PACKAGE DEALS IN EU DECISION-MAKING

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Abstract

This is a paper about legislative package deals in the European Union and their effects on EU policy outcomes. It analyzes inter-chamber legislative exchange between the Council of Ministers and the European Parliament. The key argument is that package deals increase the legislative influence of the European Parliament across legislative procedures and policy areas. Package deals allow Member States to establish control over the financial aspects of legislation and to ensure its adoption without delay. In exchange, the European Parliament gains further institutional powers and access to some of the EU's most salient policy areas. The argument is tested empirically through the quantitative analysis of 1465 co-decision and consultation proposals, 19 policy areas and 8 years. The results indicate that the use of package deals in the EU is conditional on the distributive nature of legislative proposals, and their urgency. In turn, package deals extend the EP's legislative influence in distributive policy areas and increase its institutional powers.

INTRODUCTION

This paper studies the conditions for the use of legislative package deals in European Union decision-making. It analyses the effects of inter-chamber logrolling on the legislative influence of the European Parliament across policy areas and across time. The possibility of logrolling between the European Parliament and the Council of Ministers has attracted little theoretical attention and no empirical testing. The paper offers a theory of inter-chamber package deals in the European Union. The arguments are tested through the examination of 2369 issues contested by the European Parliament in 1465 co-decision and consultation proposals, falling in 19 EU policy areas and completed in the period 1 May 1999 – 30 April 2007.

The paper argues that there are two conditions for the use of package deals in the EU legislature: the distributive nature of legislative proposals, and their urgency. The key point is that package deals allow Member States to establish control over the budgetary aspects of legislation and to ensure its speedy adoption. In exchange for allowing Member States to realize their budgetary and policy preferences, the EP gains further institutional powers in the EU's distributive policy areas. Moreover, package deals increase the legislative influence of the European Parliament in distributive policy areas. When it comes to funding and budgetary matters, Member States are less open to negotiations. However, through package deals the EP gains access and legislative presence in policy areas from which it has traditionally been excluded.

The theory borrows from existing theories of logrolling developed in a single-chamber context and extends the argument to the bicameral context of the EU legislature. In contrast to existing procedural spatial models of EU decision-making, the paper views EU law-making as a repeat-play process, where interdependent actors with different preference intensities choose to commit to and enforce informal package deals and hence overcome gridlock.

Existing procedural models of EU legislative politics have largely neglected the importance of informal rules and the possibility of logrolling and package deals in the decision-making process. Most spatial models of EU decision-making view lawmaking as a process of single-shot interactions between the Council, the European Parliament and the Commission. They ignore the possibility of repeated interactions between the institutional actors and eliminate the idea of different preference intensities and logrolling in the EU legislative context (Tsebelis, 1994; Steunenberg, 1994; Crombez, 1996; Garrett and Tsebelis, 1996; Tsebelis, 2000; Tsebelis and Garrett, 2000).

The idea of logrolling has occupied a central place in the literature of legislative politics and theories of exchange have been most prominent in the literature of US legislative decision-making (Buchanan and Tullock, 1962, 2004; Coleman, 1966, 1990; Ferejohn, 1986; Weingast and Marshall, 1988; Mueller, 1989; Shepsle and Weingast, 1994; Stratmann, 1992; 1995; Gilligan and Krehbiel, 1998; Krutz 2001). Analyses of logrolling take into account the informal interactions among institutional actors as well as formal legislative procedures. The definition of logrolling varies between the studies but overall, it is understood as *'the exchange of loss in some issues for benefits in others resulting in mutual overall gain between actors with different interests...'* (Mueller, 1989).

In contrast, ideas of gains from legislative exchange in the EU context have received little attention, limited theoretical focus and no empirical testing. Recently, several theoretical models, implying logrolling have been developed in the EU decision-making literature (Stokman and Van Oosten, 1994; Bueno de Mesquita, 1994; Crombez, 2000; Konig and Proksch, 2006). These authors acknowledge that EU decision-making presents legislators with multiple issues for consideration and that their repeated interactions in the EU legislative process create opportunities for logrolling and exchange of support. Nevertheless, there exist no empirical tests of whether legislative exchange is a significant process in EU decision-making.

SECTION I: WHY LEGISLATIVE PACKAGE DEALS IN THE EU

Package deals are fragile informal bargains agreed between representatives of the Parliament and the Council. Legislative proposals and the issues included in packages are discussed and voted as a whole[1]. Usually agreed through informal negotiations, these legislative compromises serve as binding commitments and each of the legislative chambers has to accept such deals without any further amendment. Package deals allow the linkage of issues and proposals and their simultaneous decision by EU legislators. Issues are not decided on a case-by-case basis, but are linked to one another. Decisions on one issue are connected to decisions on another issue.

Lawmaking through package deals allows the exchange of support between the Parliament and the Council across different types of issues to which the EU legislative chambers attach different preference intensities. Package deals allow the legislative bodies to obtain their most preferred outcomes by exchanging support on some issues for support on other issues. The distributive nature of EU legislation and the timing of legislative action induce the use of package deals. Logrolling allows some of the most controversial proposals that would otherwise face gridlock, to be successfully negotiated and passed. The bicameral EU legislative structure does not allow Member States to avoid the opinion of the European Parliament or to proceed without the EP's consent. This interdependence necessitates close cooperation between the legislative bodies. Package deals help the legislative chambers to resolve conflict and to reduce the costs of collective action.

If there are no opportunities for legislative exchange, the Member States and the European Parliament negotiate legislative proposals on a case-by-case basis and the issues involved in these proposals are discussed one at a time. In such cases, no linkage of issues

[1] The origins of the package deal in the European Union can be traced back to the development of the budgetary procedure and the involvement of the European Parliament in the approval of the EU budget since 1970. The EU budget is the result of intense negotiations resulting in logrolling and package deals. The first official mentioning of a budgetary package can be linked to the Delors I package of 1987. The establishment of the internal market was linked to the budgetary package and several issues were linked together (Laffan, 1997, 62-70).

or proposals takes place. When package deals are not possible, EU lawmaking follows the procedural route of decision-making, outlined by the treaties.

Due to the bicameral nature of the EU legislature, inter-chamber package deals serve two purposes: a) resolving conflict between the legislative chambers and b) reducing the costs associated with common action. First, the use of legislative package deals in the EU is a solution to the problem of conflict resolution at the inter-cameral level. In bicameral legislatures, chambers may differ in their policy positions. The passage of a legislative proposal in either the EP or the Council does not constitute the end of the legislative process. Because different chambers can have different policy preferences, the inter-institutional bargaining process is crucial to legislative outcomes (Gailmard and Hammond, 2006, 3). Even if the two chambers are nearly identical in political alignment, this does not mean that legislative proposals will find identical support in both of them. Differences between the legislative chambers may persist to exist (Tsebelis, 2002, 144). Therefore, lawmaking through package deals in the EU has developed as a practical solution to resolving inter-chamber conflict.

The second reason for the sealing of package deals in the EU is the collective action problem. The larger the size of the group needed to take collective action, the more difficult it is to organize individual legislators around a common position (Olson, 1965). In order to facilitate the law-making process, reduce uncertainty, speed up decision-making and avoid gridlock, EU legislators develop informal procedures. Making the legislature work is a collective interest. By working closely at the very early stages of the procedures, legislators from the Council and the Parliament gain an idea on what goes on in the other chamber. Package deals hence serve as a coalition-building strategy (Evans, 2004, 31). The leaders in the EP and the Council work together on legislative packages and build support in each of their chambers around the package compromises. Package deals help each chamber coordinate its internal politics in order to enforce a possible inter-chamber compromise.

The theory of inter-chamber logrolling in the EU is developed further with a discussion of the several assumptions made about the legislative actors, their preferences and intensities of preferences, their interdependence, their repeated interaction and the possibility of enforcing informal commitments.

A. The Actors in Inter-Cameral Lawmaking through Package Deals in the EU

The analysis is concerned with logrolling between two legislative chambers: the European Parliament and the Council of Ministers. Most of the well-known theories of logrolling are about legislative exchange inside a single chamber, the US Congress. These are theories about logrolling at the micro intra-institutional level (Shepsle and Weingast (1987, 1994), Marshall and Weingast (1988), Gilligan and Krehbiel (1987, 1990)) [2]. The argument here largely rests on these theories, but it borrows from organization theory the understanding that organizations can establish informal agreements with other organizations (Van de Ven and Ferry, 1980, Doreian and Fujimoto, 2004, Lawrence et al, 2002).

The argument makes the simplifying assumption that there are only two actors interacting in the making of EU law, the Council and the Parliament. The bargaining is bilateral. Informal exchange takes place between two legislative chambers. Treating these two institutions as unitary actors can be problematic for many students of EU legislative politics. Authors who have studied intra-institutional decision-making in the Council (Hayes-Renshaw and Wallace, 1997, 2006; Fouilleux et al., 2005; Haege, 2008)[3] and the European Parliament (Hix et al., 2007; Benedetto, 2005; McElroy 2006, 2007)[4] rightly point out that each of the legislative institutions is a collection of actors. Divisions among these actors are central to legislative politics and treating the EP and the Council as unitary actors can undermine the explanatory power of models (Hoyland and Hagemann, 2007).

[2] Exceptions to this rule are several more recent studies by Gailmard and Hammond (2006), Diermeier and Myerson (1999) and Ansolabehere, Snyder and Ting (2003). These authors acknowledge the limitations of intra-chamber analyses of logrolling and take into account the effects of multi-chamber bargaining.

[3] see also Lewis, 2000; Bostock, 2002; Tallberg, 2003; and Warntjen, 2008.

[4] see also Kaeding, 2004, 2005; Hoyland, 2006; Noury and Roland, 2002; Bowler and Farrell, 1995; and Whitaker, 2005.

However, in the study of package deals, there is a good reason for treating the EP and the Council as unitary actors. When it comes to inter-cameral decision-making, compromise depends on the consent of the EP and the Council. Although there are many important actors within the legislative institutions, at the inter-institutional stage, the representatives of the EP and the Council bargain on behalf of their institutions. Any agreements reached informally are then binding on their parent chambers.

B. Intensities of Preferences

A key assumption of the theory is that actors can feel differently about policy outcomes. Therefore, the saliency they attach to legislative proposals and the issues within them can vary. The Council and the Parliament often disagree about the content of legislation. The assumption that actors can have different preference intensities is at the core of the most well-known theories of logrolling (Buchanan and Tullock 1962, 2004; Coleman 1966, 1990; Ferejohn, 1986; Weingast and Marshall, 1988; Mueller, 1989; Shepsle and Weingast, 1994; Stratmann, 1992, 1995, 1997; Gilligan and Krehbiel, 1998). Package deals cannot be profitable to legislative institutions if the actors attach the same saliency to proposals. If there are multiple issues, the two actors may value policy change on each issue differently.

Member States in the Council are assumed to be more concerned about the financial matters in EU legislation. Governments are directly affected by the budgetary aspects of legislative proposals. The possibility of controlling the extent to which EU legislation affects governments' budgets, motivates the Council to engage in legislative trade with the EP. Issues of funding or budgetary contributions are therefore assumed to be much more salient for the Council than for the Parliament. On the other hand, the EP, as the 'voice of the people', is assumed to attach higher priorities to issues of human rights, transparency, privacy, and data protection. If all intensities of preferences are identical over all issues, no trading of support is possible. In this case, the EP and the Council will never rationally agree to exchange their support for reciprocal favours.

C. Interdependence and Repeat - Play

Moreover, the Council and the EP are assumed to be interdependent in the framework of the EU legislative system. The Parliament cannot avoid the Council and vice versa. This interdependence creates pressures for cooperation. The EU legislative actors are affected by each others' actions and seek ways for reaching compromise. The assumption of interdependence is also found at the core of logrolling theories (Buchanan and Tullock, 1962; Coleman, 1966; Enelow, 1986; Bernholz, 1978; Axelrod, 1984; Kroszner and Stratmann, 1998). Cooperation is expected to emerge between interdependent actors who meet repeatedly. This interdependence creates the necessity to coordinate inter-institutional decision-making in order to sustain an efficient EU legislative process.

The two legislative chambers are assumed to participate repeatedly in EU law-making. The choices made in the present may influence legislative outcomes in the future. Repeat-play fosters cooperation (Axelrod, 1984). Due to repeat-play, when making decisions, actors take into account any reputations developed in the past as well as the possibility of future interactions. Legislative decisions on issues discussed repeatedly may be very different to decisions taken on a case-by-case basis. Repeat-play fosters the enforcement of informal agreements as cheating may be punished in the future. Legislators who are interdependent and meet repeatedly, therefore, are more likely to establish the terms of informal interactions and enforce inter-institutional informal commitments.

Considering that the Council and the EP will interact on future occasions within the same policy framework and within other policy areas, EU negotiators are likely to accept an outcome different from their ideal preferences. This way, bargaining in one legislative procedure can be linked to negotiations in another procedure. Therefore, the formal separation between co-decision and consultation matters can be overcome through the linkage of issues and proposals in packages.

D. Enforcement of Commitments

The legislative chambers are assumed to be able to commit to a particular informal inter-institutional arrangement. Following Gilligan and Krehbiel (1987, 1990) and Diermeier and Myerson (1999) who assume the possibility of commitment to restrictive rules, this paper considers the case where legislative chambers can commit to agree and enforce a package deal. The Council and the EP can commit to enforce and sustain informal agreements. The representatives of each chamber have the authority and credibility to agree package deals at the inter-institutional level and to ensure that these are adopted by their parent chambers. Of course, EU legislators face the problem inherent in all informal agreements – the instability of informal deals.

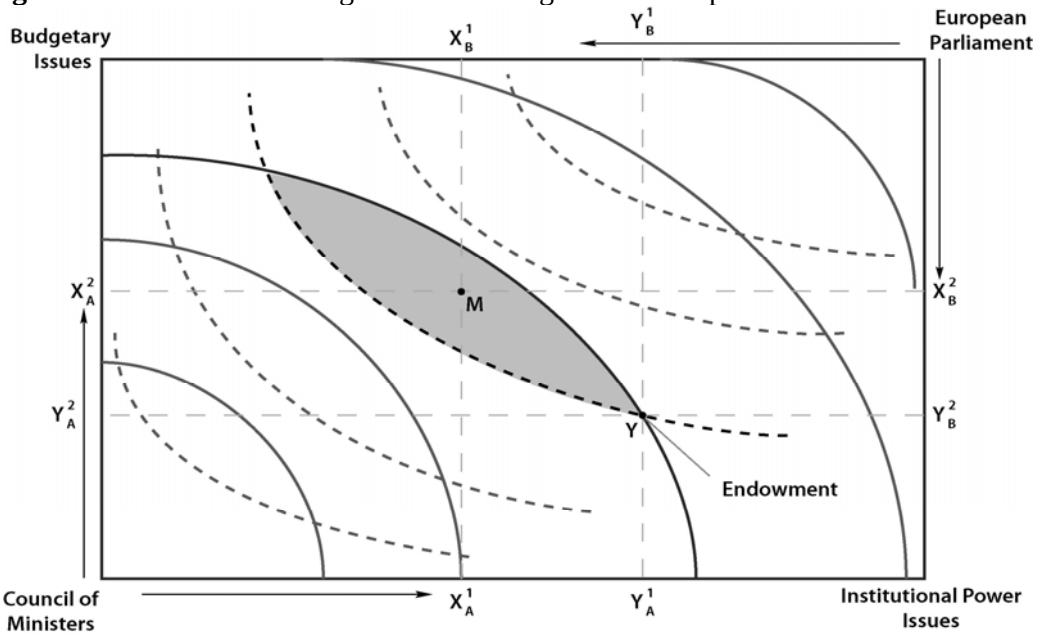
Informal agreements are difficult to enforce, as actors may cheat, deny, and seek to amend or abolish any previous commitments (Mueller, 1989; Shepsle and Weingast, 1994; Stratmann, 1992; Parisi, 2002). In the EU context, the problem of non-enforceability of informal agreements between the legislative actors is overcome with the establishment of an institutional structure for political exchange – the trialogue. As legislative exchange is only bilateral and agreed between representatives of the two chambers, informal commitments are much easier to enforce.

In a large legislature, such as the EU, knowing the policy positions and preference intensities of individual legislators is almost impossible, especially during the early stages of the legislative process. Internally, both the EP and the Council reduce the number of participants in drafting legislative proposals. The preparatory bodies in the Council and the legislative committees in the EP ensure that their members are aware of their policy preferences and the intensity of these preferences on different issues. Given their interdependence, different preference intensities, repeated interactions in the lawmaking process, and their ability to conclude and enforce informal commitments, EU legislators find it profitable to cooperate through package deals.

Modelling Legislative Package Deals in EU Decision-Making

The legislative inter-chamber exchange process can be described with an Edgeworth Box (see Figure 1.1). Actors A and B are the Council and the Parliament. Goods 1 and 2 are two different types of issues, say, Institutional Powers and Budgetary Issues. Gains from exchange are possible in the following scenario. Actor A, the Council, in the low left-hand corner, holds preferences X^1a over Institutional Powers Issues and X^2a over Budgetary Issues. Actor B, the Parliament holds preferences X^1b over Institutional Powers Issues and X^2b over Budgetary Issues. The indifference curves of the Council and the EP are drawn through Y. The shaded area represents all points where exchange between the EP and the Council will lead to mutual gains.

Figure 1.1 Inter-Chamber Legislative Exchange in the European Union



In order to gain in budgetary issues and to move from Y to M, the Council will have to give up [X^1a - Y^1a] in Institutional Power Issues and it will acquire in exchange [X^2a - Y^2a] in Budgetary Issues. In exchange, the Parliament gives up [X^2b - Y^2b] in Budgetary Issues, but it gains [X^1b - Y^2b] in Institutional Powers. Given their different intensities of preferences over these two different types of issues, the two legislative chambers in the EU can engage in trade and achieve mutually beneficial outcomes.

A. Where Do Legislative Package Deals Originate in the EU?

This theory of inter-chamber logrolling applies to package deals within proposals and package deals across proposals. Furthermore, package deals are expected to be enforced when issues and proposals are discussed simultaneously.

One way of concluding a package deal is through a logroll on a single proposal, in which the two actors attach different saliencies to the multiple issues involved in the legislative act. A package deal on a single 'omnibus' proposal ensures that the legislation passes within each chamber and that it respects the priorities of the EP and the Council. Another way of concluding a legislative package deal is through a logroll on multiple proposals. The two actors attach different saliencies to the multiple issues involved in the legislative acts, but an agreement is only possible if the two or more legislative proposals are passed together. Whether inter-chamber logrolling takes place within proposals or across proposals, package deals are expected to be agreed simultaneously.

Logrolls are likely to break if promises are made across time or policy areas. This is in line with the consensus in the more recent 'gains from exchange' literature that informal deals are especially vulnerable when agreed sequentially (Shepsle and Weingast, 1994; Parisi, 2002). In the EU legislature, the EP and the Council may be represented by different bargaining agents in the future. Even if the bargaining agents commit to enforcing an informal agreement over time, the parent chambers may feel differently in future situations. Intra-chamber politics may lead to the inability of actors to enforce informal commitments over time. Therefore, legislative package deals are not expected to be agreed sequentially.

Legislation in the EU may become part of a package deal through two routes. These are packages proposed by the EP or the Council and packages proposed by the European Commission. First, a package deal is negotiated when any of the legislative chambers proposes a logroll. This can be either the EP or the Council. A package deal will occur if there is room for exchange between the legislative chambers. The legislative actors propose

the bundling of issues in order to find an overall compromise, satisfying their different preference intensities. Second, if the Commission proposes several pieces of legislation simultaneously and treats them as a package, it structures the negotiations between the EP and the Council in a logrolling framework. By identifying that several legislative proposals are part of a package, and thus naming the bundle of issues and/or proposals – a package[5], the Commission increases its ability to affect legislative outcomes. The Commission includes issues that would otherwise be impossible to pass if proposed separately.

B. Who Strikes the Deals on Behalf of the Legislative Chambers? Bargaining Agents

When inter-chamber package deals are negotiated, this does not mean that all members of one chamber start negotiations with all members of the opposite chamber. Informal agreements are conducted between representatives from each legislative chamber, who have the authority to negotiate an inter-chamber deal on behalf of their institutions. The EP and the Council are represented by their bargaining agents at the inter-cameral decision-making stage. While there are clearer rules on who represents the European Parliament in conciliation committees (Rasmussen, 2005, 2008), there are no clear rules of 'electing' or 'appointing' the EP's representatives to package deal negotiations with the Council.

However, any informal agreement between the representatives of the two chambers has to be enforced through formal voting. Therefore, the EP is represented by people who have the authority and credibility to 'sell' the package compromise back to the plenary. This can be the committee rapporteur (together with any shadow rapporteurs and committee chairs), who is in charge of writing the legislative report and ensuring that it passes through the Parliament. In addition, the EP can be represented by political group leaders who, although not in charge of writing legislative reports, have the power to motivate party members to pass package compromises in plenary. The Council operates a

[5] See for example the Energy package (2003), the Telecom package (2002), the Single Sky package (2001), the Railway package (2004), the SIS II package (2005)

stricter procedure in its nomination of a representative to inter-cameral informal negotiations with the EP. To start informal contacts with the EP, the Council Presidency requires a mandate from COREPER and it is obliged to report back the results of the informal meetings. Usually, COREPER reviews the results and requires the responsible Council working party to draft a compromise text. The revised text is then referred to the Presidency for further negotiations. Only after it has been given a mandate from the Member States can the Presidency negotiate a package deal on behalf of the Council.

C. How are Legislative Package Deals Enforced in the EU?

Trialogues serve as the institutional mechanisms for information exchange and capturing gains from trade in the European Union. Trialogue procedures allow the EP and the Council to communicate their intentions informally and to exchange information on their positions early in the legislative process. Repeat-play and the time constraints of the legislative process require the close cooperation between the EP and the Council in order to accommodate the preferences of both sides. Consensus is therefore sustained through increased communication between the EP and the Council and through the establishment of a stable cooperative relationship between the two legislative branches. As decision-making is a costly activity, it is in the interest of both institutions to reach agreement early. Therefore, trialogue procedures allow EU legislators to cut the costs of lawmaking. They provide the informal setting in which binding enforceable agreements are reached between representatives of the Council and the Parliament.

In their study of the US Congress, Weingast and Marshall (1988) find that package logrolls face the problem of enforcement. The general non-enforceability of logrolls limits the deals that can be struck among legislators as there are multiple incentives to renege on informal package bargains. Weingast and Marshall argue that an institutional enforcement mechanism is needed to ensure that informal deals are sustained. They find that the

committee system in the US Congress serves this purpose. The committee system is a feasible institutional enforcement mechanism for capturing gains from trade within single legislative chambers. However, inter-chamber logrolling in the EU requires a different institutional mechanism to enforce the gains from trade.

In the EU legislature informal trialogues serve this function. Trialogues are institutionalized at the inter-cameral level in order to capture the gains from trade. Trialogues provide the institutional structure for legislative exchange between the Parliament and the Council. Their informal nature allows EU legislators to exchange favours during the decision-making process and to negotiate acceptable to both sides deals, thus avoiding gridlock. Trialogues provide the institutional setting in which governments and MEPs overcome the distinct clashes of their ideological, political and policy preferences in the creation of EU legislation.

While trialogues facilitate the enforcement of informal package deals, these institutional arrangements do not directly lead to a successful logroll. Trialogues provide the institutional framework for legislative bargaining, but the success of a package deal depends on the terms of agreement and the ability of the representatives of the Council and the EP to enforce the informal agreements within their parent chambers[6]. It is not the participation at a trialogue that affects the legislative influence of a chamber, it is the package deal agreement negotiated at this trialogue that affects legislative outcomes.

Overall, the availability of legislative package deals in the EU helps minimize the costs of political bargaining. The possibility of credible commitments and their enforcement increases the stability of legislative outcomes. EU legislators gain utility when cooperating and are better off than playing against each other. Repeated interactions foster package deals and the development of long-term inter-chamber relationships.

[6] That is why, the authors (Farrell and Heritier, 2004; Steunenberg and Selck, 2006; Haege and Kaeding, 2007) who argue that trialogue procedures in the EU lead to increased legislative powers of either the EP or the Council, are wrong.

D. Conditions for the Use and Effects of Legislative Package Deals in the EU

If logrolling is profitable to each legislative institution, why is only some legislation decided through package deals? Two key conditions lead to the use of package deals in the EU: the *distributive nature of legislative proposals* and their *urgency*.

First, Member States are likely to be interested in discussing possible legislative exchange with the European Parliament if the issues have a distributive character. Governments feel intensely about the financial aspects of EU legislation. The prospects of controlling the extent to which EU legislation concerns their budgets, is a core condition for the Council's decision to engage in legislative trade with the European Parliament. Distributive proposals are highly salient for Member States. Budget allocating proposals have direct consequences for Member States and the Council has greater incentives to negotiate compromise package deals with MEPs[7]. Expensive legislative proposals are therefore more likely to be negotiated through logrolls as actors can trade their support in order to obtain their most preferred outcomes. The distributional aspect of such proposals leads the EP and the Council to use informal methods of decision-making in which each institution can gain the issues it cares about the most. This leads to the first hypothesis:

Hypothesis 1: Package deals are more likely to occur when proposals are distributive.

Second, time is increasingly valued in the EU legislature. A sluggish EU legislative process can impede the ability of governments to act on salient national and international issues. Time is a precious resource for Member States and the inability of the EU legislature to adopt laws within set deadlines can have a damaging effect on government performance. As the time pressure increases, Member States have a greater interest in

[7] However, if the Council of Ministers can take a decision on budgetary issues without the European Parliament's approval, then even though the EP may propose trade again and again, nothing guarantees the Council's interest in a package deal. For example, even though the same issues come up repeatedly in the areas of agriculture and fisheries, this does not lead to more inter-chamber logrolling in these areas.

shaping the outputs of the EU legislature. Impatient legislators are more likely to consider alternative routes for cooperation in order to speed-up decisions. When time is limited, issues and proposals are more likely to be bundled together so that overall compromise could be reached.

Package deals are likely to speed up the decision-making process and legislative decisions are likely to be fast-tracked. Legislators care not only about their successful input over the content of legislation, but also about avoiding delays in the decision-making process. Impatient legislators are also more likely to grant concessions to each other in order to avoid unnecessary delay. Urgent situations induce the use of logrolling and package deals serve as a practical solution to time pressure. Therefore:

Hypothesis 2: Package deals are more likely to occur when proposals are urgent.

What is the effect of legislative package deals beyond the procedural context? Logrolling allows the European Parliament to gain legislative presence in the EU's distributive policy areas. Contrary to the conventional understanding that the EP's legislative influence is confined within regulatory policy areas (Judge *et al.*, 1994; Burns, 2005), legislative package deals allow the European Parliament to influence distributive policy outcomes.

Package deals reduce the ability of individual MEPs to participate fully in legislative bargaining with the Council. Logrolls are typically fast-tracked and they do not allow a large number of MEPs to participate, deliberate and include amendments to package compromise texts. Package deals also make the legislative process less transparent as they are usually agreed informally between a select number of representatives from the EP and the Council. However, package deals benefit the EP as a legislative institution. Through package deals, the Parliament gains legislative presence in some of the EU's most expensive policy areas.

It was argued earlier that package deals are more likely to take place on distributive proposals. Policy areas that involve a large proportion of distributive proposals are therefore more likely to be marked by package deals. Although Member States retain control over the financial aspects of proposals in the EU's distributive policies, the Parliament gains further opportunities for legislative influence as a side payment. In exchange for allowing Member States control over budgetary issues in legislation, the EP gains increased institutional powers in distributive areas. The value added of package deals for the EP is its legislative presence in policy areas from which it has been traditionally excluded. Thus:

Hypothesis 3: Package deals increase the likelihood of European Parliament success in influencing distributive policy areas.

As package deals usually take place on distributive proposals, the stakes are very high and Member States are particularly interested in the budgetary terms of legislation. Budgetary issues are much more salient to Member States than the institutional powers they give in exchange to the EP. When the two chambers attach different preference intensities to issues, trade is possible and logrolls can be profitable for both chambers. Member States' preferences are much more intense about issues such as spending, financing, and funding for programs and Community actions than they are about institutional issues such as the EP's ability to monitor and control the establishment of new bodies, parliamentary scrutiny, or the writing of reports. On the other hand, MEPs value highly an increase in the institutional and legislative powers of their chamber. Thus:

Hypothesis 4: Package deals increase the likelihood of European Parliament success in gaining institutional powers.

SECTION II: THE USE OF PACKAGE DEALS IN THE EU LEGISLATURE

Around 25% of the completed EU legislation in the period between 1 May 1999 and 30 April 2007 was decided through a package deal. Of the total 1465 legislative proposals, 973 proposals were amended and 244 proposals involved a package compromise between the European Parliament and the Council of Ministers[8]. 72% of all package deals fell under the co-decision procedure (176 proposals) and around 28% of the package deals took place under the consultation procedure (68 proposals). In total, around 14 % of consultation legislation and 37% of co-decision legislation was decided through an inter-chamber package deal.

Table 1.1 presents the distribution of all legislative proposals completed in the period according to policy area, procedure, and use of package deals in the legislative process [9]. It confirms that package deals occur in many EU policy areas. The policy areas with the highest percentage of legislative proposals decided through package deals were Budget (60%), Research (77%), Energy and Transport (42%), and Information Society (41%). On the other hand, the policy areas of Fisheries (2%) and External Relations (5%) only rarely contain package legislation.

Three types of package deals can be identified in the EU legislative process[10]. These are package deals on: a) single proposals that involve multiple issues; b) several proposals that are decided simultaneously within the same legislative procedure; and c) several proposals that are decided simultaneously across the co-decision and consultation procedures.

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[8] The use of package deals in the co-decision and consultation procedures was traced through the Council's document register and the European Parliament's plenary debates and summaries of sittings. A proposal was counted as a package proposal only if there was written evidence of a negotiated compromise package between the Council and the European Parliament.

[9] Sources: European Parliament Legislative Observatory and Council of Ministers Register of Documents. Own calculations.

[10] In the literature on the US Congress, Stratmann (1992) finds that logrolling agreements can take two forms. First, two issues y and w can be joined in a single proposal and be voted on as a package. This type of package deals are often referred to as 'omnibus bills' (Sinclair, 2000; Krutz, 2001). Second, the issue pairs can be voted upon separately, with y's supporters voting for w and w's supporters voting for y.

Table 1.1 Package Deals in Co-decision and Consultation Legislation: 1999 - 2007

		Co-decision				Consultation				
Policy Area (Commission DG)	**Total Amended**	**Amended Proposals**	**Single Package**	**Multi Package**	**Package Proposals**	**Amended Proposals**	**Single Package**	**Multi Package**	**Package Proposals**	**Total Package Deals**
Agriculture & Rural Development	**80**	7	1	2	3 (43%)	73	-	17	17 (23%)	**20 (25%)**
Budget	**35**	9	-	5	5 (56%)	26	-	16	16 (62%)	**21 (60%)**
Development	**13**	9	-	3	3 (33%)	4	-	-	-	**3 (23%)**
Economic and Financial Affairs	**30**	2	-	2	2 (100%)	28	-	-	-	**2 (7%)**
Education and Culture	**29**	25	-	6	6 (24%)	4	-	1	1 (25%)	**7 (24%)**
Employment and Social Affairs	**38**	20	1	6	7 (35%)	18	-	-	-	**7 (18%)**
Energy and Transport	**99**	93	16	26	42 (45%)	6	-	-	-	**42 (42%)**
Enterprise and Industry	**56**	53	8	10	18 (34%)	3	-	-	-	**18 (32%)**
Environment	**58**	50	14	6	20 (40%)	8	-	-	-	**20 (34%)**
Eurostat, Statistical Office	**33**	32	1	1	2 (6%)	1	-	-	-	**2 (6%)**
External Relations	**38**	12	2	-	2 (23%)	26	-	-	-	**2 (5%)**
Fisheries	**107**	1	-	-	-	106	-	2	2 (2%)	**2 (2%)**
General Secretariat	**10**	2	-	-	-	8	-	4	4 (50%)	**4 (40%)**
Health and Consumer Protection	**77**	56	13	10	23 (41%)	21	-	-	-	**23 (30%)**
Information Society	**22**	20	5	4	9 (45%)	2	-	-	-	**9 (41%)**
Internal Market and Services	**47**	41	12	4	16 (39%)	6	-	-	-	**16 (34%)**
Justice, Freedom and Security	**147**	24	3	9	12 (50%)	123	-	11	11 (9%)	**23 (16%)**
Research	**26**	7	1	3	4 (57%)	19	-	16	16 (84%)	**20 (77%)**
Taxation and Customs Union	**28**	7	1	1	2 (29%)	21	-	1	1 (5%)	**3 (11%)**
Total Legislative Proposals* **	**973**	470	78	98	176(37%)	503	-	68	68 (14%)	**244 (25%)**

*** = 243 directives, 468 regulations, 247 decisions and 14 recommendations.

First, legislative package deals are concluded between the European Parliament and the Council on single proposals that involve multiple controversial issues. Package deals allow the legislative bodies to obtain their most preferred outcomes by exchanging support on some issues for support on other issues, part of the same legislative proposal. Hence, logrolling allows some of the most controversial legislative proposals that would otherwise face gridlock, to be successfully negotiated. Overall, 32% of the package deals in the period took place on single proposals (78 proposals)[11]. However, package compromises on single proposals only took place in the co-decision procedure.

Second, legislative package deals are agreed when several proposals are decided simultaneously either within the same legislative procedure or across the co-decision and consultation procedures. 68 % of the package deals involved the bundling of legislative proposals in packages and their simultaneous negotiation (166 proposals). Package deals on several proposals allow EU legislators to trade support across proposals and hence make compromises on legislative packages that would otherwise be difficult to pass[12].

Third, package deals are concluded when several proposals are decided simultaneously across the co-decision and consultation procedures. Table 5.1 highlighted that EU policy areas contain draft proposals from both legislative procedures. Hence, package deals can also involve proposals from the co-decision and consultation procedures[13].

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[11] For example, in the negotiations of the regulation on the European Globalisation Adjustment Fund (2006/0033(COD)), the *"EP explained to the Chair of Coreper that it viewed the negotiations as a whole package and would be prepared to accept Article 2 as proposed by the Council, including the 15% in 2(c), should the Council for its part agree to increase the rate of co-financing to 50%"* Council Document 15696/06 Brussels, 22 November 2006).

[12] For example, during the negotiations on the Detergents regulation (2002/0216(COD), the Council reports: *"On 8 December 2003 an informal trialogue meeting was held and a list of compromise amendments was drawn up… The European Parliament indicated that, should the compromise package be accepted by the Council, it was prepared to drop all other amendments and vote to approve the compromise package in January 2004…"* Council Document 15894/1/03, Brussels 11 December 2003, on Regulation on Detergents).

[13] For example, during the negotiations on the SIS II proposals: *"On 31 May 2005, the Commission submitted legislative proposals setting out the legal basis for SIS II: two Regulations to be adopted in co-decision procedures and one Council Decision to be adopted by unanimity and with EP consultation. However, the EP has very clearly indicated that these three legislative instruments will be dealt with as a package"* Council Document 13050/06, Brussels, 22 September 2006, on SIS II legal instruments).

Therefore, there is evidence of both single omnibus legislation, where several issues are packaged in a single proposal and of multi-proposal package legislation, where several proposals are bundled together and decided simultaneously. It seems that in the EU single 'omnibus' proposals are less popular than packages of several proposals decided simultaneously. 'Omnibus' packaging on single proposals occurred only under the co-decision procedure (78 package proposals). Proposals were decided together in bundles under the co-decision and consultation procedures (166 package proposals).

The largest number of omnibus single proposals was in the policy areas of Energy and Transport (16), Environment (14), Health and Consumer Protection (13) and Enterprise and Industry (8). The largest number of multi-proposal package legislation was in the policy areas of Energy and Transport (26), Agriculture (17), Research (16), and Budget (16). Cross-procedure packaging of proposals took place in the policy areas of Justice, Freedom and Security, Research, Budget, Agriculture, Education and Culture, and Taxation. Altogether, there were 78 proposals decided as omnibus packages in the co-decision procedure, 98 proposals decided as part of a multi-package deal in the co-decision procedure and 68 multi-package proposals in the consultation procedure.

It is difficult to trace successful package deals between the EP and the Council over time or across policy areas. The general non-enforceability of informal political bargains limits the deals that can be struck among MEPs and Member States. It is difficult to bind future legislative decisions in a logrolling context because informal agreements can easily be amended or ignored (Shepsle and Weingast, 1994; Weingast and Marshall, 1998). When agreements are only informal and take place sequentially, actors are likely to '*misstate their preferences at the time an agreement is formed and to violate the agreement after it is made'* (Mueller, 1989, 87). In informal agreements, *'any political agent can betray the original agreement and destabilize the original coalition'* (Parisi, 2002, 187). Therefore, in the EU context evidence of legislative exchange can easily be found when proposals are

negotiated simultaneously, but logrolls are likely to break if promises are made across time or policy area[14].

Finally, package deals are an increasingly used practice for resolving inter-chamber conflict in the EU. While only 21% of the legislative proposals were negotiated through a package deal in 2000, more than 41% of the proposals were package compromises between t in 2006. Therefore, logrolling between the EP and the Council is a significant process and package deals are increasingly employed across EU policy areas, going beyond the co-decision procedure. What explains the use of package deals in the EU legislative process? If package deals benefit both the EP and the Council, why not use package deals all the time?

2.1 Statistical Analysis of the Use of Package Deals in the EU Legislative Process

Dependent Variable

The probability of logrolling in the EU is analyzed through the examination of 973 legislative proposals decided in the period 1999 – 2007 in the consultation and co-decision procedures. The *dependent variable* is whether a legislative proposal was decided through a package deal (*Package Deal*). This is a dichotomous variable where 1 = a package deal on a proposal and 0 = no package deal. A legislative proposal was counted as a package proposal when there was written evidence in the Council's document register and the EP plenary debates and summaries of sittings of the bundling of issues and proposals in a package compromise between the EP and the Council.

[14] For example, the European Parliament was promised by the Council that if it supported the Council's position on the co-decision Data Retention directive (2006/24/EC), the Council would work closely together with the EP in deciding future proposals in the area of Justice, Freedom and Security. In return for reaching a compromise deal by the end of 2005, the Parliament was promised a pay-off in the negotiations of the VIS consultation legislation (see this paper's case study). Nevertheless, during the negotiations of the Schengen proposals, the Council refused to keep any previous promises or agreements with the EP.

Independent Variables

In order to test the two propositions for the use of package deals in the EU, several independent variables were used in the analysis[15]. The first hypothesis that package deals are more likely to occur on distributive proposals is tested with the categorical *Legislative Cost Type* variable. *1 = Regulatory Proposal* if the text of a legislative proposal involves costs to be covered by private actors (and no direct costs for Member States or the EU budget). 2 = *Distributive (EU budget) Proposal* if the text of a legislative proposal involves the allocation of EU funding and contains a direct reference to the EU financial framework. 3 = *Distributive (Member States budgets) Proposal* if the text of a legislative proposal involves costs to be covered by the Member States' own budgets. 4 = *Administrative Proposal* if the text of a legislative proposal involves no or minor costs (see Table 1.2).

Table 1.2 Legislative Proposals According to Policy Area and Cost Type[16]

Policy Area (Commission DG)	**Total**	**Regulatory Proposals**		**Distributive Proposals**				**Administrative Proposals**	
Who pays?		private actors		EU budget		Member States		no costs	
Agriculture & Rural Development	**80**	40	(50.0%)	25	(31.3%)	15	(18.8%)	-	
Budget	**35**	-		32	(91.4%)	1	(2.9%)	2	(5.7%)
Development	**13**	3	(23.1%)	10	(76.9%)	-		-	
Economic and Financial Affairs	**30**	4	(13.3%)	19	(63.3%)	6	(20.0%)	1	(3.3%)
Education and Culture	**29**	4	(13.8%)	18	(62.1%)	4	(13.8%)	3	(10.3%)
Employment and Social Affairs	**38**	10	(26.3%)	7	(12.1%)	12	(31.6%)	6	(15.8%)
Energy and Transport	**99**	57	(57.6%)	9	(9.1%)	24	(24.2%)	9	(9.1%)
Enterprise and Industry	**56**	45	(80.4%)	9	(16.1%)	1	(1.8%)	1	(1.8%)
Environment	**58**	34	(58.6%)	7	(12.1%)	11	(19.0%)	6	(10.3%)
Eurostat, Statistical Office	**33**	10	(30.3%)	6	(18.2%)	14	(42.4%)	3	(9.1%)
External Relations	**38**	8	(21.1%)	20	(52.6%)	3	(7.9%)	7	(18.4%)
Fisheries	**107**	59	(55.1%)	11	(10.3%)	31	(29.0%)	6	(5.6%)
General Secretariat	**10**	1	(10.0%)	2	(20.0%)	1	(10.0%)	6	(60.0%)
Health and Consumer Protection	**77**	56	(72.7%)	6	(7.8%)	12	(15.6%)	3	(3.9%)
Information Society	**22**	14	(63.6%)	7	(31.8%)	-		1	(4.5%)
Internal Market and Services	**47**	35	(74.5%)	7	(14.9%)	1	(2.1%)	4	(8.5%)
Justice, Freedom and Security	**147**	78	(53.1%)	27	(18.4%)	27	(18.4%)	15	(10.2%)
Research	**26**	2	(7.7%)	23	(88.5%)	1	(3.8%)	-	
Taxation and Customs Union	**28**	5	(17.9%)	6	(21.4%)	13	(46.4%)	4	(14.3%)
Total Legislative Proposals	**973**	465	(47.8%)	256	(26.3%)	175	(18.0%)	77	(7.9%)

[15] see the Appendices for full coding, sources and descriptive statistics of all variables used in the analysis; as well as for correlations between the variables.
[16] The general idea of this typology is based on the typology developed by Lowi (1964; 1972).

The second hypothesis that package deals are more likely to occur on urgent proposals is tested with two variables. The dichotomous *Urgent* variable = 1 if there was a specific deadline for the legislative proposal to come into effect and 0 otherwise. The dichotomous *Council Impatience* variable = 1 if the Council had started discussions and prepared a draft text of the legislative proposal before the EP had done so and it = 0 if the Parliament had started discussions and prepared a draft legislative text earlier than the Council. This variable was measured by comparing the dates of the first draft texts on a legislative proposal held in the EP and the Council's document registers.

In addition, the analysis includes several control variables to account for effects found in the logrolling literature. First, informal bargains are likely to be made when the **intensity of preferences** varies (Buchanan and Tullock, 1962; Coleman, 1966, 1990). The effect of the intensity of preferences of the EP and the Council on the use of package deals is tested with two variables. First, the dichotomous *Council - EP Salience Tie* variable = 1 when the EP and the Council attached equal importance to a legislative proposal and = 0 if otherwise. The *Absolute Salience Distance* variable tests whether the size of the absolute distance between the legislative chamber increases the likelihood of a package deal[17].

Moreover, package deals are likely to be dependent on the ability of **political group leaders** to ensure the required support in the legislature for the vote in favour of the informal legislative logrolls (Huber, 1996). The effect of the involvement of party leaders on the use of package deals is tested with the dichotomous *Party Leaders* variable. It = 1 if in addition to the committee rapporteur, the political group leaders in the EP participated in the writing of the proposal and the informal negotiations with the representatives of the Council and = 0 if the committee rapporteur (shadow rapporteurs and chairmen) were solely responsible for the writing and negotiations over a proposal.

[17] The continuous variables EP Salience (measured by the number of EP committees involved in the drafting of a legislative proposal) and Council Salience (measured by the number of documents held in the Council document register on a legislative proposal) were standardized according to a 10 point scale (1 = the lowest and 10 = the highest degree of salience).

Thirdly, logrolling is likely to increase as the **issue complexity of the policy area** increases (Krutz 2001; Enelow, 1986). The effect of policy area issue complexity is tested with the continuous *Policy Area Issue Complexity* variable. Proposals that contain multiple issues are more complex and more time consuming. The variable measures the proportion of multi-issue legislation in a policy area, that is, proposals containing two and more issues. First, the number of issues contested by the EP per legislative proposal was counted. Second, the proportion of legislative proposals in a policy area containing two and more contested issues was calculated. The greater the proportion of complex proposals per policy area, the larger the value of the variable.

As the dependent variable is dichotomous (Package Deal/No Package Deal), logistic regressions are used to examine the effect of the independent variables on the probability of logrolling in the EU. The 973 proposals belong to 19 policy areas and are spread over 8 years. Three empty multilevel models are estimated to test whether proposals part of the same policy area and year share a similar probability of being decided through a package deal (Dupont and Martensen, 2007).

The hypothetical effects of the policy area and time levels are tested to examine whether the variance of the probability of a package deal is due to these contextual factors. The relevance of the contextual level and the improvements in the fit of the models are compared after including the different contexts. The results show that the use of package deals in EU decision-making varies across policy areas and the years 1999 – 2007. Accounting for the contextual effects of the policy area and time levels, Modes 4 to 8 test for the effects of the independent variables discussed above. The results are presented in Table 1.3. The coefficients of the variables, their standard errors and the odds ratios are reported.

Table 1.3 Conditions for the Use of Package Deals in the European Union

Legislative Package Deals in EU Decision-Making, 1999 – 2007

Dependent Variable: Package Deal

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	
	Coef./S.E.	Coef./S.E.	Coef./S.E.	Coef./S.E.	Coef./S.E.	Coef./S.E.	Coef./S.E.	Coef./S.E.	Odds Ratio
Fixed Effects									
Cost Type (base Administrative Proposal)									
Distributive Proposal (EU budget)	-	-	-	1.855 ***	1.823 ***	2.025 ***	2.004 ***	1.937 ***	**6.939**
				(.422)	(.217)	(.485)	(.484)	(.485)	
Distributive Proposal (Member States)	-	-	-	1.012 **	.968 **	1.030 **	1.005 **	0.887 *	**2.428**
				(.446)	(.445)	(.503)	(.501)	(.504)	
Regulatory Proposal (Private Actors)	-	-	-	.721 *	.686 *	.738	.714	.602	1.827
				(.411)	(.409)	(.470)	(.468)	(.470)	
Urgent	-	-	-	.496 ***	.499 **	.400 *	.412 *	.358	**1.431**
				(.189)	(.189)	(.225)	(.226)	(.229)	
Council Impatience	-	-	-	-	-	-	-	0.857 ***	**2.356**
								(.226)	
Absolute Distance Salience	-	-	-	.104	-	.095	-	-	-
				(.064)		(.074)			
Salience Tie	-	-	-	-	-.457 **	-	-.541**	-.526**	**.591**
					(.184)		(.214)	(.215)	
Party Leaders Involved	-	-	-	1.255 ***	1.303 ***	1.381 ***	1.417 ***	1.417 ***	**4.127**
				(.236)	(.233)	(.270)	(.267)	(.267)	
Policy Area Issue Complexity	-	-	-	.039 ***	.039 ***	.048 ***	.048 ***	.044 ***	**1.045**
				(.008)	(.008)	(.009)	(.009)	(.009)	
Intercept	-1.199 ***	-1.115 ***	-1.728 ***	-5.137 ***	-4.838 ***	-6.130 ***	-5.843 ***	-5.821 ***	-
	(.269)	(.157)	(.211)	(.679)	(.677)	(.781)	(.789)	(.771)	
Random Effects									
Policy Area Level (std.dev.)	1.082 ***		1.686 ***	.535 **	.540 **	1.323 *	1.336 *	1.316 *	-
	(.219)		(.219)	(.157)	(.157)	(.202)	(.203)	(.200)	
Year Level (std.dev.)		.385***	< .001	-	-	.301	.321	< .001	-
		(.128)	(.543)			(.275)	(.270)	(.270)	
-2 x Log Likelihood	996.323	1081.314	936.867	896.941	893.216	831.123	826.654	812.689	
Model Improvement		-	59.456	99.382	103.107	164.711	169.67	183.634	
N Proposals	973	973	973	973	973	973	973	973	
N Policy Areas	19	19	19	19	19	19	19	19	
N Years	8	8	8	8	8	8	8	8	

*p < .10; ** p < .05; *** p < .01

Results

The results support the argument that the probability of a legislative package deal between the EP and the Council increases when 1) proposals are distributive; and 2) proposals are urgent. In addition, the probability of package deals increases when 3) the EP-Council preference intensities vary, 4) the party leaders in the EP are involved in the negotiations and 5) the policy area issue complexity increases (see Model 8).

First, package deals are most likely to occur on distributive proposals. When proposals contain a reference to the allocation of the EU budget, package deals are most likely to be used. Expensive proposals increase the likelihood of logrolling as legislators can trade their support in order to obtain their most preferred outcomes. Furthermore, distributive proposals have direct consequences for Member States and the Council has greater incentives to negotiate compromise package deals with MEPs. As package deals allow each of the chambers to gain the issues it cares about the most, the Council can secure its preferred policy outcomes on budgetary matters and in exchange could offer support for the EP's issues as a side payment.

Second, urgent proposals are more likely to be negotiated through a package deal in order to reduce decision-making time. The coefficient of the *Council Impatience* variable is positive and statistically significant. This indicates that package deals are more likely to take place when the Member States in the Council are impatient about the adoption of legislation. When time is limited, issues and proposals are more likely to be bundled together so that overall compromise could be reached. The *Urgent* variable loses its significance when Council Impatience is included in the model, although it shows some support for the hypothesis in the other models.

Third, the preference distance between the EP and the Council on a legislative proposal increases the likelihood of a package deal. When there is a tie between the Parliament and the Council's intensity of preferences, package deals are less likely to

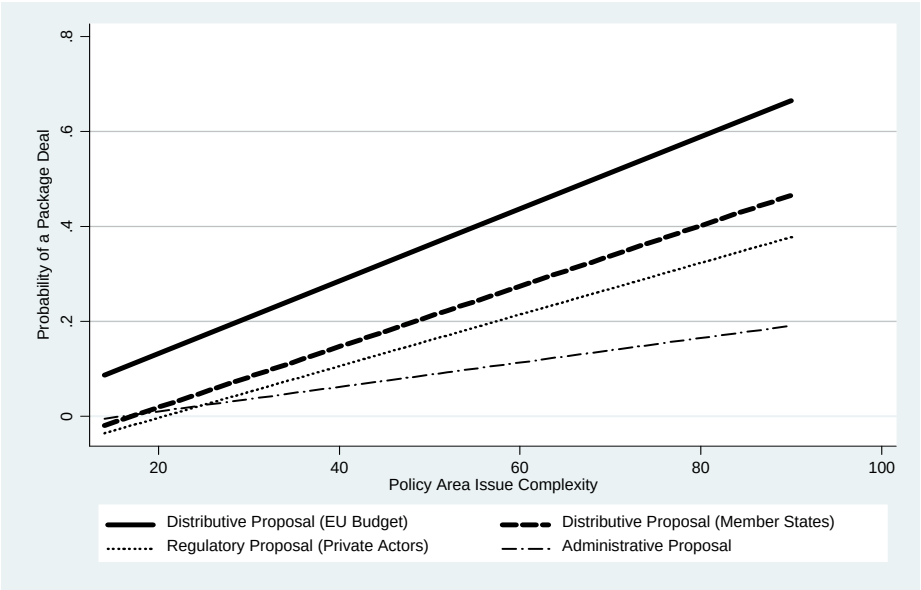
occur. This is in line with the theoretical prediction that logrolling allows actors to express different intensities of preferences. Logrolls are more likely to occur if the EP and the Council can trade legislative support. When the preference intensities of the institutions are equal no legislative exchange can take place. As a result, the probability of a package deal increases when the preference intensities between the Council and the Parliament differ.

The probability of the use of package deals in the EU legislative process increases with the increase in policy area issue complexity. The greater the proportion of multi-issue legislation in an EU policy area, the greater the likelihood of logrolling. The availability of multiple issues in proposals presents greater opportunities for legislative exchange between the EP and the Council. This is especially the case, when the same constellations of multiple issues reoccur in different legislative proposals. For example, in 2003 in the area of Agriculture, in the reform of the CAP, identical issues came up in the legislative proposals on Milk, Rice, Dried fodder and Cereals (legislative proposals CNS/2003/0006, CNS/2003/0007, CNS/2003/0008, CNS/2003/0009, CNS/2003/0010, CNS/2003/0011).

In addition, the likelihood of package deals increases with the involvement of party leaders. The political group leaders in the European Parliament serve the essential role of logroll facilitators. In 69% of the package deals the committee rapporteurs were members of either the EPP-ED or the PES, but in 90% of the cases the political group leaders participated in the negotiations with the Council alongside the committee rapporteurs in order to ensure the enforceability of the logroll deals. The informal nature of logrolls between requires the involvement of the political group leaders in order to ensure that the essential elements of the deal are preserved and supported in the EP plenary.

Figure 1.2 plots the predicted probability of the use of package deals in the EU decision-making process, according to the distributive nature of legislative proposals and policy area issue complexity (based on Model 8). The plot illustrates the probability of logrolls on legislative proposals according to the costs associated with them.

Figure 1.2 Effect of Distributive Proposals and Policy Area Issue Complexity on the Probability of Logrolling in the EU



Source: Predicted probabilities based on Model 8 (Table 1.3)

Distributive proposals that allocate EU funding are most likely to go through a logroll; followed by distributive proposals that involve costs to be covered by Member States' budgets; followed by regulatory proposals that involve costs to be covered by private actors and finally package deals are least likely to take place on administrative proposals. The plot highlights that the probability of logrolling in the EU increases with the increase in policy area issue complexity. The statistical analysis of more than 1400 legislative proposals illustrated that package deals are an important part of legislative decision-making in the European Union. Informal logrolls allow the European Parliament and the Council of Ministers to exchange support for their preferred policy outcomes and hence avoid gridlock and achieve compromise[18].

[18] Linda McAvan (PSE): *"Labour MEPs welcome today's agreement on nutrition and health labelling of foods. We accept that this is a compromise package and there are some elements, particularly on Amendment 66, where we have reservations. We would have preferred the common position text, which allowed no derogations. However, the new law represents a major step forward in food labelling for consumers and improves the overall regulatory framework. It is on this basis that we supported the compromise package",* on the discussion of food labelling, Plenary Debates, 16 May 2006.

SECTION III: PACKAGE DEALS AND THE LEGISLATIVE INFLUENCE OF THE EUROPEAN PARLIAMENT ACROSS POLICY AREAS AND TIME

What is the overall effect, 'the value added', of the use of package deals in the bicameral decision-making process? What are the European Parliament's gains from its participation in logrolling? This section studies the effect of package deals on EU legislative outcomes across all policy areas and over time. It tests the hypothesis that package deals increase the likelihood of European Parliament success in influencing distributive policy outcomes in the EU. The section also testes the hypothesis that package deals increase the likelihood of European Parliament success in gaining institutional powers.

This argument is tested across 2369 issues contested by the European Parliament in 973 co-decision and consultation proposals, falling in 19 EU policy areas and completed in the period 1999 – 2007. The *dependent variable* is whether the European Parliament succeeded on a particular issue (EP Success). EP Success is understood as the ability of the Parliament to see its demands incorporated in the final legislative text. EP Success was coded as a binary variable where 1 = success and 0 = failure. Overall, the EP succeeded in 51.9 % of all issues it contested in the period. The average EP success rate in the consultation procedure was 25.9%, whereas it was 65.2% in co-decision (see Table 1.4).

Table 1.4 Success rate of issues contested by EP according to issue type

		Type of Issues Contested by the EP			
	Total	**Policy Substance**	**Budgetary**	**Fundamental Rights**	**Institutional Powers**
Total proposals	973				
Total Issues	**2369**	**1528**	**256**	**269**	**316**
of which EP successful **(%)**	1230 **(51.9)**	754 **(49.3)**	109 **(42.6)**	214 **(79.6)**	153 **(48.4)**
Co-decision Proposals	470				
Co-decision Issues	**1567**	**1080**	**146**	**196**	**145**
of which EP successful **(%)**	1022 **(65.2)**	670 **(62.0)**	75 **(51.4)**	163 **(83.2)**	114 **(78.6)**
Consultation Proposals	503				
Consultation Issues	**802**	**448**	**110**	**73**	**171**
of which EP successful **(%)**	208 **(25.9)**	84 **(18.8)**	34 **(30.9)**	51 **(69.9)**	39 **(22.8)**

The Relevance of the Policy Area Context for the EP's Legislative Influence

Several studies have suggested that the legislative influence of the European Parliament varies in different areas of EU policy (Judge *et al*, 1994; Shackleton, 2000; Burns, 2005; Thomson and Hosli, 2006). Judge et al (1994) argued that policy type is one of many important variables shaping the EP's influence and suggested that it is in the field of regulatory policy that the EP has the greatest scope for exercising influence. Through case studies, Burns (2005: 488) also studies the EP's influence across several EU policy areas, where she finds that the Parliament has more scope to comment on and to influence regulatory policies than distributive policies. Overall, the few empirical studies of EP influence largely agree that the regulatory field allows the European Parliament greater scope to shape policy outcomes. This is a very realistic conclusion, given that co-decision largely applies to the regulatory field. By studying legislative decision-making across all EU policy areas, this paper finds significant variation of EP influence across policies.

Table 1.5 EP Legislative Influence: Policy Areas, Proposals, Issues: 1999 – 2007

Policy Area (Commission DG)	**Co-decision**		**Consultation**		**Total**		**% EP Success**
	Proposals	Issues	Proposals	Issues	Proposals	Issues	
Agriculture & Rural Development	7	14	73	148	**80**	**162**	**23.5 %**
Budget	9	28	26	43	**35**	**71**	**71.8 %**
Development	9	20	4	9	**13**	**29**	**55.2 %**
Economic and Financial Affairs	2	14	28	33	**30**	**47**	**25.5 %**
Education and Culture	25	74	4	8	**29**	**82**	**68.3 %**
Employment and Social Affairs	20	68	18	29	**38**	**97**	**64.9 %**
Energy and Transport	93	350	6	12	**99**	**362**	**59.4 %**
Enterprise and Industry	53	146	3	8	**56**	**154**	**67.5 %**
Environment	50	205	8	11	**58**	**216**	**59.3 %**
Eurostat, Statistical Office	32	48	1	2	**33**	**50**	**66.0 %**
External Relations	12	28	26	38	**38**	**66**	**40.9 %**
Fisheries	1	1	106	128	**107**	**129**	**11.6 %**
General Secretariat	2	9	8	22	**10**	**31**	**54.8 %**
Health and Consumer Protection	56	206	21	39	**77**	**245**	**61.6 %**
Information Society	20	57	2	5	**22**	**62**	**64.5 %**
Internal Market and Services	41	151	6	9	**47**	**160**	**55.0 %**
Justice, Freedom and Security	24	94	123	198	**147**	**292**	**42.5 %**
Research	7	32	19	33	**26**	**65**	**53.8 %**
Taxation and Customs Union	7	22	21	27	**28**	**49**	**34.7 %**
Total Proposals/Total Issues	470	1567	503	802	**973**	**2369**	**51.90%**

Own calculations.

Table 1.5 presents the average EP success rate in each of the 19 EU policy areas. The EP was least successful in the policy areas of Fisheries (11.6%), Agriculture (23.5%), Economic and Financial Affairs (25.5%), Taxation and Customs (34.7%), External Relations (40.9%) and Justice, Freedom and Security (42.5%). These results are not surprising given that proposals in these areas fall mainly under the consultation procedure. In contrast, the EP was most successful in the policy areas of Budgets (71.8%), Education and Culture (68.3%), Enterprise and Industry (67.5%), Employment and Social Affairs (64.9%), Information Society (64.5%) and Health and Consumer Protection (61.6%).

Defining the Distributive Character of EU Policy Areas

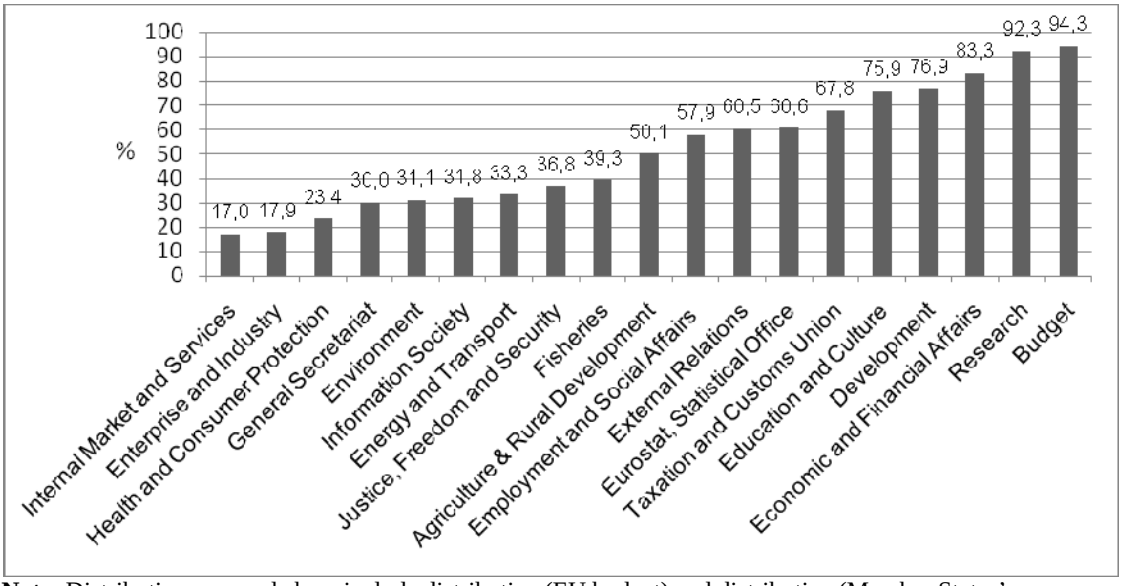
What is a distributive policy area and how to define it? Is the distributive/regulatory divide a binary variable? Are some policies more distributive than others? There is a clear distinction in the EU literature between the general characteristics of regulatory and distributive policies (Hix, 2005; Wallace et al, 2005). Some authors have classified EU policy areas according to a binary divide: regulatory and distributive (Broscheid and Coen, 2007). However, as could be seen from Table 1.2 each EU policy area consists of both regulatory and distributive proposals. Moreover, EP influence is here analysed through the examination of proposals and the issues contested within them. Therefore, dichotomizing the distributive/regulatory divide in EU policy areas may lead to inaccurate results.

To overcome this issue, the paper adopts the following methodology for defining the distributive character of an EU policy area. First, as indicated in Table 1.2, each EU policy area includes administrative, regulatory and distributive proposals. In the case of distributive proposals the costs are covered by either the EU budget or Member States' budgets. Such proposals are highly salient for Member States and governments are reluctant to incorporate the EP's demands. These proposals were grouped into one category = *Distributive*. In the case of regulatory and administrative proposals the costs are covered

by either private actors or there are no significant costs. Such proposals should be relatively less salient for Member States and governments may be more willing to incorporate the EP's preferences. These proposals were grouped into the second category = *Regulatory*.

Second, in each EU policy area the percentage of *Distributive* proposals and the percentage of *Regulatory* proposals were calculated. The continuous *Distributive Policy Area* variable was constructed to indicate the percentage of distributive proposals in a policy area. Therefore, EU policy areas with a relatively higher percentage of regulatory proposals are located on the left of the axis, whereas policy areas with a relatively higher percentage of distributive proposals are located to the right of the axis (see Figure 1.3).

Figure 1.3 Concentration of Distributive Proposals (%) per EU Policy Area



Note: Distributive proposals here include distributive (EU budget) and distributive (Member States' budgets) proposals. Regulatory proposals include regulatory (private actors) and administrative (insignificant cost) proposals as defined in Table 1.2.

The EU policy areas with a relatively higher percentage of distributive proposals were Budget (94.3%), Research (92.3%), Economic and Financial Affairs (83.3%), Education and Culture (75.9%), Development (76.9%), External Relations and Employment Affairs (60.5%). On the opposite side of the axis, the policy areas with a relatively lower percentage of distributive proposals were Internal Market (17%), Enterprise and Industry (17.9%), Health, Consumer Protection, and Environment (23.4%).

3.1 Statistical Analysis

To test the main argument of the paper that package deals increase the European Parliament's influence in distributive policy areas, two independent variables and their interaction term are of central importance for the analysis[19].

First, the individual-level dichotomous *Package Deal* variable is included in the models. It = 1 if there is evidence in the Council's internal documents and/or in the EP plenary statements and summaries that a package deal on a proposal between the Council and the EP has been concluded and it = 0 if otherwise. To capture the effect of the policy area type on EP success, the macro-level continuous *Distributive Policy Area* variable is included. It measures the difference between the percentage of distributive proposals and the percentage of regulatory proposals in a policy area (as described above). The analysis includes the cross-level interaction term *Package Deal x Distributive Policy Area.*

Several control variables are also included in the model. First, the dichotomous *Co-decision* variable is included to account for the effect of the legislative procedure. It = 1 for co-decision proposals and it = 0 for consultation proposals. Second, the categorical *Issue Type* variable captures the effect of the different issues the EP contests and their probability of success. It = 1 for budgetary issues, = 2 for policy substance issues, = 3 for fundamental rights issues, and it = 4 for institutional powers issues.

Third, the dichotomous *Council Impatience* variable controls for the effect of institutional impatience on legislative outcomes in EU decision-making. It = 1 if the Council had started discussions and prepared a draft text of the legislative proposal before the EP had done so and it = 0 if the Parliament had started discussions and prepared a draft legislative text earlier than the Council. This variable was measured by comparing the dates of the first draft texts on a legislative proposal held in the EP and the Council's document registers.

[19] see the Appendices for full coding, sources and descriptive statistics of all variables used in the analysis as well as for correlations between the variables.

In addition, two variables control for the internal cohesion of the European Parliament on its legislative influence. The continuous *EP Cohesion* variable measures EP cohesion at the EP drafting committee level. It measures the size of the majority in the EP drafting committee in favour of a report, as a percentage of those voting. In addition, the dichotomous *EP Plenary Support* variable measures EP cohesion at the EP Plenary level. It = 1 if the EP plenary supports the committee report in its entirety and MEPs do not submit replacement amendments and it = 0 if the plenary amends/rejects the committee proposal.

Furthermore, to account for the impact of the relative intensities of preferences of the Council and the Parliament on EP success, two variables are included in the analysis. The dichotomous *Council – EP Salience Tie* variable controls for the distance between the EP' and the Council's preference intensities. It = 1 if the relative salience size was different from zero (regardless of the direction). The distance *Relative EP Salience* variable measures the relative difference between the EP's and the Council's importance attached to a proposal. It captures the size and the direction of the relative preference intensities.

Finally, *Commission Support* controls for the impact of the Commission on the EP's legislative influence. It = 1 if the Commission expresses its support for an EP demand in front of the EP plenary, after informal meetings with MEPs or in its opinion on the EP position; and it = 0 if the Commission does not support the EP on a given issue.

Several empty multi-level models are estimated to explore the hierarchical nature of the data and to determine whether to include an analytical level in the statistical analysis. The 2639 issues are nested in 973 legislative proposals, which are nested in 19 policy areas, which are nested in 8 years. It seems that the year does not have an effect on the probability of European Parliament success in EU legislative outcomes. In contrast, the policy area level seems to have an important contextual effect on EP success. In addition, the proposal level seems to have an effect on EP success. Therefore, the statistical tests of EP success (in Table 1.6) will include these two contextual levels (separately and combined).

Table 1.6 Variation of EP Success across Proposals, Policy Areas, and Time

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

Empty Models	**Model 1**	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**	**Model 7**
	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.
Fixed Effects							
Intercept	.077 *	.045	-.006	.005	-.006	.015	< .001
	(.044)	(.176)	(.056)	(.009)	(.056)	(.193)	(.101)
Random Effects							
Proposal Level (std.dev.)	-	-	.816 *	-	.816 *	.583 ***	.206
			(.109)		(.109)	(.116)	(.269)
Policy Area Level (std.dev.)	-	.727 *	-	.928 *	-	.794 *	.933 *
		(.132)		(.103)		(.147)	(.105)
Year Level (std.dev.)	.041	-	-	< .001	< .001	-	< .001
	(.096)			(.107)	(.104)		(.108)
-2 x Log Likelihood	3280.580	3091.223	3251.164	3109.822	3251.164	3081.3104	3109.656
N Years	8	8	8	8	8	8	8
N Policy Areas	19	19	19	19	19	19	19
N Proposals	973	973	973	973	973	973	973
N Issues	2369	2369	2369	2369	2369	2369	2369

*p < .10; ** p < .05; *** p < .01

Results from the Binary Logistic Regressions

Models 1-3 are estimated with the individual level *Package Deal* and the macro-level *Distributive Policy Area* variables. Models 4-6 include their cross-level interaction *Package Deal x Distributive Policy Area*, while accounting for the proposal and policy area contexts. Models 7 - 11 add the control variables outlined earlier. The results support the argument that package deals lead to more EP legislative influence in distributive policy areas. The results confirm the general understanding in the EU policy-making research that the EP enjoys stronger legislative influence in regulatory policy areas. Although the EP is relatively weaker in distributive policy areas, the results support the argument that through package deals the EP manages to influence important and costly legislative proposals.

The *Package Deal x Distributive Policy Area* interaction term is significant and positively correlated with EP success. Even when the control variables are added to the model (Models 7 - 11), the coefficient of the cross-level interaction remains significant. Therefore, contrary to the traditional view of the European Parliament as a relatively weak legislative institution in distributive policies, through logrolling, the EP manages to influence legislation that is expensive for the Member States.

Table 1.7 Conditions for EP Success in EU Decision-Making: 1999 – 2007

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**
Fixed Effects	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.
Individual Level Variables						
Package Deal	**.968 *** **	**.662 *** **	**.719 *** **	.357	.029	.061
	(.119)	**(.095)**	**(.119)**	(.240)	(.206)	(.228)
Co-decision	**-**	**-**	**-**	**-**	**-**	**-**
Council Impatience	**-**	**-**	**-**	**-**	**-**	**-**
Urgent	-	-	-	-	-	-
Urgent for the Commission	-	-	-	-	-	-
European Parliament Cohesion	-	-	-	-	-	-
EP Plenary Support	-	-	-	-	-	-
Relative EP Salience	-	-	-	-	-	-
Parliament - Council Salience Tie	-	-	-	-	-	-
Commission Support	-	-	-	-	-	-
Issues Type (base budgetary)						
Policy Substance Issues	-	-	-	-	-	-
Fundamental Rights Issues	-	-	-	-	-	-
Institutional Powers Issues	-	-	-	-	-	-
Package Deal x Policy Substance	-	-	-	-	-	-
Package Deal x Fundamental Rights	-	-	-	-	-	-
Package Deal x Institutional Issues	-	-	-	-	-	-
Macro - Level Variable						
Distributive Policy Area	**-.473 ***	**-.203**	**-.238**	**-1.108 *** **	**-.973**	**-.995**
	(.251)	**(.681)**	**(.730)**	**(.338)**	**(.728)**	**(.768)**
Cross-Level Interaction						
Package Deal x Distributive Policy	**-**	**-**	**-**	**1.433 *** **	**1.642 *** **	**1.657 *** **
				(.507)	**(.478)**	**(.520)**
Intercept	-.119	-.077	.097	.152	.235	.219
	(.124)	(.384)	(.384)	(.154)	(.300)	(.422)
Random Effects						
Proposal Level (std.dev.)	.731 **	-	.494 ***	.705 **	-	.446 ***
	(.109)		(.383)	(.110)		(.136)
Policy Area Level (std.dev.)	-	.681 **	.726 *	-	.691 *	.725 *
		(.126)	(.136)		(.127)	(.136)
Year Level (std.dev.)	-	-	-	-	-	-
-2 x Log Likelihood	3171.894	3041.960	3036.533	3163.894	3029.841	3026.275
N Years	8	8	8	8	8	8
N Policy Areas	19	19	19	19	19	19
N Proposals	973	973	973	973	973	973
N Issues	2369	2369	2369	2369	2369	2369

*p < .10; ** p < .05; *** p < .01

European Parliament Success in EU Decision-Making, 1999 – 2007

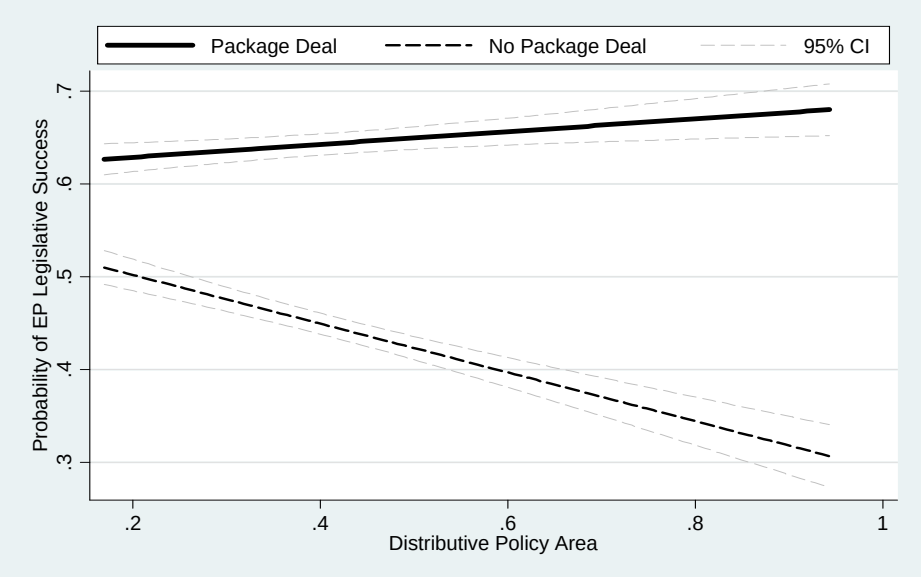
Dependent Variable: European Parliament Success

	Model 7	**Model 8**	**Model 9**	**Model 10**	**Model 11**	
Fixed Effects	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Odds Ratio
Individual Level Variables						
Package Deal	**.568 *** **	**.375 *** **	-.163	-.459	-.459	.632
	(.104)	**(.107)**	(.220)	(.398)	(.398)	
Codecision	**-**	**1.563 *** **	**1.571 *** **	**1.592 *** **	**1.592 *** **	**4.193**
		(.139)	**(.140)**	**(.138)**	**(.138)**	
Council Impatience	**.397 *** **	**.299 *** **	**.298 *** **	**.305 *** **	**.305 *** **	**1.356**
	(.100)	**(.102)**	**(.102)**	**(.103)**	**(.103)**	
Urgent	.066	.026	.028	.023	.023	1.023
	(.113)	(.115)	(.115)	(.116)	(.116)	
Urgent for the Commission	**.440 *** **	**.346 ** **	**.308 ** **	**.298 ** **	**.298 ** **	**1.347**
	(.146)	**(.150)**	**(.150)**	**(.151)**	**(.151)**	
European Parliament Cohesion	**.008 ** **	**.007 ** **	**.008 ** **	**.008 ** **	**.008 ** **	**1.008**
	(.004)	**(.004)**	**(.004)**	**(.004)**	**(.004)**	
EP Committee Plenary Supported	**.142**	**.345 *** **	**.336 *** **	**.341 *** **	**.341 *** **	**1.407**
	(.117)	**(.120)**	**(.120)**	**(.120)**	**(.120)**	
Relative EP Salience	**-.071 *** **	**-.058 ** **	**-.059 ** **	**-.056 ** **	**-.056 ** **	**.945**
	(.026)	**(.026)**	**(.026)**	**(.026)**	**(.026)**	
Parliament - Council Salience Tie	**-.417 *** **	**-.317 *** **	**-.293 *** **	**-.292 *** **	**-.292 *** **	**.746**
	(.106)	**(.106)**	**(.106)**	**(.106)**	**(.106)**	
Commission Support	**.805 *** **	**.756 *** **	**.753 *** **	**.750 *** **	**.750 *** **	**2.117**
	(.099)	**(.099)**	**(.099)**	**(.099)**	**(.099)**	
Issues Type (base budgetary)						
Policy Substance Issues	.117	.142	.149	-.005	-.005	.995
	(.160)	(.164)	(.165)	(.209)	(.209)	
Fundamental Rights Issues	**1.544 *** **	**1.590 *** **	**1.615 *** **	**1.813 *** **	**1.813 *** **	**6.128**
	(.226)	**(.233)**	**(.233)**	**(.294)**	**(.294)**	
Institutional Powers Issues	**.573 *** **	**.698 *** **	**.692 *** **	**.329**	**.329**	1.389
	(.195)	**(.200)**	**(.201)**	**(.355)**	**(.355)**	
Package Deal x Policy Substance	-	-	-	**.343**	**.343**	1.409
				(.327)	**(.327)**	
Package Deal x Fundamental Rights	-	-	-	**-.644**	**-.644**	.520
				(.449)	**(.449)**	
Package Deal x Institutional Issues	-	-	-	**1.026 ** **	**1.026 ** **	**2.791**
				(.424)	**(.424)**	
Macro - Level Variable						
Distributive Policy Area	**-.383**	**.345**	**-.289**	**-.333**	**-.333**	.717
	(.635)	**(.404)**	**(.453)**	**(.435)**	**(.435)**	
Cross-Level Interaction						
Package Deal x Distributive Policy	**-**	**-**	**1.371 *** **	**1.371 *** **	**1.371 *** **	**3.940**
			(.490)	**(.511)**	**(.511)**	
Intercept	**-1.673 *** **	**-3.021 *** **	**-2.757 *** **	**-2.656 *** **	**-2.656 *** **	-
	(.507)	**(.448)**	**(.448)**	**(.456)**	**(.456)**	
Random Effects						
Proposal Level (std.dev.)	-	-	<.001	-	-	-
			(.186)			
Policy Area Level (std.dev.)	**.613 ** **	**.310 *** **	**.289 *** **	**.248 *** **	**.248 *** **	-
	(.117)	**(.090)**	**(.090)**	**(.088)**	**(.088)**	
Year Level (std.dev.)	-	-	-	-	-	-
-2 x Log Likelihood	2815.010	2693.189	2685.311	2670.399	2670.399	
N Years	8	8	8	8	8	
N Policy Areas	19	19	19	19	19	
N Proposals	973	973	973	973	973	
N Issues	2369	2369	2369	2369	2369	

*p < .10; ** p < .05; *** p < .01

Figure 1.4 plots the predicted probability of EP success on EU legislative outcomes according to the use of package deals and the concentration of distributive proposals in policy areas. The plot confirms that the legislative influence of the EP is much greater in regulatory policy areas. The probability of EP success significantly decreases with the increase in distributive proposals per policy area. EP success in the absence of a package deal is most likely in the policy areas of Internal Market and Services, Enterprise and Industry, Health and Consumer Protection, and Environment. In the absence of a package deal, the EP is least likely to succeed in the areas of Budget, Research, Economic and Financial Affairs, Development and Education and Culture.

Figure 1.4 Effect of Package Deals and Distributive Policies on EP Legislative Influence

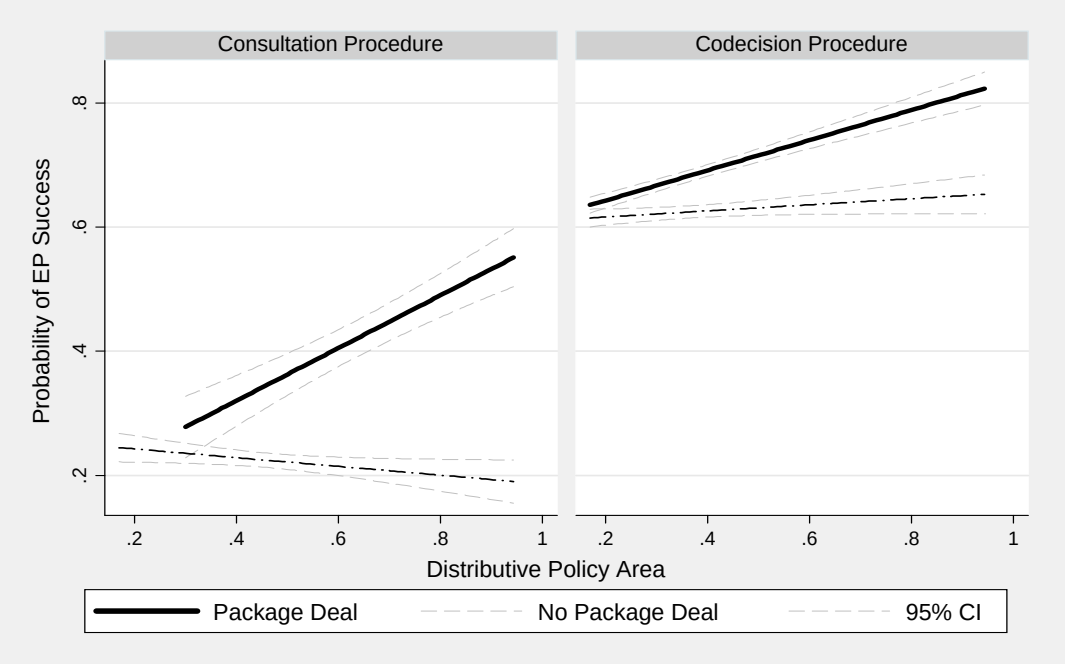


Note: Probabilities predicted based on Model 11 in Table 1.6.

However, although the EP enjoys very little legislative influence in distributive policy areas, when package deals are negotiated this is not the case. Package deals ensure a greater than 60% probability of EP success in all EU policy areas. Hence, although package deals are usually fast - tracked and deprive some MEPs of full participation in the decision-making process, the European Parliament benefits as an institution from legislative exchange with the Council.

Not surprisingly, the legislative procedure is a defining factor in the probability of EP influence on legislative outcomes. Co-decision allows the European Parliament an equal legislative status with the Council and this translates in the EP significantly influencing co-decision proposals. Nevertheless, as Figure 8.2 illustrates, package deals increase the likelihood of EP success in both the co-decision and consultation procedure. Informal logrolls allow the EP to negotiate consultation proposals on 'co-decision like' terms with the Council.

Figure 1.5 Effect of Package Deals and Legislative Procedures on EP Legislative Influence



Assuming the other variables are at their mean, in the co-decision procedure, the probability of EP success through a package deal increases from 60% to 82 % as the concentration of distributive proposals per policy area increases. In the consultation procedure, package deals increase the likelihood of EP success from 25% to 55 % as the concentration of distributive proposals increases. These findings confirm that the use of package deals in the EU legislative process increases the likelihood of the EP's legislative influence on policy outcomes in both the consultation and co-decision procedures.

The results support the argument that package deals increase the legislative influence of the European Parliament in distributive policy areas. Package deals are concluded regularly in EU decision-making as they allow the EP and the Council to exchange favours and negotiate enforceable agreements. Logrolls are usually fast-tracked and deprive some MEPs from their full involvement in the legislative process. Nevertheless, through package deals the European Parliament gains the ability to influence some of the EU's most expensive policies. Thus, the European Parliament manages to translate its budgetary powers into legislative influence.

What Exactly Does the European Parliament Gain in Package Legislation

Table 1.8 below presents the distribution of EP success according to issue type in package and non-package legislation. First, package deal proposals contain more issues than non-package legislation. This is in line with the theoretical argument that package deals take place when multiple issues are negotiated at the same time. A package deal proposal contains on average 3.56 issues (868 issues in 244 package proposals) whereas a non-package deal proposal contains on average 2.06 issues (1501 issues in 729 proposals).

Table 1.8 Success Rate of Issues according to Issue Type: Package Deals

		Type of Issues Contested by the EP			
	Total	**Policy Substance**	**Budgetary**	**Fundamental Rights**	**Institutional Powers**
Total proposals	973				
Total Issues	**2369**	**1528**	**256**	**269**	**316**
of which EP successful **(%)**	1230 **(51.9)**	754 **(49.3)**	109 **(42.6)**	214 **(79.6)**	153 **(48.4)**
Package Deal Proposals	244				
Package Deal Issues	**868**	**560**	**100**	**106**	**102**
of which EP successful **(%)**	557 **(64.2)**	343 **(61.3)**	51 **(51.0)**	84 **(79.2)**	**79** **(77.5)**
No Package Deal Proposals	729				
No Package Deal Issues	**1501**	**968**	**156**	**163**	**214**
of which EP successful **(%)**	673 **(44.8)**	411 **(42.5)**	58 **(37.2)**	130 **(79.8)**	74 **(34.6)**

Overall, the total EP success row shows that the EP was most successful when it contested fundamental rights issues (79.6%), followed by policy substance issues (49.3%), institutional powers issues (48.4%) and budgetary issues (42.6%). This result is intuitive. The Parliament as the 'voice of the people' is likely to succeed in its demands for human rights, transparency, privacy, data protection, and children's rights. On the other hand, when it comes to funding and budgetary matters, Member States are less open to negotiations. That explains the EP's low success rate in budgetary issues.

When the types of issues are considered it becomes clearer what in practice the European Parliament gains in package deals as compared to non-logrolled legislation. In package legislation the EP was most successful in fundamental rights issues (79.2%), followed by institutional powers issues (77.5%), policy substance issues (61.3%) and budgetary issues (51.0%). In non-package legislation, the EP was most successful in fundamental rights issues (79.8%), followed by policy substance issues (42.5%), budgetary issues (37.2%) and institutional powers issues (34.6%). The biggest increase in EP success between package and non-package legislation is in institutional powers issues. EP success increases with 42.9 per cent. This is followed by an increase of 18.8 per cent in EP success in policy substantial issues and of 13.8 per cent in budgetary issues. Fundamental rights issues do not seem to be affected by package legislation, there is less than 1% difference between the two categories.

This is confirmed by the statistical results (Table 1.7). The full binary logit models of EP success across all policy areas (Models 10 - 11) include interaction terms for *Package Deals* and *Issue Types*. The *Package Deal x Institutional Powers Issue* interaction is statistically significant and positively correlated with EP success, whereas the *Institutional Powers Issue* coefficient is non-significant. Therefore, the European Parliament is more likely to gain institutional powers issues when package deals are negotiated.

Budgetary issues are much more salient to Member States than the institutional powers they are giving in exchange to the European Parliament. Member States' preferences are much more intense about issues such as spending, co-financing, funding for programs and Community actions than they are about institutional issues such as the EP's ability to monitor and control the establishment of new bodies, parliamentary scrutiny, the writing of reports to the EP periodically. On the other hand, MEPs value highly an increase in the institutional and legislative powers of their chamber. When the two chambers attach different preference intensities to issues, trade is possible and logrolls are profitable for both the Council and the European Parliament.

In addition to the significant effect of package deals on EP legislative influence, several significant results were identified in this paper. First, the impatience of the Council matters across EU policy areas. The *Council Impatience* variable is positively correlated with EP success. An impatient Council is more likely to cooperate with the EP and therefore more likely to grant concessions to the Parliament in return for a fast-track decision. In contrast, when the EP is relatively more impatient about the conclusion of a legislative deal, it is in a weaker bargaining position.

Second, *EP Cohesion* is a significant predictor of EP success across all EU policy areas. EP cohesion at the committee level seems to be slightly less important than EP cohesion at the plenary level. Nevertheless, both the *EP Cohesion* and *EP Plenary Support* variables are significant and positively correlated with EP success. Regardless of the policy area, the legislative influence of the EP depends on its ability to secure a cohesive institutional position on legislative proposals.

Third, support from the *European Commission* significantly increases the chances of EP success. The Commission's position on EU legislation is important and the European Parliament benefits from the Commission's endorsement of EP proposals. The Commission's agenda-setting and implementation powers give it a strong voice in

legislative decision-making and the EP benefits from having the Commission on its side. Member States are more likely to reconsider their positions when both the European Parliament and the Commission oppose them.

Moreover, the *Council - EP Salience Tie* variable is significant and negatively correlated with EP success. The EP is more likely to fail to affect legislative outcomes when both institutions share similar intensities of preferences over proposals. Therefore, the European Parliament will be more successful if it can trade its support for a Council proposal in exchange for the Council's support on a salient EP proposal.

Up to now the variable EP Success was coded as a dichotomous variable with 1 = success and 0 = failure. Now EP success is analysed as an ordinal variable with 4categories where 0 = failure, 1 = low success, 2 = medium success, and 3 = high success. By including the degree of EP success in the analysis, the results of the statistical tests will provide a clearer picture of the extent to which the EP influences legislative outcomes across policy areas in the EU. To test the effect of the independent variables from the logit models above, the following section will use an ordinal logit regression. Here EP success is the dependent variable with four ordinal outcomes. To account for the conditional effect of the policy area level, the standard errors will be clustered around the 19 policy areas[20].

Table 1.8 Ordinal Distribution of European Parliament Success

		Issues Contested by the EP		
EP Success Ordinal		**Consultation**	**Codecision**	**Total**
Category 3 = High Success		128	862	990
	(%)	**(15.9)**	**(55.0)**	**(41.8)**
Category 2 = Medium Success		49	117	166
	(%)	**(6.1)**	**(7.5)**	**(7.0)**
Category 1 = Low Success		30	41	71
	(%)	**(3.7)**	**(2.6)**	**(3.0)**
Category 0 = Failure		595	547	1142
	(%)	**(74.2)**	**34.9**	**(48.2)**
Total		**802**	**1567**	**2369**

[20] One of the assumptions underlying ordinal logistic regression is that the relationship between each pair of outcome groups is the same. Ordinal logistic regression assumes that the coefficients that describe the relationship between the lowest versus all higher categories of the dependent variable are the same as those that describe the relationship between the next lowest category and all higher categories. This is called the proportional odds assumption. (Agresti, 2007)

It is important to explore the variation of EP success within policy areas and procedures[21] (see Table 1.9). The consideration of the different degrees of EP success will provide a more detailed account of the legislative influence of the European Parliament in EU policy areas. In some policy areas, the legislative influence of the EP fell predominantly in the two extreme categories (0 = failure or 3 = high success). For example, in the policy areas of Development, Information Society and External Relations, the EP either fully achieved its legislative demands or it failed to influence the legislative text (less than 5% of EP success falls in categories 1 and 2). On the other hand, in the policy areas of Budget, Internal Market and Services, and Research EP success varies considerably across categories 1, 2, and 3 (more than 18% of EP success falls in categories 1 and 2).

Table 1.9 Degrees of EP Legislative Influence: Variation across Policy Areas

	EP Legislative Influence: Degrees							
Policy Area (Commission DG)	**Failure =0**		**Success =1**		**Success =2**		**Success = 3**	
	N	%	N	%	N	%	N	%
Agriculture & Rural Development	124	(76.5%)	4	(2.5%)	11	(6.8%)	23	(14.2%)
Budget	20	(28.2%)	12	(16.9%)	2	(2.8%)	37	(52.1%)
Development	13	(44.8%)	0	-	1	(3.4%)	15	(51.7%)
Economic and Financial Affairs	35	(74.5%)	2	(4.3%)	1	(2.1%)	9	(19.1%)
Education and Culture	25	(30.5%)	3	(3.7%)	7	(8.5%)	47	(57.3%)
Employment and Social Affairs	34	(35.1%)	1	(1.0%)	5	(5.2%)	57	(58.8%)
Energy and Transport	150	(41.4%)	17	(4.7%)	34	(9.4%)	161	(44.5%)
Enterprise and Industry	50	(32.5%)	0	-	15	(9.7%)	89	(57.8%)
Environment	88	(40.7%)	4	(1.9%)	8	(3.7%)	116	(53.7%)
Eurostat, Statistical Office	18	(36.0%)	0	-	3	(6.0%)	29	(58.0%)
External Relations	39	(59.1%)	2	(3.0%)	1	(1.5%)	24	(36.4%)
Fisheries	114	(88.4%)	1	(0.8%)	7	(5.4%)	7	(5.4%)
General Secretariat	14	(45.2%)	1	(3.2%)	2	(6.5%)	14	(45.2%)
Health and Consumer Protection	94	(38.4%)	6	(2.4%)	19	(7.8%)	126	(51.4%)
Information Society	22	(35.5%)	0	-	0	-	40	(64.5%)
Internal Market and Services	72	(45.0%)	7	(4.4%)	23	(14.4%)	58	(36.3%)
Justice, Freedom and Security	168	(57.5%)	8	(2.7%)	18	(6.2%)	98	(33.6%)
Research	30	(46.2%)	2	(3.1%)	7	(10.8%)	26	(40.0%)
Taxation and Customs Union	32	(65.3%)	1	(2.0%)	2.	(4.1%)	14	(28.6%)
Total Issues	1142	(48.2%)	71	(3.0%)	166	(7.0%)	**990**	**(41.8%)**

[21] In the consultation procedure, the distribution of EP success was as follows. 74.2% (595 issues) fell in category 0 = failure. Only 3.7 % (30 issues) of the observations fell in category 1 (low success) and 6.1 % (49 issues) fell in category 2 (medium success). 16 % (128 issues) of the observations fell in category 3 (high success). In the co-decision procedure, the distribution of EP success was as follows. 34.9% (547 issues) fell in category 0 = failure. Only 2.6% (41 issues) of the observations fell in category 1 (low success) and 7.5% (117 issues) fell in category 2 (medium success). 55 % (862 issues) of the observations fell in category 3 (high). In total, 48.2% (1142 issues) fell in category 0 = failure. 3.0% (71 issues) fell in category 1, 7.0% (990 issues) fell in category 2, and 41.8% (990 issues) of the observations fell in category 3.

Ordinal and Multinomial Logistic Models

In order to explore the variation of the degrees of EP legislative influence, the following models as estimated using ordinal and multinomial logistic regression. The standard errors are clustered around policy areas, in order to take account of the conditioning effect of the policy area on the probability of EP success in legislative outcomes. Exactly the same independent variables and interaction terms were used in the binary logit, the ordinal logit and the multinomial logit. The estimation of regressions for EP success with identical independent factors allows for an easy comparison of the effects of the independent variables and interaction terms when EP success is treated as a dichotomous, ordinal and categorical outcome. The ordinal logits in Table 1.10 (Models 1 to 5) were estimated with EP success as an ordinal variable where 0 = failure, 1 = low success, 2 = medium success and 3 = high success. The multinomial logits in Table 1.11 (Models 1 to 5) were estimated with EP success as a categorical variable where 0 = failure, 1 = low success, 2 = medium success and 3 = high success.

The results of the ordered logit regressions (Table 1.10) confirm the findings of the previous section. Package deals increase the likelihood of EP success. The results confirm that the presence of package deals increases the probability of EP success in distributive policy areas. However, when the degree of EP success is taken into account the cross-level interaction term *Package Deal x Distributive Policy* has a weaker effect[22]. This result suggests two things. First, even when the degree of EP influence is taken into account, package deals increase the probability of EP success and furthermore, they increase the probability of EP success in distributive policy outcomes. Second, when the degree of EP influence is taken into account, package deals are not such a strong predictor of EP success and the *Package Deal x Distributive Policy* interaction effect is much weaker.

[22] The coefficient of the interaction term and its significance are reduced when the degree of EP success is considered. If the full binary and ordered logit models are compared, the power of the cross-level interaction decreases from a predictor with a coefficient of 1.317 (se .511), significant at the 1% level with a corresponding odds ratio of 3.940 (in the binary model) to a coefficient of .988 (se .587), significant at the 10% level and a corresponding odds ratio of 2.660 (in the ordered model).

Table 1.10 Ordinal Logistic Regressions: European Parliament Success

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

	Ordered Logit (Clustered S.E)					
	Model 1	**Model 2**	**Model 3**	**Model 4**	**Model 5**	
Fixed Effects	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Odds Ratio
Individual Level Variables						
Package Deal	**.731 *****	**.649 *****	**.375 *****	-.046	-.243	.632
	(.216)	**(.174)**	**(.144)**	(.217)	(.513)	
Codecision	**-**	**-**	**1.771 *****	**1.782 *****	**1.781 *****	**5.935**
			(.129)	**(.133)**	**(.133)**	
Council Impatience	**-**	**.331 ****	**.250 ****	**.251****	**.263 ****	**1.301**
		(.136)	**(.126)**	**(.120)**	**(.121)**	
Urgent	-	- .140	.074	-.069	-.069	.937
		(.136)	(.112)	(.119)	(.120)	
Urgent for the Commission	**-**	**.619 *****	**.396 ****	**.355 ***	**.346 ***	**1.413**
		(.226)	**(.197)**	**(.098)**	**(.249)**	
European Parliament Cohesion	**-**	**.011 ****	**.011 *****	**.011 *****	**.011 *****	**1.012**
		(.005)	**(.004)**	**(.003)**	**(.003)**	
EP Committee Plenary Supported	**-**	**.002**	**.328 *****	**.321 *****	**.326 *****	**1.386**
		(.116)	**(.104)**	**(.106)**	**(.107)**	
Relative EP Salience	-	-.045	-.026	-.026	-.026	.974
		(.036)	(.027)	(.037)	(.037)	
Parliament - Council Salience Tie	**-**	**-.432 *****	**-.251 *****	**-.233 *****	**-.232 *****	**.973**
		(.079)	**(.082)**	**(.082)**	**(.084)**	
Commission Support	**-**	**.818 *****	**.686 *****	**.685 *****	**.677 *****	**1.967**
		(.136)	**(.128)**	**(.128)**	**(.124)**	
Issues Type (base budgetary)						
Policy Substance Issues	-	.140	.122	.117	-.001	.999
		(.104)	(.219)	(.217)	(.236)	
Fundamental Rights Issues	**-**	**1.440 *****	**1.527*****	**1.539 *****	**1.809 *****	**6.104**
		(.139)	**(.286)**	**(.283)**	**(.369)**	
Institutional Powers Issues	**-**	**.513 ***	**.785 ****	**.774 ****	**.440**	1.553
		(.289)	**(.348)**	**(.339)**	**(.373)**	
Package Deal x Policy Substance	-	-	-	-	.226	1.305
					(.512)	
Package Deal x Fundamental Rights	-	-	-	-	-.760	.467
					(.635)	
Package Deal x Institutional Issues	-	-	-	-	.909	2.483
					(.809)	
Macro - Level Variable						
Distributive Policy Area	-.434	-.689	.374	-.113	-.156	.856
	(.502)	(.556)	(.509)	(.229)	(.522)	
Cross-Level Interaction						
Package Deal x Distributive Policy	**-**	**-**	**-**	**1.037 ***	**.978 ***	**2.660**
				(.625)	**(.587)**	
Cut 1	**.157**	**1.644**	**3.384**	**3.192**	**3.100**	
Cut 2	**.140**	**1.783**	**3.538**	**3.346**	**3.256**	
Cut 3	**.431**	**2.109**	**3.903**	**3.711**	**3.624**	
Log Pseudolikelihood	**-2345.973**	**-2202.982**	**-2065.833**	**-2062.794**	**-2053.491**	
N Policy Areas	19	19	19	19	19	19
N Issues	2369	2369	2369	2369	2369	2369

*p < .10; ** p < .05; *** p < .01

Table 1.11 Multinomial Logistic Regressions: European Parliament Success

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

	Multinomial Logit (Clustered S.E)					
	Model 1			**Model 2**		
Baseline (Failure = 0)	**Success 1**	**Success 2**	**Success 3**	**Success 1**	**Success 2**	**Success 3**
Fixed Effects	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.
Individual Level Variables						
Package Deal	**1.078 *** **	**.428 ** **	**.811 *** **	**.958 ** **	**.371 * **	**.717 *** **
	(.396)	**(.220)**	**(.236)**	**(.429)**	**(.211)**	**(.189)**
Codecision	**-**	**-**	**-**	**-**	**-**	**-**
Council Impatience	**-**	**-**	**-**	-.060	.232	**.367 ** **
				(.330)	(.180)	**(.153)**
Urgent	-	-	-	.389	-.110	-.158
				(.293)	(.321)	(.150)
Urgent for the Commission	**-**	**-**	**-**	.396	.513	**.725 *** **
				(.428)	(.359)	**(.252)**
European Parliament Cohesion	**-**	**-**	**-**	-.011	-.007	**.014 ** **
				(.011)	(.005)	**(.007)**
EP Committee Plenary Supported	**-**	**-**	**-**	.202	**.258 ** **	-.006
				(.302)	**(.124)**	(.134)
Relative EP Salience	-	-	-	**-.166 *** **	**-.118 * **	-.056
				(.055)	**(.067)**	(.043)
Parliament - Council Salience Tie	**-**	**-**	**-**	**-.604 *** **	-.174	**-.499 *** **
				(.237)	(.134)	**(.099)**
Commission Support	**-**	**-**	**-**	.238	**.998 *** **	**.885 *** **
				(.255)	**(.217)**	**(.145)**
Issues Type (base budgetary)						
Policy Substance Issues	-	-	-	.276	.196	.162
				(.636)	(.357)	(.118)
Fundamental Rights Issues	**-**	**-**	**-**	.292	**.939 *** **	**1.646 *** **
				(.695)	**(.280)**	**(.152)**
Institutional Powers Issues	**-**	**-**	**-**	-.360	-.001	**.609 ** **
				(.547)	(.660)	**(.278)**
Package Deal x Policy Substance	-	-	-	-	-	-
Package Deal x Fundamental Rights	-	-	-	-	-	-
Package Deal x Institutional Issues	-	-	-	-	-	-
Macro - Level Variable						
Distributive Policy Area	**1.164**	**-1.200 * **	**-.424**	1.460	-.769	-.788
	(1.014)	**(.720)**	**(.571)**	(.904)	(.744)	(.629)
Cross-Level Interaction						
Package Deal x Distributive Policy	**-**	**-**	**-**	**-**	**-**	**-**
Intercept	**-3.735 *** **	**-1.588 *** **	**-.263**	**-3.321 *** **	**-2.134 *** **	**-2.165*** **
	(.607)	**(.345)**	**(.303)**	**(1.142)**	**(.783)**	**(.695)**
Log Pseudolikelihood		**-2334.940**			**-2169.648**	
N Policy Areas	19	19	19	19	19	19
N Issues	2369	2369	2369	2369	2369	2369

*p < .10; ** p < .05; *** p < .01

Multinomial Logistic Regressions: European Parliament Success (continued)

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

	Multinomial Logit (Clustered S.E)					
		Model 3			**Model 4**	
Baseline (Failure = 0)	**Success 1**	**Success 2**	**Success 3**	**Success 1**	**Success 2**	**Success 3**
Fixed Effects	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.	Coef/S.E.
Individual Level Variables						
Package Deal	**.902 ***	.218	**.388 *****	-.834	-.454	**-.022**
	(.479)	(.215)	**(.149)**	(1.770)	(.410)	**(.246)**
Codecision	.100	**.702 *****	**2.065 *****	**.166**	**.714 *****	**2.070 *****
	(.495)	**(.237)**	**(.167)**	**(.661)**	**(.236)**	**(.172)**
Council Impatience	-.087	.191	**.265 ****	-.100	.184	**.265 ****
	(.308)	(.193)	**(.137)**	(.284)	(.186)	**(.131)**
Urgent	.407	-.088	-.090	.443	-.082	-.085
	(.286)	(.312)	(.124)	(.301)	(.312)	(.129)
Urgent for the Commission	.308	.366	**.444 ****	.088	.297	**.400 ***
	(.450)	(.342)	**(.212)**	(.423)	(.324)	**(.217)**
European Parliament Cohesion	-.011	-.006	**.014 *****	-.011	-.006	**.014 *****
	(.012)	(.005)	**(.004)**	(.011)	(.005)	**(.004)**
EP Committee Plenary Supported	.211	**.419 *****	**.343 *****	.173	**.402 *****	**.333 *****
	(.282)	**(.126)**	**(.112)**	(.282)	**(.137)**	**(.113)**
Relative EP Salience	**-.154 *****	-.099	-.031	**-.157 *****	-.100	-.030
	(.057)	(.067)	(.042)	**(.058)**	(.064)	(.042)
Parliament - Council Salience Tie	**-.611 ****	-.087	**-.307 *****	**-.520 ****	-.056	**-.289*** **
	(.256)	(.163)	**(.091)**	**(.250)**	(.167)	**(.091)**
Commission Support	.220	**.929 *****	**.777 *****	.213	**.924 *****	**.773 *****
	(.230)	**(.221)**	**(.146)**	(.235)	**(.221)**	**(.144)**
Issues Type (base budgetary)						
Policy Substance Issues	.233	.177	.117	.216	.182	.119
	(.577)	(.388)	(.243)	(.560)	(.381)	(.241)
Fundamental Rights Issues	.272	**.964 *****	**1.769 *****	.308	**.988 *****	**1.781 *****
	(.570)	**(.338)**	**(.332)**	(.559)	**(.338)**	**(.327)**
Institutional Powers Issues	-.656	.102	**.932 *****	-.715	-.091	**.920 *****
	(.559)	(.609)	**(.367)**	(.622)	(.612)	**(.357)**
Package Deal x Policy Substance	-	-	-	-	-	-
Package Deal x Fundamental Rights	-	-	-	-	-	-
Package Deal x Institutional Issues	-	-	-	-	-	-
Macro - Level Variable						
Distributive Policy Area	**1.551 ****	-.296	-.311	-.759	-1.008	-.109
	(.686)	(.700)	(.546)	(1.362)	(.945)	(.581)
Cross-Level Interaction						
Package Deal x Distributive Policy	**-**	**-**	**-**	**3.850 ****	**1.708 ***	**1.002**
				(1.770)	**(1.106)**	**(.692)**
Intercept	**-3.293 *****	**-2.808 *****	**- 4.177 *****	**-2.349 ****	**-2.526 *****	**-3.997 *****
	(.861)	**(.886)**	**(.534)**	**(1.065)**	**(.960)**	**(.525)**
Log Pseudolikelihood		**-2028.344**			**-2021.225**	
N Policy Areas	19	19	19	19	19	19
N Issues	2369	2369	2369	2369	2369	2369

*p < .10; ** p < .05; *** p < .01

Multinomial Logistic Regressions: European Parliament Success (continued)

European Parliament Success in EU Decision-Making, 1999 – 2007

Dependent Variable: European Parliament Success

	Multinomial Logit (Clustered S.E)					
	Model 5					
Baseline (Failure = 0)	**Success 1**		**Success 2**		**Success 3**	
Fixed Effects	Coef/S.E.	Risk Ratio	Coef/S.E.	Risk Ratio	Coef/S.E.	Risk Ratio
Individual Level Variables						
Package Deal	-1.487	.226	**-1.154 ***	**.315**	-.143	.867
	(1.196)		**(.637)**		(.637)	
Codecision	.137	1.147	**.713 *** **	**2.039**	**2.088 *** **	**8.070**
	(.416)		**(.235)**		**(.179)**	
Council Impatience	-.094	.910	.199	1.220	**.280 ** **	**1.323**
	(.284)		(.185)		**(.132)**	
Urgent	.472	1.605	-.199	.921	-.084	.920
	(.314)		(.083)		(.132)	
Urgent for the Commission	-.008	1.008	.260	1.297	**.389 ***	**1.475**
	(.391)		(.365)		**(.209)**	
European Parliament Cohesion	-.011	.988	-.007	.994	**.014 *** **	**1.014**
	(.012)		(.005)		**(.005)**	
EP Committee Plenary Supported	.211	1.235	**.425 *** **	**1.530**	**.339 *** **	**1.403**
	(.283)		**(.142)**		**(.112)**	
Relative EP Salience	**-.149 *** **	**.862**	-.096	.908	-.029	.971
	(.057)		(.063)		(.042)	
Parliament - Council Salience Tie	**-.521** **	**.594**	-.053	.948	**-.291 *** **	**.748**
	(.246)		(.168)		**(.095)**	
Commission Support	.182	1.200	**.913*** **	**2.492**	**.766 ** **	**2.150**
	(.245)		**(.218)**		**(.140)**	
Issues Type (base budgetary)						
Policy Substance Issues	-.105	.900	- .079	.924	.034	1.034
	(.322)		(.432)		(.260)	
Fundamental Rights Issues	-.651	.522	**.917 ** **	**2.502**	**2.144 *** **	**8.530**
	(1.143)		**(.441)**		**(.414)**	
Institutional Powers Issues	**-21.174 *** **		-.483	.617	**.653 ***	**1.921**
	(.822)		(.663)		**(.348)**	
Package Deal x Policy Substance	.584	1.793	.718	2.051	.196	1.216
	(1.060)		(.500)		(.586)	
Package Deal x Fundamental Rights	1.292	3.641	.108	1.114	-1.013	.363
	(1.071)		(.578)		(.712)	
Package Deal x Institutional Issues	**21.756 *** **		**1.766 ** **	**5.849**	.891	2.437
			(.923)		(.920)	
Macro - Level Variable						
Distributive Policy Area	-.774	.461	-.1.030	.357	-.150	.860
	(1.338)		(.942)		(.582)	
Cross-Level Interaction						
Package Deal x Distributive Policy	**3.739 *** **	**42.052**	1.660	5.259	.940	2.560
	(1.893)		(1.095)		(.670)	
Intercept	**-1.836**		**- 2.266 ** **		**-3.970 *** **	
	(1.174)		**(.950)**		**(.444)**	
Log Pseudolikelihood	**-2007.037**					
N Policy Areas	19	19	19	19	19	19
N Issues	2369	2369	2369	2369	2369	2369

This finding implies that package deals allow the EP to influence legislation much more than it would in the absence of a logroll. However, while package deals allow the European Parliament to insert its preferred policy outcomes in EU legislation, they do not guarantee that these preferences will be accommodated in full (i.e. 3 = high success). Therefore, informal logrolls are important as they allow the EP to increase its legislative influence and impact legislative texts (to achieve outcomes different from 0 = failure). However, informal logrolls do not guarantee that the EP will realize its legislative demands to the fullest (to achieve outcomes in category 3 = high success). While Member States are interested to engage in trade with the European Parliament in distributive policy areas, the extent of the legislative influence gained from such trade for the EP is limited.

The results of the **multinomial logit regressions** (in Table 1.11) confirm the findings of the previous section. Package deals increase the likelihood of EP success. The results confirm that the presence of package deals increases the probability of EP success in distributive policy areas. However, the effect of package deals differs between the success categories. As is evident in Model 4, the effect of the cross-level interaction term *Package Deal x Distributive Policy* is strongest in the Success 1 category, followed by the Success 2 category and the Success 3 category[23].

This result confirms the findings from the previous tests. Package deals allow the EP to gain legislative influence on some issues, but the extent of these gains is limited. The EP is most likely to gain institutional issues in logrolls in distributive policy areas and these gains are most likely to be within the success 1 category = low success. Hence, the EP is allowed a greater institutional and legislative role through package deals, but it does not realize its full preferences on issues.

[23] In Model 4 the coefficient of the interaction term is 3.850 (se 1.770), significant at the 5% level for the category Success 1 and it is decreases to 1.708 (se 1/106), significant at the 10% level for the category Success 2. It is non-significant in category Success 3. When the full Model 5 is estimated, the interaction term remains statistically significant only in category Success 1.

CONCLUSION

The main objective of the paper was to explore why EU legislators increasingly engage in informal inter-chamber package deals and what the effects of these practices are for EU policy outcomes. This paper studied all completed legislation passed under the co-decision and consultation procedures between 1 May 1999 and 30 April 2007. This paper found that package deals in the EU are likely to occur when proposals are distributive and urgent. The paper argued that through the package deal the EP gains legislative influence in the EU's distributive policy areas. The results of the empirical analysis of more than 2350 issues discussed between the EP and the Council supported this argument. Package deals are used regularly as they allow EU legislators to achieve their most preferred policy outcomes.

The paper demonstrated that the legislative influence of the European Parliament varies across policy areas and the policy context conditions the outcomes of EU legislative bargaining. Overall, the Parliament is more likely to influence legislation in regulatory policy areas. Nevertheless, package deals allow the EP to gain greater influence in some of the EU's most expensive policy areas. Without exaggerating the effect of package deals on bicameral decision-making in the EU, the paper identified the specific issue gains the EP obtains through package deals. In exchange for supporting the Member States' budgetary policy preferences, the EP secures increased institutional and legislative powers.

So long as legislative package deals facilitate the ability of the EU legislature to make decisions without sacrificing deliberation or restricting significantly access to the decision-making process, they perform a very important function. The EU institutions need to carry out their legislative functions effectively within set deadlines. Informal negotiations make the legislative process highly flexible. The move to lawmaking through package deals in the European Union is the result of the natural and successful adaptation of the EU bicameral legislature to its changing political and institutional environments.

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Appendix I : Descriptive Statistics: Package Deals in the EU (V)

Name	Description of variables	Sources	Obs.	Min.	Max.	Mean	Std. Dev.
Package Deal	1 = Proposals and issues were decided as a package between the EP and the Council; 0 = otherwise	Statements of EP rapporteurs, Council minutes	973	0	1	.251	.434
Independent variables							
Legislative Cost Type							
Distributive Proposal (EU budget)	1 = A legislative proposal included a direct reference to the EU financial framework; 0 = otherwise	Legislative text	973	0	1	.263	.441
Distributive Proposal (Member States budgets)	1 = A legislative proposal involved costs to be covered by Member States' budgets; 0 = otherwise	Legislative text	973	0	1	.180	.384
Regulatory Proposal (Private Actors)	1 = A legislative proposal involved costs to be covered by private actors (and no direct costs for EU budget or Member States); 0 = otherwise	Legislative text	973	0	1	.478	.500
Administrative Proposal	1 = A legislative proposal involved no or insignificant costs and required the administrative updating of legal acts; 0 = otherwise	Legislative text	973	0	1	.079	.270
Urgent	1 = Specific deadline for the legislative proposal to come into force; 0 = otherwise	Commission draft, EP Reports	973	0	1	.452	.498
Council Impatience	1 = The Council started discussions and prepared a draft text of the legislative proposal before the EP had done so; 0 = the EP started discussions and prepared a draft text of the legislative proposal before the Council	Council Document Register; EP Legislative Observatory	973	0	1	.333	.471
Absolute Preference Distance	Absolute Preference Distance = EP Salience (standardized 1-10) - Council Salience (standardized 1-10), regardless of the sign (+ or -)	Council Document Register; EP Reports, Procedural Pages	973	0	9	1.062	1.263
Parliament - Council Salience Tie	1= Equal preference intensities attached to a proposal by the EP and the Council; 0 = otherwise	Council Document Register; EP Reports, Procedural Pages	973	0	1	.372	.484
Party Leaders Involved	1 = Party leaders involved in the negotiations with the Council, in addition to the rapporteur	Council Register; EP Procedural pages	973	0	1	.120	.325
Policy Area Issue Complex	Percentage of legislative proposals per policy area containing two and more issues	EP Legislative Observatory	973	14	90	55.062	22.385

Appendix II: Correlations of Variables: Package Deals in the EU (V)

	Package Deal	Distributive Proposal (EU budget)l	Distributive Proposal (Member States budgets)	Regulatory Proposal (Private Actors)	Administrative Proposal	Urgent	Council Impatience	Absolute Salience Distance	Parliament - Council Salience Tie	Party Leaders Involved	Policy Area Issue Complexity
Package Deal	1.000										
Distributive Proposal (EU budget)	0.209	1.000									
Distributive Proposal (Member States budgets)	-0.049	-0.280	1.000								
Regulatory Proposal (Private Actors)	-0.098	-0.572	-0.448	1.000							
Administrative Proposal	-0.091	-0.175	-0.137	-0.281	1.000						
Urgent	0.137	0.306	-0.076	-0.241	0.055	1.000					
Council Impatience	0.220	0.009	0.021	-0.012	- 0.021	0.046	1.000				
Absolute Salience Distance	0.122	0.100	0.002	-0.088	-0.003	0.071	0.088	1.000			
Parliament - Council Salience Tie	-0.122	-0.083	-0.028	0.085	0.019	-0.059	-0.052	-0.648	1.000		
Party Leaders Involved	0.245	-0.120	0.049	0.089	-0.038	-0.044	0.128	0.164	-0.062	1.000	
Policy Area Issue Complexity	0.286	-0.006	-0.146	0.098	0.036	-0.006	0.211	0.071	-0.077	0.248	1.000

Appendix III: Descriptive Statistics: EP Success Across Policy Areas (VIII)

Name	Description of variables	Sources	Obs.	Min.	Max.	Mean	Std. Dev.
Success	1 = EP demands included in final Council legislative act; 0 = EP demands NOT included in final legislative act	EP report, amendments, Council final text	2369	0	1	.519	.500
Independent variables							
Package Deal	1 = Proposals and issues were decided as a package between the EP and the Council; 0 = otherwise	Statements of EP rapporteurs, Council minutes	2369	0	1	.366	.482
Co-decision	1 = codecision procedure; 0 = consultation procedure	EP Legislative Observatory	2369	0	1	.661	.473
Council Impatience	1 = The Council started discussions and prepared a draft text of the legislative proposal before the EP had done so; 0 = the EP started discussions and prepared a draft text of the legislative proposal before the Council	Council Document Register; EP Legislative Observatory	2369	0	1	.399	.490
Urgent	1 = Specific deadline for the legislative proposal to come into force; 0 = otherwise	Commission draft, EP Reports	2369	0	1	.464	.499
Urgent for the Commission	1 = Deadline approaching, but no decision taken by European Council in advance; 0 = otherwise	Commission Proposal, Council minutes, European Council conclusions	2369	0	1	.186	.389
European Parliament Cohesion	Percentage of MEPs in the drafting committee voting in favour of the committee report (of all committee members present)	European Parliament Reports: Committee votes	2369	51	100	89.2	13.3
EP Committee Supported	1 = The EP plenary supports the committee report and no further amendments are tabled by MEPs; 0 = Committee report amended or rejected by the Plenary	European Parliament plenary sittings	2369	0	1	.729	.444
Relative EP Salience	Relative EP Preference Intensity = EP Salience (standardized 1-10) - Council Salience (standardized 1-10), including the direction (+ or -)	Council Document Register; EP Reports, Procedural Pages	2369	-8	9	.222	1.963
EP - Council Salience Tie	1= Equal preference intensities attached to a proposal by the EP and the Council; 0 = otherwise	Council Document Register; EP Reports, Procedural Pages	2369	0	1	.299	.458
Commission Support	1 = Commission support for issue contested by the EP; 0 = No Commission support	Commission Statements at EP plenary, Communications to EP	2369	0	1	.520	.500
Issues Type							
Budgetary Issues	1 = issue budgetary (EU spending, co-financing, funding for specific programmes);	EP report, amendments	2369	0	1	.108	.311
Policy Substance Issues	1 = issue policy substance (scope of the legislation, clarifications on definitions and terms;	EP report, amendments	2369	0	1	.645	.479
Fundamental Rights Issues	1 = issue fundamental rights (human rights, data protection, asylum, privacy, freedoms	EP report, amendments	2369	0	1	.114	.317
Institutional Powers Issues	1 = issue institutional powers (change of decision-making procedure; reports);	EP report, amendments	2369	0	1	.133	.340
Distributive Policy Area	Proportion of distributive proposals in a policy area	Legislative text	2369	.170	.943	.413	.208

Appendix IV: Correlations of Variables: EP Success Across Policy Areas (VIII)

	Success	Package Deal	Co- decision	Council Impatience	European Parliament Cohesion	EP Committee Supported	Relative EP Salience	Parliament – Council Salience Tie	Commission Support EP	Issue Budgetary	Issue Policy Substance	Issue Fundamental Rights	Issue Institutional Powers	Distributive Policy Area
Success	1.000													
Package Deal	0.186	1.000												
Co- decision	0.372	0.283	1.000											
Council Impatience	0.130	0.207	0.184	1.000										
European Parliament Cohesion	0.012	-0.062	-0.134	-0.124	1.000									
EP Committee Supported	-0.052	-0.243	-0.283	-0.105	0.349	1.000								
Relative EP Salience	-0.067	-0.025	-0.166	-0.133	0.111	0.162	1.000							
Parliament - Council Salience Tie	-0.105	-0.091	-0.129	-0.023	0.015	0.057	-0.074	1.000						
Commission Support EP	0.237	0.069	0.202	0.058	-0.083	-0.089	-0.073	-0.006	1.000					
Issue Type Contested by EP														
Issue Budgetary	-0.065	0.018	-0.067	0.014	0.076	0.062	0.082	-0.031	-0.134	1.000				
Issue Policy Substance	-0.070	0.000	0.129	0.014	-0.094	-0.096	-0.128	0.062	0.107	-0.469	1.000			
Issue Fundamental Rights	0.198	0.021	0.051	0.059	-0.013	-0.013	0.031	-0.013	0.181	-0.125	-0.482	1.000		
Issue Institutional Powers	-0.028	-0.036	-0.168	-0.086	0.075	0.080	0.077	-0.047	-0.197	-0.137	-0.529	-0.140	1.000	
Distributive Policy Area	-0.040	0.014	-0.277	-0.085	0.208	0.160	0.310	-0.085	-0.092	0.191	-0.230	0.028	0.122	1.000