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**Effectiveness of Ministries' Claims in EU Intergovernmental
Negotiations: A Multi-Level Approach**

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Abstract:

We propose to measure 'negotiation effectiveness' by comparing the initial preferences of 140 governmental subunits with regard to 46 negotiation issues with the final treaty stipulations. Due to the hierarchical order of the data we use multi-level analysis. A key result is that the macro-context of equivalent jurisdictions leads to a higher convergence of negotiation effectiveness than the macro-context of the national governments.

1 International Negotiations and Government Performance

How are governments performing in international negotiations? Meanwhile, the irrelevance of the unitary actor perspective in international relations theory seems to be out of question. And the assertion that state boundaries are blurring is accepted common sense, either. Admittedly, domestic politics, ‘foreign’ policy making and international politics are interwoven in a globalizing world. Therefore, traditional state-oriented terminology is often inappropriate for the understanding of vast array of political interactions of actors below and above the nation state. Nevertheless, there continue to be democratically accepted formal chains of delegation processes in the organization of democratic political governance. These chains of democratic legitimation, or at least partial sequences of them, may be voluntarily contested by some actors at some point in time. Or they may pass out of use – due to smooth and unrecognized behavioral changes and new habit formation.¹ Still, systematic and theory-driven research requires identifying adequate units of analysis (cf. King/Keohane/Verba 1994) for given research questions. E.g., Cederman (1997) and Kahler (2002) suggest focusing on the interaction of defined ‘units’ of lower or higher aggregation, respectively, in order to reveal emerging authority systems:

„States and other units have engaged in hierarchical relations (involving more or less coercion), as well as consensual unions and cooperative arrangements, of greater and less formality. Clusters of international or interunit relations may in turn become units of a different sort, engaging in their own relations with one another.“ (Kahler 2002: 73).

And this author considers the regional integration in the EU as the most important laboratory of the emergence of new governance forms of political governance:

„The European Union provides a final example of the historical and theoretical limitations of conventional conceptions of the state and the benefits of embracing the agenda of unit variation [...]. Research on the EU also demonstrates that empirical investigation of unit variation requires the specification of unit dimensions and a means for measuring them. When the state was unquestioned, this dilemma did not exist. Now that the state has become a variable, taking the measure of that variable becomes essential.“ (Kahler 2002: 74).

In the following we propose a controlled disaggregation of semi-open governance systems, i.e. systems where the interaction of governmental subunits with the environment is partially encouraged by the governmental leadership, but not closely under control.² Our objective is to

¹ So-called conventions, cf. Knight 1992.

² Note that ‘not closely under control’ meets the definition of transgovernmental relations as put forward by Keohane/Nye (1974).

dissect the complex patterns of the production of collectively binding decisions in a system where the nation-state is semi-open, and to assess its performance.

“Unraveling the state, but how?” (Hooghe/Marks 2003). In order to understand interdependent governance processes in a global world, we follow a rational perspective requiring a combination of IR approaches, comparative politics and comparative policy research (Milner 1998, Fearon 1998). Especially, we propose to follow an organizational approach and to empirically describe and assess the formal and informal authority systems emerging from the interaction of formal rules and informal patterns of the behavior of the deliberatively chosen observation units. We will investigate the comparative decision-making performance of the ministerial bureaucracies of the EU-15 on the occasion of an EU Intergovernmental Conference.

A first starting point for the theoretical framing of such a study is the bureaucratic approach (Allison 1971) and the multi-level approach as introduced by Putnam (1988). These authors pointed to complex conflictual domestic interactions of within-governmental actors when preparing foreign policy decisions. However, the blurring between what has been called domestic and foreign policies, respectively, requires more general theories of delegation. Delegation theory forces us to identify the existing formal chains of multi-principal, multi-agent relations in democracies, and the resulting division of labour of political production processes (Bendor et al. 2001, Lupia 2003). These formal networks of contracting constitute a baseline against which informal deviations and losses of (message) control can be measured and assessed.

Focusing on the EU-15 member states we argue that it is worthwhile to consider ministries as relevant subunits in the preparation of a special type of policies, i.e. the preparation of constitutional conference. Ministries in the context of parliamentary systems are functional equivalents to congress committees in the context of the US: Ministries constitute partial jurisdictions defined over and responsible for special policies. They are gatekeepers for policy initiatives. They are delegated by the parliaments and the premiers to prepare policy proposals (agenda setting) to be later voted on by the cabinet and the parliaments. And they are the main targets of interest groups due to their central role in the policy-making process. Additionally, ministerial jurisdictions are acknowledged to be the most important places for the within-governmental formulation of EU position-taking (cf. Hayes-Renshaw und Wallace 1997: 213 et passim). They have a quasi-monopoly of expertise and access to the negotiation delegations. A transfer of competencies of national ministries toward EU intergovernmental and supranational institutions has to be formally accepted by the whole government. As a

consequence, ministries constitute important 'constitutional interest groups' for their own jurisdictional interests. Last but not least, some authors postulate a trend, according to which ministries are and more engaged in formulating and negotiating their own foreign policies (cf. Andreae/Kaiser 1998) and that transgovernmental networks of governmental subunits constitute the new world order (Slaughter 2004). As a consequence, the traditional role of foreign affairs ministries for managing exclusively the relationship with the environment erodes.

The main objective of this paper is to investigate the comparative effectiveness of governmental subunits to get their multiple policy goals formally contracted in the international negotiations under view. To this aim, we decompose the state in its central subdivisions, i.e. the management units (head of states, foreign affairs ministries) and the special ministries. The comparative analysis of their performance is an indirect strategy to assess the role of governmental subunits in the context of one of the most advanced process of regional integration. Therefore, the results will be of crucial importance not only whether the quoted conjectures are correct or not, but how the causal mechanisms actually work. Contrary to traditional conceptions of the state with closed administrative boundaries and a strictly hierarchical command and control, all our observed units are allowed to directly 'fire communication signals'³ to the respective equivalent units in other governments, i.e. to act transgovernmentally. First we discuss recent directions to the study of the performance of public administrations. Then we present the research design and derive our guiding research questions. Based on a unique data set for modelling decision-making processes in semi-open systems we apply multilevel analysis.

2 Measuring the Performance of Ministerial Bureaucracies

Why do some ministries perform better than others when governments bargain with the organizational environment? Is the traditional conception of a hierarchical organization with the exclusive assignment of managing the external relations to the foreign affairs ministries and the head of states still appropriate? Are there genuine advantages or disadvantages of the respective design of governmental organizations? Are governmental units with higher endowment of organizational resources favoured?

³ This terminology is an allusion to our underlying conceptual framework of distributed agents and petri nets, cf. Ferber 1999.

Despite promising recent developments, quantitative research on the comparative performance of public organizations is still in its infancy (c f. Boyne et al 2005, Krause / Meier 2003) etc. There is an extensive ongoing discussion how to conceive organizational performance. Whereas efficiency captures the ‘ratio between input and output’ (see Simon 1976: 180), effectiveness measures the accomplishment of goals in a discrete or continuous way. Additional performance criteria are whether success and failure, respectively, are accountable, and whether outcomes are accepted (positively) or acceptable with regard to normative standards. Contrary to the Niskanen world of single-minded bureaucrats (budget expansion), public organizations and agencies follow multiple goals. Accordingly, the assessment of performance and effectiveness has to account for the degree of attainment of multiple goals.

A central question of recent studies on government performance is, whether and how management strategies impact the performance of their organization: “explore the impacts of management in different governmental forms, at different points of influence, and at various levels of responsibility” (Boyne et al 2005: 634). There is evidence that managerial strategies matter, especially when they interact with organizational characteristics (cf. Boyne et al 2005: 634). However, it is also acknowledged that only parts of the results can be controlled for by managers in complex systems. According to informed conjectures, less than 10 % can be attributed to managerial efforts (Boyne et al 2005: 635)

A completely neglected topic in these studies so far is whether and how individual actors or subdivisions perform as compared to each other in the respective organization, as well as compared to their own management. This is unfortunate because it is especially the received comparative inflows of utility which contribute to the sustained legitimacy of organizations. Therefore we propose to assess for the first time how the current formal and informal, within-governmental as well as between-governmental organization of governments limit or increase, respectively, the effectiveness of each of the subdivisions’ claims. We account for the preferences of the foreign affairs ministries and the secretaries of the heads of states as well as for the identified managerial strategies of *the* government.

3 Research Design

Our application case is the EU Intergovernmental Conference 1996. The outcome of this 16 month lasting negotiations was the Amsterdam treaty. Together with the Maastricht treaty and

some modifications by the Nice treaty, these agreements lay down the main formal constitutional framework of the EU. Our objective is to measure and to explain the comparative effectiveness of claims of ministries with regard to 46 negotiation issues. These issues dealt with questions of transferring jurisdictional competencies to intergovernmental and supranational bodies, respectively, and with the principles of decision-making in and between these bodies.

Our units of observations are the most important governmental subunits disposing of jurisdictional authority. We differentiate between sectoral jurisdictions and managerial subunits. The sectoral ministerial subdivisions include, e.g. the ministries of the economy, labor, environment etc. The managerial subdivisions include the offices of the heads of states and the foreign affairs ministries. We argue that even these managerial have their own distinct preferences at some point in time, which are different from the externally taken negotiation positions. Obviously, all of these subdivisions are nested in the macro-units national governments, i.e. the member states. Therefore, it may be possible that we observe contextual effects resulting from the social interaction during the joint processes of decision-making. This is the traditional, spatially defined context of the nation state. However, social contexts and political spaces are defined more generally as social interactions of political experts (cf. Fligstein/ Stone Sweet 2002) or in terms of the resulting networks. The membership in a network and the specific structure of such a network may have a similar causal impact due to shared experiences.⁴

Following recent approaches (Andreae/Kaiser 2001, Wessels 1998, Slaughter 2004) which accentuate transgovernmental relations, it could be possible that the context of equivalent ministerial jurisdictions has become much more relevant. In the EU, this process is indeed stimulated by the practice of regular meetings of ministries in the Council of Ministers in Brussels, which actually consists of the different councils of governmental subdivisions⁵, i.e. this organ is partly a vertical projection of the within-governmental subdivisions to an

⁴ “the more individuals share common experiences due to closeness in space and/or time, the more they are similar, or to a certain extent, duplications of each other” (Kreft/de Leeuw 1998: 9).

⁵ “The Council is made up of the ministers of the member states. It meets in nine different configurations depending on the subjects being examined“, cf. <http://www.consilium.europa.eu>, March 2007. The composition of composite councils varies according to the topics dealt with. “General Affairs and External Relations” are composed of foreign affairs ministers, the “Justice and Home Affairs” configuration of justice and home affairs ministers, the Economic and Financial Affairs Council (Ecofin) is made up of the economics and finance ministers, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) is composed of employment, social protection, consumer protection, health and equal opportunities ministers, The Competitiveness Council is composed of European Affairs Ministers, Industry Ministers, Research Ministers, etc. The Transport, Telecommunications and Energy Council (TTE) is composed of the Ministers for Transport, Telecommunications or Energy. The Agriculture and Fisheries Council the Ministers for Agriculture and Fisheries. The Environment Council is composed of environment ministers. The Education, Youth and Culture (EYC) Council is composed of education, culture, youth and communication Ministers.

intergovernmental body, partly it combines several governmental subdivisions to clusters of councils where coordination of interdependent policies is required. Additionally there are frequent informal communication processes between sectoral ministries which may lead to a convergence of substantial interests, expectations and even joint strategies. Therefore, we hypothesize equivalent jurisdictions to be a behaviorally relevant context, too. Accordingly, we have to conceive governmental subunits to be nested within the transgovernmental networks of the respective subdivisions. E.g., the Belgian ministry of the environment is member of the set of all environmental ministries in the EU, Note, however that these transgovernmental jurisdictional networks are not clustered hierarchically within governments! As a consequence we will have to use an approach where cross-classifications can be modeled (Rasbash 2005).

More substantially, our approach should allow us to assess whether the effectiveness of ministries is actually more similar within their jurisdictional context or within the governmental context. For the first time we will statistically test whether common experiences and coalitions within governments are more similar than experiences, coalitions and informal authority systems within equivalent transgovernmental jurisdictions. Even more, we will test which context can be considered as more important with regard to the comparative performance of the governmental subunits under view: the governmental one or the transgovernmental jurisdictional one?

Let's assume that the government can be disaggregated into a team with varying numbers of involved actors. We call them for brevity premiers and ministers. The formal structure may be embedded into informal, potentially deviating, authority systems based on informal communication and interaction patterns (cf. Blau 1955, Simon 1976). In order to present the research design in a transparent way, in the following, we introduce formal notation. At the time of investigation, there have been $j = 1, \dots, 15$ governments negotiating over a set exogenously given issues $k = 1, \dots, 46$, each with a varying and finite number of options. Let $O_k = [0,1]$ denote the outcome space for each negotiation issue k with continuous option $o_k \in O_k$. Define the legally defined status quo in the k -th issue $SQ_k \in O_k$ and the negotiation result in the Amsterdam Treaty in the k -th issue $AO_k \in O_k$. We assume issue by issue negotiations, i.e. each issue is negotiated separately. Each government j is a collective actor composed of a varying number of subunits n_j . We consider different types of equivalent subunits within the governments under investigation: $T = \{PO, MFA, MI, MJ, MF, MEco,$

MLab, MSoc, MDev, MEnv, MInd, MTrInd, MAgr, MPubO, MTour, EU-Sec, PresO, FS, EU-C}⁶, which are considered to be behaviorally relevant contexts of their own.

In sum there have been $M=140$ subunits i , involved in the political production process. Each individual actor has issue-specific preferences θ , saliencies s and control c (cf. Bueno de Mesquita / Stokman 1994). Call the ideal point of a within-cabinet unit i of a government j on issue k $\theta_{ijk} \in O_k$ its issue claim. Denote the share of saliency allocated to an issue k as s_{ijk} , with

$\sum_{k=1}^{46} s_{ijk} = 1$. The endowment of actor i with formal organization decision-making powers⁷

within the cabinet is denoted c_{ijk} . We standardize c , such that $\sum_{i=1}^{n_j} c_{ijk} = 1$ for each government

j and each issue k . Combining the vectors θ_{ijk} and c_{ijk} , the weighted median position – i.e. the pivotal position of a government j on issue k – piv_{jk} can be defined as

$$\text{piv}_{jk} = \theta_{ijk^*} \mid \begin{array}{l} \sum_{i=1}^{n_j} c_{ijk} > 0.5 \\ \theta_{ijk} \leq \theta_{ijk^*} \end{array} \text{ and } \begin{array}{l} \sum_{i=1}^{n_j} c_{ijk} > 0.5 \\ \theta_{ijk} \geq \theta_{ijk^*} \end{array}$$

The government publicly announces the initial bargaining offer of the government j in issue k $Y_{jk} \in O_k$. Governmental preferences over the outcomes can then be characterized by the following von-Neumann-Morgenstern utility function $U_j(o_k) = 1 - |Y_{jk} - o_k|$. We call a publicly declared negotiation position in an issue k as ‘overstating the domestic restriction’ when $Y_{jk} < \text{piv}_{jk}$.

Let T be the subset of jurisdiction-specific informal transgovernmental networks with $T = \{\text{PO, MFA, MI, MJ, MF, MEco, MLab, MSoc, MEnv}\}$ ⁸. Subunits of these jurisdictional networks coordinated selectively their bargaining positions before and during the conference.

Denote a_{ij} as a bureaucratic agent in the premier’s office or in a particular jurisdiction m of

⁶ Premiers Offices = PO; Ministries of Foreign Affairs = MFA; Ministries of the Interior = MI; Ministries of Justice = MJ; Ministries of Finance = MF; Ministries of Economy = MEco; Ministries of Labour = MLab; Ministries of Social Affairs = MSoc; MDef = Ministry of Defence; Ministries of the Environment = MEnv; MInd = Ministry of Industry; MTrInd = Ministry of Trade and Industry; MAgr = Ministry of Agriculture; MPubO = Ministry Public Order; MTour = Ministry of Tourism; EU-Sec = EU Secretary; PresO = President's Office; FS = Federal States; EU-C = EU Committee of Parliaments. .

⁷ Due to the allocation of formal participation and decision rights.

⁸ Premiers Offices = PO; Ministries of Foreign Affairs = MFA; Ministries of the Interior = MI; Ministries of Justice = MJ; Ministries of Finance = MF; Ministries of Economy = MEco; Ministries of Labour = MLab; Ministries of Social Affairs = MSoc; Ministries of the Environment = MEnv.

member state j . Both, premiers and ministers delegate specific tasks to bureaucratic agents. Per assumption, the informal network efforts are directed, i.e. for a bureaucratic relation of agents $a \rightarrow b$ we consider a as the initiator of a communication/coordination effort whereas b is considered as the addressee. Therefore, every network consists of a set of ordered pairs indicating whether they have relations one with another. Each of the jurisdiction-specific networks can be represented by $g \times g$ sociomatrices $\mathbf{X}_{PO}, \mathbf{X}_{MFA}, \dots, \mathbf{X}_{MEnv}$, where g is the number of involved actors in that network. In case of the occurrence of a directed relation between agent a and agent b , the cell entry $X_{a,b}$ takes a value of 1, 0 otherwise. Differential popularity and activity result into an emerging informal authority system in which every individual subunit has a relative position.

The subunits' preferences over the negotiation outcomes are represented by the following saliency-weighted von-Neumann-Morgenstern utility function $U_{ij}(o_k) = s_{ijk}(1 - |\theta_{ijk} - o_k|)$. This utility function measures the degree of goal attainment, and therefore the effectiveness of the respective governmental with regard to its initial preferences

4 Research Questions and Hypotheses

In the following we will examine which aspects or dimensions of public organization carry performance implications for the individual ministerial divisions as well as for the managerial subunits. For the assessment we distinguish between effectiveness-relevant properties of the micro-units ministries⁹ and premiers' offices, and the properties of the macro-units governments.

Properties of the Micro-units Ministries and Premiers' Offices

We distinguish different types of governmental subunits: subunits with managerial function and specialized ministries. Due to their informational advantages, management units

⁹ Actually, we also account for further units having been involved, like the federal states in the case of Austria, Belgium, Germany and Spain, or EU-committees in parliaments, as in the case of Austria, Belgium, Denmark, Finland, Germany, Great Britain, Spain and Sweden.

responsible for the coordination of the cabinet and for the external representation should have higher returns – they know both the domestic situation as well as the environment.

Following divide-the-dollar games as applied to congressional decision-making (cf. Baron/Ferejohn 1989) and within-cabinet decision-making (cf. Thurner/Stoiber 2001), we expect ministries with agenda setting competencies and competing responsibilities to get higher returns than other governmental subunits.

In order to evaluate the impact of informal transgovernmental jurisdictional networks we investigated the selective communication patterns of at least those subunits having been involved in networks comprising more than two subunits. As we know from social network analysis (Wasserman/Faust 1994), the patterns of informal communication reveal an informal authority system of more or less informally influential actors. We consider the relative position in our informal transgovernmental networks as an individual resource enabling higher positioned actors to be more effective, *ceteris paribus*: The more central the actor in this informal communication networks, the higher the effectiveness of its claims. We distinguish between two qualities of centrality: status and broker centrality. Status centrality indicates the relative rank of an actor in an authority system “An actor’s rank depends on the ranks of those who do the choosing; but note that the ranks of those who are choosing depend on the ranks of the actors who choose them, and so on” (Wasserman/Faust 1994: 206). Broker centrality measures the control information flows and the importance of bridging structural holes: “... an actor is central if it lies between other actors on their geodesics, implying that to have a large ‘betweenness’ centrality, the actor must be *between* many of the actors via their geodesics” (cf. Wasserman/Faust 1994: 189)

Last but not least, we have to control for the simple luck of governmental subunits, i.e. when they take positions that are near to the nationally declared bargaining position and / or near to the expected outcome at the international level. These are contingencies that are not fully under the control of the actors. In operational terms, we take account of the distance of each subunit toward the power-weighted median of the government. Naturally, the lower the distance of unit *i* in issue *k* toward its governments position, the higher the performance. The same applies to the issue distance toward the expected international outcome which we measure as the mean of nationally declared positions of all other member states.

Properties of the Macro-unit Government

Are there institutional effects on the performance of governmental subunits? Considering performance-relevant attributes of governments we differentiate between the formally implemented constitutional design, the degree of domestic conflict with regard to each of the issues, and the bargaining strategy of the government in each issue.

According to Persson/Tabelini (2003), systems with higher degrees of accountability perform better. Accountability means that it is possible for the observer to identify the responsible actor. Fragmentation of authority, as in parliamentary systems with coalition governments reduces accountability leading to higher public budgets and deficits. We propose to measure accountability via the implemented degree of centralization or decentralization of authority in a government. We expect, *ceteris paribus*, that higher centralization leads to a comparatively better governmental bargaining result for all subunits of the government. Governmental centralization will be measured along varying degrees of institutional power of the head of state (cf. Bergman et al, 2003: 183 ff): the higher the institutional powers of premier ministers according the index proposed by Bergman et al. the higher the effectiveness of all the subunits of the respective government.

There are different conjectures and propositions as to whether domestic conflict has a positive or negative impact. Raiffa (1982, see also Putnam 1988) expects a positive impact on the chance of international contracting

„the more diffuse the positions are within each side, the easier it might be to achieve external agreement“
Raiffa (1982: 12).

Focusing on the ratification of international agreement, Milner accentuates the problems of domestic conflict:

„ [...] as divisions grow, the problems of the executive mount. She will have a harder time getting any agreement ratified [...]“ Milner (1997: 97).

Actually, these two conclusions highlight two sides of the same medal: How successful are governments in resolving internal organizational conflicts when dealing with the environment. Whereas Raiffa and Putnam additionally assert the possibility of transgovernmental coalition-building overcoming domestic vetoing in a semi-open system. Milner, contrary, focuses exclusively on the internal ratification in a closed system. Since we will explicitly control for the semi-openness of the decision-making system under investigation, we follow Milner in expecting, *ceteris paribus*, a distinct partial negative effect of domestic conflict.

We propose to capture managerial efforts by focusing on the external position-taking strategies. A successful management should be characterized by extracting relatively more utility from bargaining with the environment. According to the Schelling (1960) - Putnam (1998) conjecture, the credible signalling of domestic restrictions in international negotiations results in a better negotiation performance. Actually, domestic restrictions and the real preferences of governments are often private information of the delegations, i.e. *ceteris paribus* each of the delegations is better informed about its own domestic background (support, resistance, institutional constraints etc.). Therefore, we expect governments to perform better when overstating their own domestic restrictions.

5 Data and Results

“Statistical methods need to reflect the data-generation process” (Boyne et al 2005: 638)

Our data collection included document analysis as well as standardized interviews (cf. Thurner et al. 2001). The whole study is essentially based on thirty documents known as ‘fiches’ that were prepared by top lawyers of the EU Council’s Legal Service. We interviewed one member of each of the 15 delegations just after the Amsterdam summit. Using the list of all members of the national delegations at the IGC we identified the one person who was in charge for coupling the national negotiation delegation to the national interministerial coordination process. This person had to answer a standardized questionnaire, which included questions on the formal coordination structure of the project management with regard to the conference and the ministries actively involved. These persons had to indicate top bureaucrats within each actively involved ministry charged with preparing the conference. These high-level ministerial bureaucrats were contacted and face-to-face interviews were arranged in all Member States. We interviewed one-hundred-forty top officials of relevant government ministries, premiers’ offices, and presidents’ offices and asked them for their most preferred initial positions with respect to each negotiation issue on the table, and to provide information on their most important within-government as well as their external coordination partners. This kind of multi-stage sampling design potentially leads to dependent observations: the

effectiveness of ministerial units may be more similar within government than between governments as long as we believe that the nation state is the central actor in the international sphere. The analysis presented in this paper therefore uses multi-level analysis,¹⁰ so as to capture the hierarchical order of the data and to identify differential variation within macro-contexts as well between-macro contexts. Mainly we are dealing with two levels of analysis: ministries embedded in governments, and ministries embedded in types of equivalent ministerial jurisdictions - the reason being the institutionalized ministerial cooperation in the different councils of ministries. Ministries are not only nested in governments but also in equivalent jurisdictions. Therefore jurisdictions and governments are not hierarchically structured but are cross-classified. This is why we recur to a mixture of multilevel and cross-classified models, i.e. we apply a so-called two way error components model (cf. Snijders/Bosker 1998: 155-165, Baltagi 2005: 33-52, Rasbash 2005). Numbers of governmental subunits within governments range from 1 (Portugal) to 13 in Spain (see appendix). Numbers of governmental subunits within transgovernmental jurisdictional networks range from 8 (Ministry of Social Affairs) to 15 (Ministry of Foreign Affairs) (see appendix).

Our dependent variable is the saliency-weighted effectiveness of the ministries with regard to maximally 46 issues, i.e. we have multiple measurements on ministries performance. The range of measurements per subunit with regard to issues ranges from 1 to 46. Our data are therefore not balanced, i.e. we do not have the same number of measurements on issues for the governmental units. This is voluntarily due to filters in the survey design: Agents were elicited self-rated saliencies according to a multi-stage procedure: In a first step, shares of the overall saliency budget had to be allocated to homogenous groups of issues. In the second stage of this multi-stage budgeting, agents allocated the saliency to the elementary issues. As soon as agents indicated a zero-saliency to an issue group in the first stage, this group was no

¹⁰ Krefth/de Leuw 1998, Snijder/Bosker 1999, for a political science application see Steenbergen/Jones 2002.

more surveyed with regard to ideal points. Due to this unbalanced design we use maximum-likelihood estimation of parameters¹¹.

In the following we empirically test, whether the proposed contexts have a differential impact on the performance of within-governmental units. Second, we test whether the hypotheses we suggested account for their comparative performance. Third, we test whether selected predictors have a context-specific impact pointing to causal heterogeneity.

First, we provide results of different empty models (cf. table 1) without explanatory variables in order to focus exclusively on variance because “it provides the basic partition of the variability in the data between the levels” (Snijders/Bosker 1999: 46).

Following the suggestion of Snijders/Bosker (1999: 156) for the analysis of crossed random coefficient models, we start with separated analyses focusing first on the embedding of the individual unit measurements within governments (model 1), then on the nesting of the individual unit measurements within different types of governmental subunits. I.e. we consider governments and types of equivalent jurisdictions as random groups and try to identify the random variation between groups. Similarities of performance within governments or jurisdictional contexts indicate that the respective institutional context is more important. According to likelihood ratio-tests we can show that there are indeed institutional effects on the individual performance of the governmental actors: all of the estimated variances are statistically significant. The comparison of model 1 and 2 impressingly demonstrate that the traditional context of the nation state induces much less homogeneity in the performance of the governmental units than categories of equivalent ministerial jurisdictions. I.e., simplified conceptions of the multilevel character of the EU have to be modified. We use the estimated variances in order to measure the differential similarity between micro-units belonging to the proposed our macro-contexts.

¹¹ The following analyses have been produced with STATA's xtmixed, cf. Rabe-Hesketh/Skrondal 2005, Marchenko 2006.

Table 1: Variance Components for Different Designs, Empty Model

	<i>Model 1</i>	%	<i>Model 2</i>	%	<i>Model 3</i>	%
Parameter	Estimates		Estimates		Estimates	
Fixed Effects						
Constant	0,0964* (0,0137)		0,1317* (0,0429)		0,0131* (0,4234)	
Variance Components						
Government-Level	0,0011* (0,0010)	6%			0,0008* (0,0005)	2%
Jurisdictional-Level			0,0328* (0,0132)	79%	0,0310* (0,0125)	78%
Actor-Level	0,0145* (0,0020)	80%	0,0062* (0,0009)	15%	0,0054* (0,0009)	14%
Residual	0,0024* (0,0001)	13%	0,0024* (0,0001)	6%	0,0024* (0,0001)	6%
N	2252		2252		2252	
Log Likelihood	3291,461		3320,020		3323,158	

* = $p < 0.05$.

In the first model, nesting the individual ministry within national governments, the individual ministries account for ca. 92.8 % of the overall variance! Contrary, the government level accounts only for 7.2% in the variance of ministerial performance. Model 2 where the individual ministries are now embedded within the level of types of equivalent jurisdictions shows a surprising result. The individual level share of variation reduces dramatically to 16%, whereas 84% are now due to the jurisdictional level. Actually, it is the type of jurisdiction which explains most of the overall variance. This share can be considered very high, and therefore this grouping is relevant.

Finally, model 3 uses a two-way error components specification accounting for the non-hierarchical relationship between the membership in a jurisdictional class and a government, respectively. Only 14.5 % percent of the variance resides at the level of the individual units. A substantial part of the variance, 83 %, is associated with the context of equivalent jurisdictions, the crossed random factor. Only 2.1 % of the variance resides at the level government. There is a much higher correlation over governments within jurisdictions than over jurisdictions within governments. This indicates that jurisdictional clusters are more homogeneous in their effectiveness. Grouping according to equivalent ministerial jurisdictions reveals an important similarity between the effectiveness of different subunits in the same type of ministries. Differences in governmental subunits' effectiveness have much more to do with jurisdictional contexts than governmental contexts. We conclude already

here, that the organizational context of the Council of Ministers has led to an important convergence of within-governmental units. There seem to be a blurring of boundaries insofar as new behaviorally relevant contexts or even potential new units emerge across governmental boundaries.¹²

Next we include explanatory variables from different levels for the explanation of the variability of the effectiveness scores (cf. Models 4-5). The share of residual variance of the governmental level decreases as compared to the empty model 3, to 0.53%. Only slightly lower is the actor level with 13.4%. Despite the reduction of deviance of the model due to the whole block of included fixed effects variables is highly significant as are the single variables, the total unexplained variance decreases only marginally by 2 percentage points. Accounting for these covariates it is possible to interpret the variance effect of the ministerial jurisdictions and the governmental levels as the unmeasured performance of the respective levels or as the 'value added' these institutional contexts (cf. Snijders/Bosker 1999: 158).

Focusing on the fixed effects we highlight first, the difference with respect to the OLS-regression: The following variables change statistical significance: overstating domestic restrictions, broker centrality in informal transgovernmental jurisdictional networks, and the impact of being vested with a leadership position (premiers' offices, foreign affairs ministries).

¹² There is an interesting discussion of the transformation of organizational boundaries in: Crozier, Michel /Friedberg, Erhard, 1977: *L' Acteur et le Système. Les Contraintes de l'Action Collective*. Paris. in the chapter: *Le rapport à l'environnement comme processus de pouvoir et d'échange: les transactions à la frontière (sic!)* p. 163-196ff. „On verra alors que certains acteurs, qui ne sont pas à proprement parler des «membres» de l'organisation, entretiennent avec elles des relations si constantes et si «réglementées», implicitement sinon explicitement, que pratiquement plus rien ne les distingue des membres formels de celle-ci. On verra aussi que les frontières réelles du système d'action pertinent sont fluctuantes, pouvat se déplacer au gré des circonstances.....“ (Crozier/Friedberg 1977: 180)

Table 2: OLS-Regression and Two-Way Error Components Models

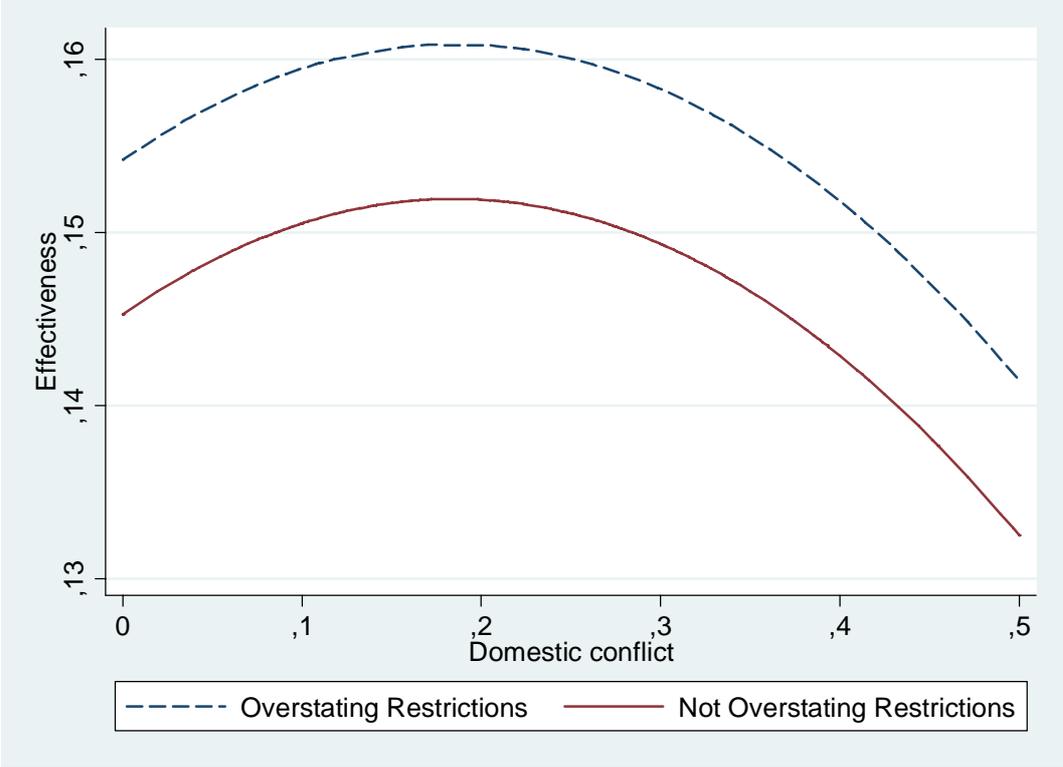
	OLS	Model 4	Model 5
Parameter	Estimates	Estimates	Estimates
Fixed Effects			
Power of the Premier: High	-0,0038 (0,0034)	-0,0047 (0,0169)	-0,0090 (0,0152)
Domestic Conflict	0,1151* (0,0315)	0,0723* (0,0229)	0,0721* (0,0229)
Domestic Conflict Squared	-0,2909* (0,0761)	-0,1956* (0,0544)	-0,1952* (0,0544)
Overstating Domestic Restrictions	0,0065 (0,0046)	0,0090* (0,0032)	0,0089* (0,0032)
Sincere Decl. of Domest. Restrictions	0,0017 (0,0033)	0,0026 (0,0024)	0,0026 (0,0024)
Foreign Affairs, Premiers Offices	-0,0494* (0,0030)	-0,1245 (0,1307)	-0,1498 (0,1374)
Agenda Setting Ministry	0,0378* (0,0037)	0,0504* (0,0035)	0,0505* (0,0035)
Ministry with Competing Responsibility	0,0130* (0,0035)	0,0255* (0,0035)	0,0256* (0,0035)
Transgov. Centrality: Betweenness	-0,0266* (0,0129)	-0,0128 (0,0630)	0,0060 (0,0615)
Transgov. Centrality: Status	-0,0430* (0,0236)	-0,3148* (0,1243)	-0,4055* (0,1722)
Distance wrt National Position	-0,0121* (0,0064)	-0,0115* (0,0047)	-0,0114* (0,0047)
Distance wrt International Mean	-0,0312* (0,0055)	-0,0203* (0,0040)	-0,0204* (0,0040)
Constant	0,0618* (0,0049)	0,1453* (0,0441)	0,1536* (0,0459)
Variance Components			
Government-Level		0,0002* (0,0003)	0,0001* (0,0002)
Jurisdictional-Level			
Constant		0,0300* (0,0119)	0,0332* (0,0127)
Transgov. Centr.: Status			0,1397* (0,1075)
Actor-Level		0,0047* (0,0007)	0,0041* (0,0007)
Residual		0,0021* (0,0001)	0,0021* (0,0001)
N		2252	2252
Log Likelihood		3460,555	3463,222

* = $p < 0.05$.

Simple inspection of scatterplots indicated that both complete consensus as well as high conflict within governments lead to a reduction of the effectiveness of the units. Therefore we specified an additional squared term for domestic conflict in order to capture the curvilinear effect. The overstating of domestic restrictions in an issue by the own government has a positive impact for the units in the two-error components model. Figure 1 presents

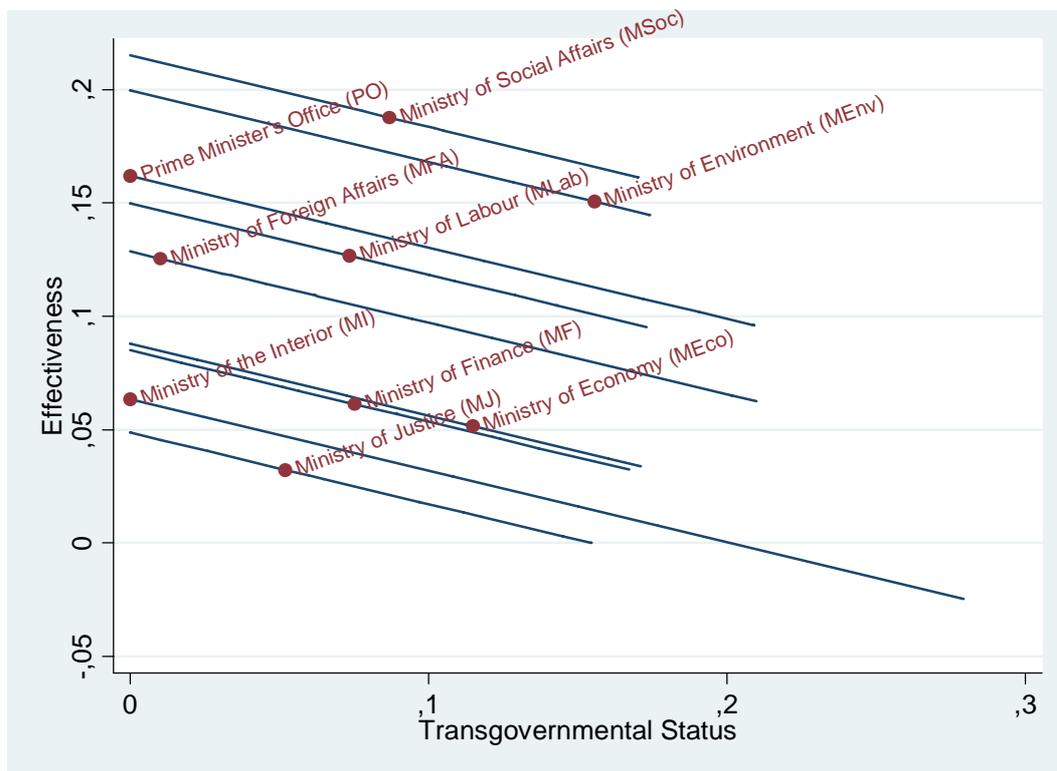
effectiveness curves for overstating internal restrictions. It shows that risk-taking strategies of governments in issues were beneficial for those overstating domestic restrictions as compared to declaring sincerely the domestic pivotal position or understating domestic restrictions.

Figure 1: Domestic Conflict, Overstating Domestic Restrictions, and Effectiveness



Being endowed with decision-making prerogatives with regard to issues counts: Agenda setting ministries as well as those ministries with competing responsibilities are on average more effective in getting through their claims. Surprisingly, holding a managerial position does not lead to a significant increase in effectiveness – the sign is even reverse! This corroborates our previous findings of the ‘exploitation’ of the powerful (cf. Thurner 2006). As to be expected, luck pays, and distance toward the own governmental positions as well as toward the international centre of gravity are detrimental to one’s effectiveness.

Figure 2: Random Intercept Model, (Model 4)



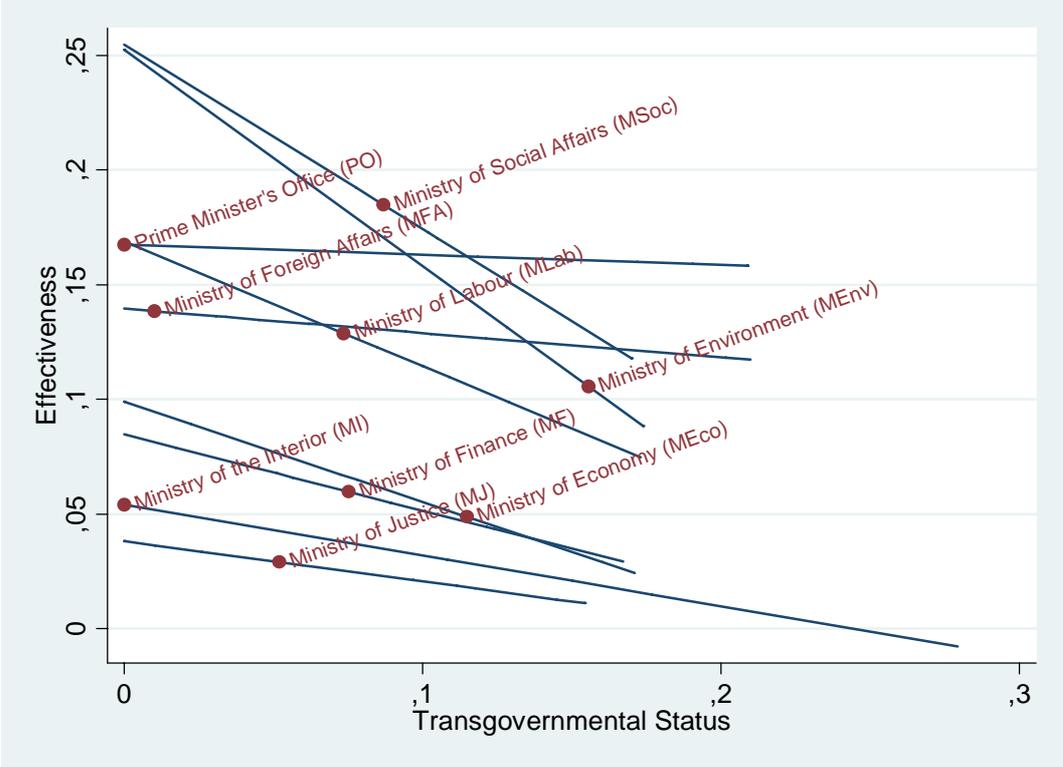
Interestingly, being vested with a high status in informal transgovernmental networks contributes to a reduction of effectiveness. Seemingly, broker centrality at this level, was not relevant. Contrary, high-status units incurred losses. Again, an investment theory of political leadership may explain this relationship. Political entrepreneurs have to secure the overall success of the organizations' goals and are therefore forced to make concessions, both, in formal as well as in informal authority systems. However, it may be that these short-term losses of the management which compensate internal losses are investments in the long-term legitimacy of the management. The coefficients can be interpreted as the (shadow) prices of leadership.

Figure 2 presents a random constant model with parallel regression lines for the different jurisdictions having been involved in transgovernmental networking. Here it can be shown that there are jurisdiction-dependent variations of the intercept, i.e. the macro-contexts differ with respect to the average value of the effectiveness.

The only difference in model 5 is that we allow for a random slope model of status centrality of the subunits in their respective jurisdictional transgovernmental networks. Actually, the effect of the relative position in these informal authority systems differs between types of equivalent jurisdictional affiliation (cf. Figure 5).

Allowing the slope of the variable to vary randomly we should be to demonstrate whether that the surprising negative effect of the informal status is stronger or even reversed in some of the ministerial jurisdictions.¹³

Figure 3: Random Slope Model (Model 5)



Actually, as figure 3 show, there is not uniform negative effect of transgovernmental status: the negative effect is much steeper in the case of the ministries of social affairs and the ministries of the environment. Contrary, the negative effect is less nuanced in the case of the managerial subunits, the premiers’ offices and the ministries of foreign affairs. E contrario: those with lower status in the informal transgovernmental networks gain more. Note, that employment and social protection policies continue to be the responsibility of the Member States.

¹³ Random slope models capture the “heterogeneity of regressions across groups, or as groups-by-covariate interaction” (Snijders/Bosker 1999: 67).

6 Discussion

We proposed a *de-reification* of the state by focusing on the main governmental subdivisions, i.e. on its ministries. The empirical benchmark against which tried to assess the impact of different and potentially new governance forms was the comparative effectiveness of ministries in intergovernmental negotiations. We conceived states as multidivisional organizations and tested whether managerial efforts of the traditional representatives to the governmental environment, i.e. Foreign Affairs ministries and secretariats of Heads of States matter for the returns of the individual ministries. Contrary to widespread assumptions of states having (single) goals we investigated their degree of attainment with regard to multiple goals.

We accounted for preferences, the formal organizational environment as well as for informal transgovernmental networks. Our results corroborate recent conjectures about the role of specialized ministries in foreign policy-making (Andreae/Kaiser 2001) and the role of transgovernmental relations in globalizing international relations (cf. Slaughter 2004). However, we provide a new perspective on the differentiated real mechanisms and outcomes of these processes. First, there are clear contextual effects of ministerial effectiveness. It is the membership in a class of equivalent ministerial jurisdictions class, and not in the governmental context which accounts for most of the variance of ministries' effectiveness. Nevertheless, formal organizational resources of the governments continue to matter: Ministries with agenda setter rights and competing competences for respective issues generally are favoured in getting their claims settled. In sum, this points to complex patterns of the institutionalization of new functional contexts mainly driven by the multiple compositions of the Councils of Ministers in the EU.

Characterizing and measuring government quality in international negotiations is challenging. Even more demanding is doing so for individual ministries. We tackled several as-yet-unanswered questions which can be used for practical assistance in enhancing effectiveness of different governmental subunits and macro-organizations.

7 Appendix

Table 3: Synopsis of Variables

<i>Variable</i>	<i>Description</i>
Effectiveness	Dependent Variable, Saliency-weighted Distance between Ideal Point of Ministry and Treaty Outcome in Each Issue
Power of the Premier: High	Dummy variable based on the index of institutional power of premiers as proposed by Bergman et al. 2003. Index values >10 are defined as 1, zero otherwise.
Domestic Conflict	Sum of distances between ideal point of ministry and mean, normalized by the number of within-governmental ministries having an ideal point in the issue.
Domestic Conflict Squared	Domestic conflict squared
Overstating Domestic Restrictions	Dummy variable, takes the value of 1 if the nationally declared bargaining position in an issue is smaller than the pivotal position in that issue.
Sincere Decl. of Domest. Restrictions	Dummy variable, takes the value of 1 if the nationally declared bargaining position in an issue is identical with the pivotal position in that issue.
Foreign Affairs, Premiers Offices	Dummy variable, takes the value of 1 if the respective ministry is a Ministry of Foreign Affairs or a Premiers Office.
Agenda Setting Ministry	Dummy variable, takes the value of 1 if the ministry is the agenda setter in the issue under consideration.
Ministry with Competing Responsibility	Dummy variable, takes the value of 1 if the ministry has a competing responsibility in the issue under consideration.
Transgov. Centrality: Betweenness	Betweenness centrality of a ministry in the respective informal transgovernmental network, calculated using visone.
Transgov. Centrality: Status	Status (eigenvector) centrality of a ministry in the respective informal transgovernmental network, calculated using visone
Distance wrt National Position	Absolute Distance between the ministry's position and the nationally declared position.
Distance wrt Expected International Outcome	Absolute Distance between the ministry's position and the expected international outcome mean. The expected international mean is calculated as the mean of the national declared positions, except the position of the own government.

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