to the vote and discard these votes from the analysis the differences become even more clear. Once again for the Control group I have calculated the same statistical probability for 3 members as previously, but based on the percentages excluding unanimous votes which results in a probable cohesion of 3 members of 74.76%.

*Table 2*

<b><i>Coalitions</i></b>	<b><i>Voting Cohesion</i></b>
<i>Benelux</i>	<i>80.83%</i>
<i>Nordics</i>	<i>64.38%</i>
<i>Baltics</i>	<i>92.71%</i>
<i>Visegrád</i>	<i>71.25%</i>
<i>Control Group</i>	<i>74.76%</i>

*Table 2* shows the cohesion of the coalitions for all QMV votes that did not pass unanimously. These more disputed voting processes yield differences in voting cohesion that are more remarkable and while they do not change the respective rankings of the different coalitions, they emphasize the collective interest represented by the group. Compared to the Nordics, the Baltics show a really strong voting

cohesion that is almost 30% higher while Benelux still shows a comparatively high cohesion at 80%. This elevated level of cohesion confirms that Benelux' higher degree of institutionalization as well as the separate pre-Council meetings lead to a more united front in the voting process than on average. On the other hand, Visegrád still displaying a voting cohesion this close to the control group shows that the region does not necessarily present a united front during the voting stage of Council decisions, although once again the probability for four members voting cohesively in the non-unanimous votes is slightly lower at 67.87%. Visegrád is also the only coalition that has not managed to unite for a vote against a proposal while the Nordics and Benelux have done so once, and the Baltics managed to oppose a vote on 3 occasions. None of the groups ever abstained from a vote in a cohesive manner.

### **6.2.2 Voting Cohesion by Policy Area**

When it comes to the different policy areas, the majority of cohesive Benelux votes have been cast mostly on *Environment & Public health*, Economic & monetary affairs as well as *Civil liberties, justice & home affairs* policy areas. This is not too surprising as these are also the most common policy areas brought up for QMV votes in general. Given the high voting cohesion of the region, it is expected that the distribution of voting cohesion within the policy areas is almost going to align with the frequency of policy areas being brought up for voting. However, the data also reveals minor deviations from this trend.

Figure 6

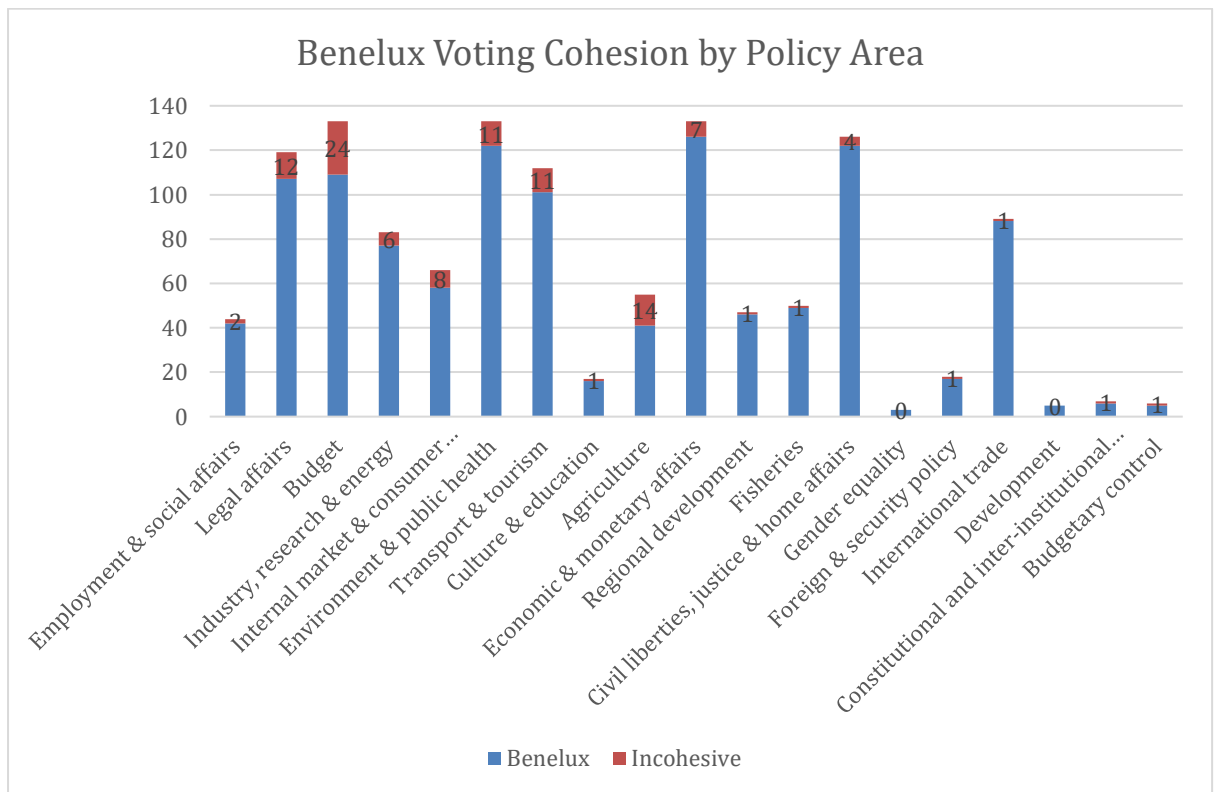


Figure 6 shows the distribution of policy areas of all votes as well as the number of times Benelux voted as a block or in an incohesive manner. Based on this bar chart of the *Benelux Voting Cohesion by Policy Area* both cohesive and incohesive votes can be compared to deduce that, when excluding areas with few votes, *International Trade* is the most cohesive policy area for Benelux with 98.88% cohesion over 89 votes in total. In general, the other regions have similar levels of cohesion in this area falling slightly behind Luxembourg. Other high cohesion areas for Benelux include *Fisheries* at 98.00%, *Regional Development* at 97.87%, *Civil liberties, justice & home affairs* at 96.83% and *Employment & social affairs* at 95.45% cohesion. Generally, on the most cohesive policy areas for Benelux, all regions fare relatively similar to Benelux mostly differing by a couple votes with Visegrád usually being the least cohesive region. However, a look into Benelux' most cohesive policy

areas also reveals where and why the Nordics have been faring incohesively for the most part and it shows that the Nordics are rather cohesive in most policy areas except for *Civil liberties, justice & home affairs* where their cohesiveness is only 30.16%. This is due to the fact that Denmark was guaranteed an opt-out for matters of freedom, security and justice in the Treaty of Lisbon. For this reason, Denmark is often seen abstaining or voting against Council matters on these topics. <sup>24</sup>(Krunke 2019, p. 287) As the other two Nordic countries do not have such opt-outs it lowers the overall cohesion of the group and makes coalition-building with Denmark in these matters impossible.

Benelux' least cohesive policy areas include *the Internal Market & Consumer Protection* at 87.88%, the *Budget* at 81.95% and *Agriculture* at 74.55%. In these areas, Benelux is less cohesive than comparable regions, but all comparable regions disagree on these topics more than they do on average. For Benelux in particular, I believe that fundamental differences between the members are at play during these negotiations and there is a case to be made that the *Budget*, the *Internal Market & Consumer Protection* and *Agriculture* are strongly linked as they are mostly dependent on the economies of the countries. While Belgium and Luxembourg are more similar, both in voting patterns and economic activity, the Netherlands show notable differences compared to them. For example, excluding unanimous votes, Belgium and Luxembourg produced about 89.79% voting cohesion whereas both countries only produced 85.42% each when paired up with the Netherlands. Further similarities and differences can be found within the EU budget. Major differences in budgetary philosophy within Benelux can be attributed to Belgium and Luxembourg

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<sup>24</sup> KRUNKE, Helle and BAUMBACH, Trine, 2019. *The Role of the Danish Constitution in European and Transnational Governance*.

being major benefactors of EU funds whereas the Netherlands is one of the main contributors. EU funds received by Belgium and Luxembourg mostly cover administrative costs for supporting the local EU institutions followed by funds aimed at growth and jobs. On the other hand, the Netherlands received its main funds aimed at growth and jobs followed closely by agriculture.<sup>25</sup> (Directorate-General for Budget, 2020) Agriculture is far more important for the Netherlands than it is for the other Benelux countries as the country relies more on agricultural export, thus also having the agricultural industry make up a higher proportion of the country's Gross Domestic Product (GDP) at 1.5%, compared to Belgium's 0.6% and Luxembourg's 0.2%. Furthermore, the agricultures of the latter two are far more primitive than those of the Netherlands which is the global leader in advanced horizontal and factory farming techniques which allow it to produce large quantities of products precisely.<sup>26</sup> At the same time, the farm sizes of the countries are rather dissimilar with Luxembourg having fewer farms that are larger in size, while Belgium and the Netherlands have a mix of both small and large scale farms with prevalences of either depending on the countries' regions. Due to these major discrepancies in the sector, regulatory measures on farming and agriculture likely impact the Benelux countries in broadly different ways which presumably makes voting cohesively and coalescing behind issues more difficult than in other sectors.<sup>27</sup> A qualitative look into the policies shows that the specific regulations proposed in the *Internal Market & Consumer Protection* category does not yield any meaningful conclusions or similarities as the specific domains, for example gun control, digitalization, fertilizers, and other substances are fairly different from each other. Furthermore, there is no member that could be

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<sup>25</sup> DIRECTORATE-GENERAL FOR BUDGET, 2020. EU budget in my country,

<sup>26</sup>BUTTURINI, Michele and MARCELIS, Leo F.M., 2020. Vertical farming in Europe,

<sup>27</sup>EUROPEAN PARLIAMENTARY RESEARCH SERVICE, 2013. Average farm size by region.

considered to be more or less likely to not vote alongside the other Benelux members. I would assume that these matters would depend on a case-by-case basis, primarily based on the topic at hand as the economies and EU trade practices of the Benelux countries are substantially different, even though they are among the biggest benefactors of the internal market.<sup>28</sup>

### **6.3 Voting Power and Pivotality of Benelux**

Voting power in the Council for Benelux but also all other actors is surprisingly limited due to the high level of consensus within Council voting. When it comes to the analysis of the VoteWatch data there is no specific mathematical formula as there is when calculating the theoretical voting power indexes which means that the voting rules and thresholds need to be evaluated individually as each voting rule that is met or not met represents a potential fail-state in the passing of a vote. As the VoteWatch dataset only covers votes from 2009 up to 2022 this part of the analysis only covers the Nice and Lisbon voting regulations.

The first part of the analysis concerns the majority country requirement which has been present under both voting systems, although with different thresholds with 50% of countries for Nice and 55% for Lisbon. Despite the different thresholds between a minimum of 14 to 16 countries, in all of the recorded VoteWatch data, not a single QMV procedure has failed to pass this requirement as passing votes are generally common in the Council. In all 1292 QMV procedures. To calculate how decisive the different regions have been I have calculated the number of members voting for a proposal while excluding the corresponding regions each time. This step has also revealed how undecisive the votes of the different regions were in this regard

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<sup>28</sup>FREEMAN, Daan, GERDIEN , Meijerink and RUTGER, Teulings, 2022. Trade benefits of the EU and the Internal Market.

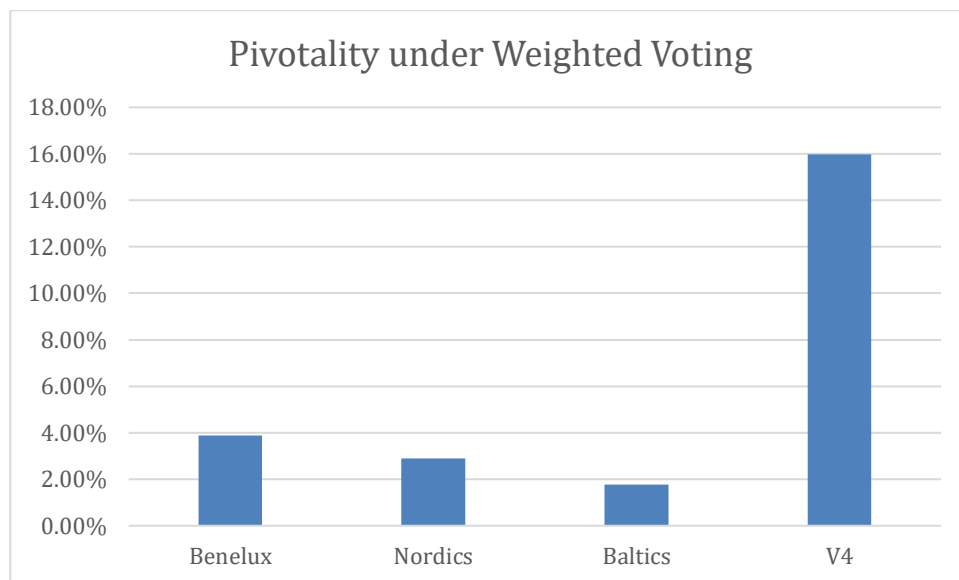
as barely any proposals hinged on passing the majority country threshold. Benelux has not been decisive in getting a vote passed a single time. The same applies to the other comparable regions except for the Baltics which have managed to do so a single time. The number of countries has been more relevant when it comes to the blocking minority under the Lisbon rules which have put the three-member regions at a more advantageous spot for blocking proposals. While the Visegrád region could theoretically block any proposal due to reaching the 4-country threshold with its members alone, the other regions have also been in pivotal positions for blocking proposals whenever 1 other state also voted against the proposal. When considering votes against proposals, excluding those of the 3-member regions, Benelux and the Nordics had 79 opportunities to build a blocking minority, and the Baltics had 83. The special conditions for the blocking minority were not applicable as neither 3-member region would have been able to represent 35% of the EU population on its own and a fourth and fifth member would have always been necessary. Blocking or generally voting against a proposal are really uncommon options in the EU Council though, and it is really rare that a proposal is blocked in general as it seems that members abstain from voting rather than contributing towards blocking a proposal. In the entirety of the dataset, there are only 19 occasions in which 4 or more members voted against a proposal.

### **6.3.1 Weighted Voting**

As seen with the power indexes, using live data reveals the same trend as every regional grouping had more influence over the voting process in the Council under the Nice rules with weighted votes. Generally considering all the 620 votes recorded under the Nice system, only 2 failed to reach the thresholds required of either 255 or 260 votes. These were so unpopular that most regional groupings and

actors could not have had any influence on having the votes pass. For the votes that did pass, I have recorded all of the votes where the votes that would or did not pass without those of the respective regions. However, in most cases not all of the votes would have been required and the coalitions would not have had to vote cohesively. The number of pivotal positions of the regions depends on their total number of votes which puts their voting power in the same order as the indexes. Once again, for the weighted Nice votes, Visegrád has been pivotal 99 times, Benelux 24 times, the Nordics 18 times and the Baltics 11 times.

*Figure 7*



*Figure 7* shows the percentage of pivotal positions or pivotality of the different regions for all the weighted votes in the dataset. Percentagewise these pivotal positions translate to 3.87% for Benelux, 2.90% for the Nordics, 1.77% for the Baltics and 15.97% for the Visegrád group. However, the pivotality also hinges on the particular votes being disputed in the first place and for the positions that the countries were pivotal in, only Benelux passed all of them whereas the Nordics did not pass 1



and the other two regions each did not pass 2. In those pivotal positions, Benelux voted cohesively for or against a proposal 3 times, and the Baltics did so on 2 occasions, the others never did.

Compared to the single member states selected for the index-based analysis, Germany, having the same number of votes as Benelux also fairs the same with the same percentage of pivotal positions. While this may seem intuitive, both Benelux and Germany were not always pivotal in the same scenarios. This is because, in a scenario where two actors have the same number of votes, one actor could have been counted as pivotal in a vote for which the other voted in favor of, while the second actor would not be pivotal if the first actor did not vote for the proposal as the quota would be unreachable. In other words, the fact that the weighted votes of both actors ended up being pivotal on 24 occasions or 3.87% of the time is based on chance to an extent. The same happened with the other two comparative member states Spain and Poland which ended up with 17 pivotal votes or 2.74% each.

### **6.3.2 Population Weight**

For the population weights the entire data set can be considered as both treaty rules covered make use of a population requirement, although at different rates with 62% for Nice and 65% for Lisbon. It is important to note that the calculations have been done with the most recent Eurostat numbers that have also been used to calculate the indexes of power in order to simplify the comparison of both models. However,

population weights and their proportional distribution across the countries have hardly changed over the course of the dataset. Over the dataset, the threshold required spans from a minimum representation of 316.7 million people, which represents the 62% requirement excluding Croatia, to a minimum of 334.5 million,

which represents the 65% requirement prior to Brexit. Furthermore, there have only been 2 occasions on which the population requirement was not reached, both under the Lisbon rules, and both times a blocking minority was reached simultaneously. For both of these occasions, Benelux and the other 3 member alliances would not have been able to influence the outcome of the vote while Visegrád would have been able to influence one of those had they voted cohesively. Deducting the corresponding contributions towards the population threshold of each region separately reveals how often each region has managed to find itself in a pivotal position in this regard.

*Table 3*

<b><i>Pivotal positions</i></b>	<b><i>BENELUX</i></b>	<b><i>NORDICS</i></b>	<b><i>BALTICS</i></b>	<b><i>V4</i></b>
<i>Nice</i>	2	1	0	15
<i>Lisbon</i>	2	2	0	8
<i>Total</i>	4	3	0	23
<b><i>Percentages</i></b>				
<i>Nice</i>	0.32%	0.16%	0.00%	2.42%
<i>Lisbon</i>	0.31%	0.31%	0.00%	1.25%
<i>Percentage</i>	0.32%	0.24%	0.00%	1.82%

*Table 3* shows the number of positions a region's population weight has been pivotal for each treaty's rules as well as the respective percentages compared to all QMV votes. The pivotality over 1262 votes is extremely low for Benelux and the

smaller regions while it is still relatively low for V4. As has been usual, V4 finds itself in pivotal positions more often than the other regions just due to its higher population size while the others follow in descending order. Due to the low population size of the Baltics, their weight has never been crucial for a single vote while Benelux has managed to do so 4 times or 0.32% of votes, the Nordics 3 times or 0.24% of votes, and Visegrád 23 times or 1.82%. As a coalition, Benelux has had about 301 points to contribute towards the threshold which corresponds to almost 6% of total votes, but due to the generally high amount of passing votes in the Council, this has contributed to very few swing votes for the region. However, whenever Benelux was in a pivotal position regarding population size, the region voted cohesively for the proposal all 4 times, V4 11 times under Nice and 8 times under Lisbon rules, and the Nordics and the Baltics never did. As with the calculations of weighted votes, cohesive votes were not always necessary to reach the threshold and all votes where the regions were pivotal in ended up passing, except for the previously mentioned V4 vote in which the region was split. Compared to other larger states Benelux fares poorly. Germany being the most populous country, and Spain and Poland also being among the top, emphasizes the size difference that it makes in pivotal votes. As such Germany has been pivotal a total of 22 times or 2.54%, Spain 17 times or 1.35%, and Poland 7 times or 0.55%. It is also notable that the number of times Germany has been pivotal in QMV votes has almost doubled under the slightly elevated population threshold of Lisbon as compared to Nice. However, for all other countries or regions except the Nordics, the number of times has either decreased or remained constant.

### **6.3.3 Total Pivotal Power**

As all voting rules apply simultaneously and have to be met at the same time, it is undoubtedly the case that for some instances where a region was pivotal in one

threshold, it may also have been in another. This means that the numbers of times regions have been pivotal under the different voting rules cannot simply be added together. To count the total pivotality of each region I have considered all Council votes where it has been pivotal under one or more rules. Due to the unpopularity of voting against proposals and the lack of the blocking minority rule in the power indexes, I have excluded this aspect in the overall numbers.

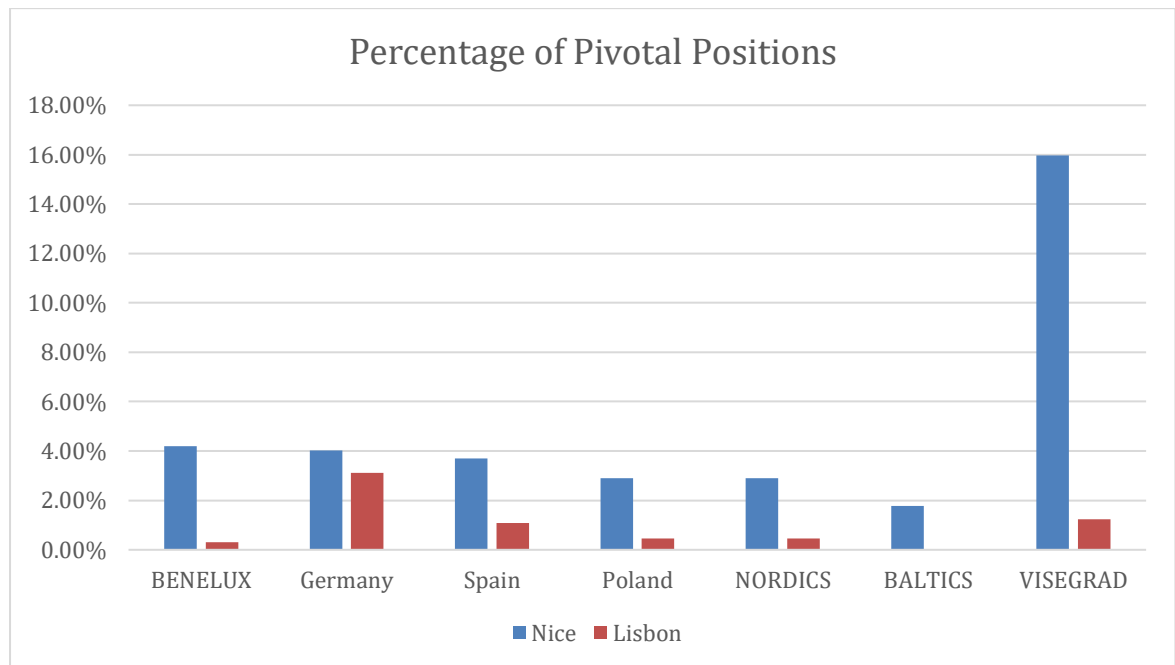
*Table 4*

<b><i>Pivotal Votes</i></b>	<b><i>BENELUX</i></b>	<b><i>NORDICS</i></b>	<b><i>BALTICS</i></b>	<b><i>WISEGRÁD</i></b>
<i>Nice</i>	26	18	11	99
<i>Lisbon</i>	2	3	0	8
<i>Total</i>	28	21	11	107
<b><i>Percentages</i></b>				
<i>Nice</i>	4.19%	2.90%	1.77%	15.97%
<i>Lisbon</i>	0.31%	0.47%	0.00%	1.25%
<i>Total</i>	2.22%	1.66%	0.87%	8.48%

*Table 4* shows the total number of pivotal votes for each region under Lisbon as well as the respective percentages. Despite the Lisbon portion of the dataset being larger, it is immediately clear that the triple majority system with weighted votes under Nice contributed to a far greater impact on pivotality than the simple double majority present under the Lisbon rules. Under Lisbon, Benelux, the Nordics, the Baltics, and

Visegrád have only been pivotable 0.31%, 0.47%, 0% and 1.25% of the time. However, with Nice, these numbers used to be 4.19%, 2.90%, 1.77% and 15.97% respectively.

*Figure 8*



*Figure 8* shows the percentage of pivotal positions for selected regions and member states under both Nice and Lisbon and it highlights the drastic change in opportunities from one ruleset to the other. Similarly to the coalitions, the other selected member states also all see a decline in pivotal positions from Nice to Lisbon. This is slightly surprising because one would expect the pivotability of Germany and larger states to rise alongside the increase of the population threshold, but it decreases with the abolishment of weighted votes. This is not a byproduct of more unanimity as it decreased marginally under Lisbon, but rather, the abolishment of the previous weighted votes that required a threshold of about 73% of the total votes likely created more opportunities for countries to be pivotal. Despite this, Germany's

pivotal opportunities only decrease marginally compared to those of Benelux and other member states. Even though Benelux has more pivotal opportunities than Germany under Nice rules, under Lisbon rules the picture changes completely. While Benelux' pivotal opportunities decrease from 4.19% to 0.31%, those of Germany only decrease from 4.03% to 3.12% with Lisbon. The other countries also see larger decreases, but still less drastic than those of Benelux. Spain's percentage decreases from 3.71% to 1.09% and that of Poland decreases from 2.90% to 0.47%. The most drastic difference between both systems remains the large decrease in Visegráds opportunities which fall below those of Germany simply due to their comparative population disadvantage as the majority country threshold does not factor into pivotality much.

#### **6.4 Comparison to the Power Indexes**

Comparing the results of the live data to that of the power indexes reveals with almost no exceptions that in actual EU Council votes, most regions are far less likely to be in a pivotal position than they would theoretically be expected to be. The one exception to that is the Visegrád group under the Lisbon ruleset which only deviates from its SSI by about 2.56%. For all other regions, their pivotality represents only approximately 50% of their SSI under Nice rules. When it comes to Lisbon, the differences are even more drastic, and they highlight how much more pivotal power has been lost in actuality as opposed to their theoretical Shapley or Banzhaf values. Compared to their SSI, every region has seen a lower pivotality of less than almost 90% for Visegrád and up to 100% for the Baltics. The data for the single member states shows similar trends of voting power decreasing from Nice to Lisbon, but while most of the loss in voting power is attributed to a gain in voting power for Germany, there is just less voting power in general as even Germany loses pivotal opportunities

under Lisbon. However, Germany still emerges as the clear winner of the Lisbon ruleset for both power indexes as well as the VoteWatch data.

## **6.5 Explanations and Limitations**

There are some minor limitations when it comes to the design and the interpretation of the results whereas the main limitation is that the Council votes only show part of the picture. The fact that the size of the voting population for this thesis is based on the latest numbers rather than being updated for each year could have had a slight impact on the results, but in the grand scheme of things, the findings would have largely been the same as there have not been any major fluctuations since the start of the dataset. Another potential risk is that the Commission may have proposed more controversial policies under the rules of one Treaty compared to the other. However, based on the verifiable metrics such as passing votes as well as the unanimous votes, both have increased under Lisbon. This would at best contribute towards more pivotal opportunities for actors in Lisbon rather than less which means that it can still be assumed that the primary changes in pivotality are due to the changes of the voting rules.

The obvious discrepancy between power indexes and the region's pivotal positions in actual voting can be explained by the way that the power indexes work. While the power indexes calculate their data on all possible coalition compositions in the Council, each composition factors into the results as much as any other composition. However, in EU Council voting most votes cast by members happen to be passing which means that situations in which no single country is pivotal in a vote are far more likely to occur than pivotal opportunities. In other words, Council votes do not follow a random distribution of votes and pivotal positions are generally rare as countries vote to pass legislation on average 96.66% of the time. This is

undoubtedly a consequence of consensus-building prior to Council votes, and it is a phenomenon that has been captured before. Frank Häge<sup>29</sup> evaluated several models that explore why this might be the case, and his article concludes that consensus in the final Council votes emerges as an “unintended by-product of the coalition-building process”. (Häge 2013, p.502) Essentially, blocking minorities likely form in the negotiation process prior to a formal vote. These blocking minorities are then resolved over the course of the negotiation process before the final vote even happens. For the VoteWatch dataset, only for 35% of the QMV votes has it been the case that complete consensus did not end up being established prior to the formal vote so that one or more members did not end up voting for the legislation, blocking minorities on the final vote have been much rarer.

From a theory standpoint, Häge’s as well as my findings represent an aspect of historical institutionalism. Even though unanimous voting has been phased out in favor of QMV over the course of the Treaties, it seems to be the case that the previously established norm of reaching unanimity has not changed and as such the negotiation process has likely remained similar. Furthermore, Häge advances the theory that, although the voting rules have changed over time and the role of the Commission as an agenda-setter has remained constant, it is possible that the Commission may only primarily propose legislation if it is confident that the Council is able to reach consensus on it. Lastly, there are two mechanisms that likely work to encourage consensus prior to a vote, for one there has been the drive to assimilate into an increasing coalition in order to amplify member state’s position on a proposal, and for another, institutional mechanisms such as the blocking minority have further increased this drive by forcing larger coalitions to incentivize potential members of

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<sup>29</sup> HÄGE, Frank M., 2013. Coalition Building and Consensus in the Council of the European Union.



the blocking minority to assimilate as well. (Häge 2013, pp. 485-486) In this regard, the theoretical voting power as shown by the indexes may be more relevant for the actual bargaining power of a member state or coalition than the actual Council votes because it seems to be the case that the voting power factors more into the negotiation of a vote than the actual vote.

Drawing from the data it is the case that Benelux, other regions and members state seem to have decreased influence on the final outcome of the QMV votes. However, the main limitation of this is that it does not shed any light on the negotiation process prior to the vote which means that analysis of the voting outcomes only shows part of the picture. Despite this, the analysis of hard data remains the most straightforward and replicable way to capture the voting power of the actors, especially when considering that negotiations are typically not transparent to the public. Due to mine as well as Häge's finding, I can only draw from the reviewed literature on small state bargaining and intergovernmentalism and presume that Benelux as a coalition has more influence on the negotiations than the pure final vote itself due to the threat of veto and building a blocking minority. This is in line with the literature review which was conclusive on Benelux mostly making use of soft bargaining, but this also seems to be the case for every actor in the Council. Essentially, the main limitation of interpreting the EU Council voting data is that we are only able to analyze the final result while the leadup to it is mostly unknown to the public.

## **Conclusion**

The research question which was concerned with assessing the bargaining power of Benelux in the EU Council was mostly captured by theoretical evaluations of its voting power as well as the evaluation of real-world data in Council votes.

Through the research, a number of issues have been addressed which include the assessment of the theoretical voting power of Benelux, the assessment of voting cohesion in the region, the influence of voting power on voting outcomes, and comparisons to other regional EU groupings or member states.

The hypotheses introduced towards the beginning of the thesis have mostly held up throughout the analytical sections although with some exceptions. The first hypothesis predicted that Benelux would present a higher degree of voting cohesion than comparable regions or the EU average, and while this has been mostly true, the Baltic region voted even more cohesively. Nevertheless, Benelux' voting cohesion remains elevated in comparison to most other actors. The second hypothesis which is concerned with the influence of Benelux on voting outcomes can only partially be confirmed. Especially since the Treaty of Lisbon, voting in the Council has created fewer opportunities for actors to be decisive in votes in general. In the data, the voting power of Benelux translates into little results, especially under the Lisbon rules. The previous Nice rules showed Benelux to be even more influential for voting outcomes than actors like Germany or other regions, but still less influential than Visegrád due to the sheer numbers advantage. Yet, under Lisbon, the indexes still show a high degree of voting power for Benelux comparable to that of Spain, which likely translates into the consensus-building process prior to votes. The final hypothesis about Benelux being in pivotal positions more often than comparable regions holds true to an extent. While Visegrád overall has more power due to the numbers and population advantage, it is not a position that the region uses as a strategic advantage as they have been split on pivotal votes internally. On the other hand, Benelux has voted in the most cohesive way for pivotal votes compared to all other regions.

When it comes to the power indexes, the Shapley-Shubik Index (SSI) and Banzhaf Power Index (BPI) revealed similar results. Benelux has held significant voting power based on the calculations compared to most other alliances and member states, but the indexes also show that the changes in voting rules have diminished the power of the region greatly as it once held even more voting power than Germany. As stated, the calculations have provided an idea of the bargaining power that the region would bring into the negotiation process in the Council.

For the pivotal opportunities that have presented themselves, Benelux has voted in a cohesive manner more frequently than other regions. At the same time, the data has also revealed that policy areas such as Agriculture have been rather incohesive for Benelux, presumably due to differences in market composition. While voting power calculation shows the theoretical loss of voting power for Benelux and other actors with the Lisbon rules, in the Votewatch data the change appears even more drastic as the majority of pivotal positions for Benelux under Nice arose due to the weighted votes. The current system has shown that the single most important factor has been population size for which Benelux cannot match larger actors like V4 or even Germany as the majority country rule leaves little opportunity for pivotality.

The analysis of the Votewatch data has mostly confirmed the trends revealed by the indexes but it has also confirmed some of the secondary literature findings on how prevalent consensus-building is in the Council as there have been limited opportunities for individual regions or member states to influence the voting outcome. This point also highlights the primary limitation of the analysis of Council voting records, as the end result is but the final part of the puzzle. While the theoretical voting power indexes can bridge part of the picture, future research should look

further into the negotiation process prior to Council votes and perhaps assess how the policy positions of Benelux prior to votes differ from the passed legislation.

To conclude, the thesis has found that Benelux, at least theoretically, still holds a high degree of voting power compared to most other states and regions with 9.25% SSI, which most closely corresponds to that of Spain. At the same time, Benelux does exercise its power with a high degree of cohesion and shared strategy. Despite this, the thesis has also shown how the voting power indexes prominently used for evaluating voting systems are unable to fully capture bargaining dynamics in the EU council due to the use of soft bargaining techniques and consensus-building. Lastly, the thesis provides an updated assessment of the state of Benelux' voting power in the Council and it shows that, even though originally intended, under the current voting rules, it no longer holds true that smaller coalitions like Benelux are able to counterbalance large players like Germany based on their voting power alone.

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