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### **EU Reform: Comment on a Commission Opinion**

The Intergovernmental Conference of the European Union must come up with a set of proposals for reforming EU institutions in advance of the Eastern enlargement – notably including the issue of voting in the Council of Ministers. In the Opinion issued by the European Commission on January 26, 2000, “Adapting The Institutions To Make A Success Of Enlargement”, President Romano Prodi defined double simple majority of member states and their populations as an easily understandable option for the reform of the voting system. Prodi's proposal helps to advance the discussion on the voting reform, but double majority is itself flawed as a solution. Iain Paterson, economist at the Institute for Advanced Studies, Vienna, has done extensive research on qualified majority voting during the last three years and shows that the degree of reform contained in any reweighting proposal, also including double majorities, and the distribution of power between member states associated with it can be measured and consequently used to provide advice on the effects of making changes to this unique decision-making system.

### ***Representing more than half of the entire population of the EU, qualified majority voting is encountering problems***

Voting strengths of member states in the European Council now have a long tradition of being determined in the treaties by “*weighted votes*”, which deliberately underplay the “*demographic weight*”, in terms of population, of the largest states and progressively overweight smaller states. Weighted votes thus serve as a neat compromise between two competing principles: the voting strength being equal for all states at one extreme, and votes being determined exactly by population, at the other. There has only been one major review of voting weights, when the EU (its predecessor EEC) made its first enlargement from six to nine members. Since then, new members have been allocated a weight by interpolation, to fit in line with the weights of the existing members. A qualified majority needed for taking a decision in the European Council requires that more than the historically defined quota of 71% of total votes is reached by states in favour. This particular quota has no special significance, except that it has always ensured that a qualified majority vote (QMV) thus reached has the support of more than half of the member states, which together represent more than half of the entire population of the EU.

Despite its clever construction, two problems of the voting system have been observed as the EU has grown to the current size of 15 member states. They need to be addressed before the Eastern Enlargement of the European Union, leading eventually to a total membership of 28 states, starts:

1. The inherent bias of new member states being smaller than average leads to a dilution of the balance of relative voting power over the whole EU. Acknowledgement of this deficit led to the Annex of the Treaty of Amsterdam, which calls for a reform that benefits larger member states. In return, those larger member states will most likely give up their privilege of nominating one more Commissioner than other states.
2. The second deficit refers to the increasing difficulty of reaching a majority in the European Council: as its size progressively increases, QMV in the Council becomes increasingly unworkable, basically because more and more states have to find common ground, persuading each other to adapt their initial positions in order to reach an agreement.

## **Double majority voting generates a volatile distribution of power**

Other problems of the current system, for example the fact that QMV decisions could theoretically be taken by countries representing an ever-decreasing proportion of the union population, have effectively been answered by the Prodi Opinion. By favouring a double simple majority of both states and population, the Commission has implicitly defined these two criteria as norms to be taken into account by any reform, including reweighting. However, a proposal to implement double majority voting as a replacement for weighted voting would have a drawback – not in its arithmetical implementation, but in the fact that it would generate a distribution of power which is volatile, alternating between being a moderate reform in the sense sought after, and being no reform at all, depending on the size of membership of the union.<sup>[1]</sup> Worse still, when compared to using an extrapolation of the current system, the only sure winner among the larger states would be Germany, and ironically, the very smallest states including Luxembourg, Cyprus, Malta, and Estonia. Regardless of these latter unintended consequences, double majority voting would, however, have the advantage of definitely increasing the workability of QMV. The idea of double majority voting is also that the norms of democratic legitimacy are plain for all to see: this is indeed the case, but it is obtained at the expense of obscuring the real power which states acquire through their voting rights.





## Indicating the actual voting power by reweighting

Almost the exact opposite can be said of reweighting systems. In this case the relative voting strength is a very good indicator of the actual voting power. The norms of democratic legitimacy regarding the double majorities of states and population have however to be carefully "engineered" into the actual system adopted. But this is certainly feasible, indeed the analytic tools for this purpose have been invented. Models of reweighting, which differ chiefly in degree of reform, can be considered. Any really effective reform of vote weighting will nevertheless additionally have to adopt explicitly one of the norms proposed by President Prodi – namely the requirement for a simple majority of member states in any QMV – to guarantee this aspect of legitimacy. Luckily, such requirement is as easy to write into the draft of any future treaty as it is to check in practice.

The relationship between current voting weights and the demographic size of states can be approximated on a logarithmic scale by a proportionality factor of 0.42.[2] Knowing this allows a comparison with possible vote weighting reforms. Taking a moderate reform involving a factor of, for example, 0.55, illustrates that both democratic norms can be observed while the quota for the QMV threshold can be reduced somewhat, to 67% of total votes. Latter reduction is important, if the level of workability is to be kept at the current level without deterioration as the EU gets bigger. A real improvement in workability, on the other hand, can be achieved with a major reform, equivalent to a factor of, say, 0.67, because the quota may be reduced to 62% while still complying with the legitimacy norms and without any significant change in the distribution of power as compared to keeping the quota fixed at its present level.

Intriguingly, even more substantial gains to Council workability can be gained with the moderate weighting reform by reducing the threshold even further, to a quota of 60%. As in other cases the norm requiring a simple majority of states is invoked explicitly. Perhaps unexpectedly, it can be shown also that for any future configuration of the EU from 15 up to 28 members, there is an a-priori certainty, which is as high as 99.98%, of compliance with the legitimacy concern that one half of EU citizens are indirectly represented by their governments under any particular decision taken by QMV! In the extremely unlikely chance that only 40% of the EU's population were to be represented by the qualified majority in a vote, it is worth bearing in mind that nearly all the non-large states would of necessity be in such a coalition: perhaps enduring the remote possibility of this albeit unlikely scenario would be a concession worth making at the Intergovernmental Conference, where ultimately, all states, large and small, must reach an agreement on reform.[3]

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[1] See Figure: the power gradient measures the degree of reform.

[2] A factor of zero means equal weights, and a factor of 1 implies direct proportionality.

[3] References: 1) Adapting The Institutions To Make A Success Of Enlargement, Commission Opinion COM (2000) 34. 2) Vote Weighting in the European Union – Confronting the Dilution of Representation, Paterson, I, IHS East European Series No. 54, 1998. 3) Redesigning the Institution of the Council of Ministers in Advance of EU Enlargement – Issues and Options, Paterson, I. and Silárszky, P., Journal of Institutional Innovation, Development, and Transition (IB Review), Vol. 3 (1999).

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