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The Effects of Structures and Power on State Bargaining Strategies

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When and why will states adopt more (or less) cooperative bargaining strategies? Standard answers to this question focus on the role of state power. Other scholars highlight socialization effects. I argue that in most international negotiations, the institutional bargaining structure will mitigate the effects of power and socialization, and drive state bargaining behavior. Factors highlighted by formal models of international bargaining should therefore best explain the variation in the strategies states adopt. I introduce empirical measures of these abstract concepts, and test their effects against those of power and socialization using an original dataset of state bargaining strategies in the European Union (EU). The results show that structural factors best explain variation in the EU states' bargaining strategies. I conclude by highlighting the conditions under which these effects should explain state bargaining behavior in other international negotiations, and discuss the implications of this argument for the study of international bargaining.

The bargaining strategies states adopt vary widely from state to state and negotiation to negotiation. In some cases, opposing states engage in an exchange of concessions that results in a bargaining agreement, while in other cases, an agreement is reached in a less egalitarian way—one side makes significant concessions while the other concedes little. Finally, states on both sides are sometimes unwilling to make concessions, resulting in an inability to reach an agreement. Understanding when and why states make concessions when bargaining is therefore important, not only because the combination of states' strategies determines whether or not a cooperative agreement will be reached, but also because it determines how states' interests will be reflected in that agreement. Offering a concession is a cooperative move, helping to bring about an agreement, but doing so also means that the agreement will reflect a state's individual interests to a lesser degree. Under what conditions will a state make concessions to opposing states? And under what conditions will a state refuse to concede or try to extract concessions from other states?

The standard explanation in the international relations (IR) literature is that variation in the strategies states

adopt can be explained by differences in their material capabilities (Mearsheimer 2001; Waltz 1979). States with significant military and/or economic resources can use that power as leverage in the bargaining process to extract concessions from weaker states. Weaker states are therefore likely to offer concessions, while more powerful states are likely to adopt concession-extracting tactics and thus have their interests better reflected in the agreement that is reached (Krasner 1991).

However, there are many international negotiations in which this is not the case. In 2001, despite strong opposition from its own pharmaceutical industry, the United States offered significant concessions to developing states on the issue of intellectual property rights. In 1971, Malta was able to win significant concessions from the United Kingdom in negotiations over the renewal of a lease for a UK naval base on Malta. Why did the more powerful state offer concessions to the weaker state in these negotiations? Are these examples simply anomalies, or are they evidence of a general pattern of bargaining behavior that is driven by factors other than states' material capabilities?

I argue that in most international negotiations, the variation in states' bargaining strategies can be best

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explained by variation in the institutional structure of the bargaining process, rather than by variation in states' material capabilities. These institutional factors create a set of incentives that affect states' strategic decisions, regardless of their military and economic resources. Because all states respond in similar ways to the strategic incentives that they face, the effects of states' material capabilities will be mitigated by the institutional structure within which they are interacting.

Formal bargaining models, which explicitly focus on these bargaining structures and their effects, should therefore help to explain real-world variation in states' bargaining strategies. I draw on these models to identify key characteristics of the bargaining structure and derive testable hypotheses regarding the effects they are likely to have on states' bargaining strategies. These "structural" factors define the rules and parameters of the bargaining game—from the set of issues on the bargaining agenda and the distribution of states' interests across those issues (i.e., the "issue-linkage structure") to the payoffs associated with the no-agreement outcome (i.e., the beneficial/costly nature of states' "outside options"); from the constraints placed on state negotiators at the national level, and the transparency of bargaining at the international level in the two-level game of international bargaining, to the decision rule governing how agreement must be reached. I expect these factors, rather than states' material capabilities, to explain variation in their bargaining strategies.

To test this argument, I introduce an original dataset of state bargaining strategies which focuses on bargaining among the states of the European Union (EU). The dataset is based on 146 elite interviews that I conducted with Ambassadors, Deputy Ambassadors, and other state representatives directly involved in EU negotiations and codes the bargaining strategies and structural characteristics for 23 recent EU negotiations. While the EU setting may not seem ideal for testing general IR theory, analyzing negotiations among the EU states helps to solve an important problem in the empirical analysis of formal bargaining models. In particular, these models assume that structural characteristics of a bargaining game are exogenous to the bargaining interaction itself. However, in many international negotiations, states are able to adopt strategies that change key characteristics of the bargaining structure. The EU's institutionalized rules and procedures limit their ability to do so. Negotiations that take place within the EU therefore present some of the most prominent and important international negotiations in which structural characteristics of the bargain are largely exogenous to states' bargaining interactions, allowing these factors to be systematically analyzed as independent variables.

Statistical analyses of these data show that characteristics of the structure of a given bargaining interaction exert a statistically significant effect on the EU states' bargaining strategies, while standard measures of state power do not. The prevailing power story is thus not able to explain the variation in states' bargaining behavior in many important international negotiations. This has central implications for our understanding of the constraining effects of institutions in the international system, as well as for our understanding of international bargaining more generally. I conclude by discussing these broad implications.

Explaining Variation in Bargaining Strategies

When and why will states offer concessions while bargaining and when and why will they refuse to do so? While systematic analyses of state bargaining behavior could provide insight into this important empirical question, variation in state bargaining strategies is largely overlooked by systematic empirical work.¹ Instead, most works in the literature are either: (1) formal bargaining models (e.g., Fearon 1998; Putnam 1988; Voeten 2001), (2) case studies of international negotiations (e.g., Hopmann 1996; Odell 2000, 2006; Zartman 1987), or (3) descriptive and prescriptive discussions of negotiation processes in the negotiation analysis literature (e.g., Lax and Sebenius 2006; Walton and McKersie 1965). Systematic empirical work tends to focus either on bargaining initiation (e.g., Bearce, Floros, and McKibben 2009; Ghosn 2010; Huth and Allee 2003) or bargaining outcomes² (e.g., Allee and Huth 2006; Ghosn 2010; Schultz 2001).

While large-N empirical work does not address this central question, multiple approaches in the IR literature provide theoretical arguments that could help us to understand when and why states adopt different types of bargaining strategies. The standard, realist explanation focuses on the role of power and security interests in influencing state behavior. An alternative, constructivist-oriented argument highlights the potential role socialization can play in influencing state interactions. Finally, several scholars highlight the effect that the institutional

¹There are a few exceptions to this claim (e.g., Dür and Mateo 2010; Schneider 2009). However, these studies do not tackle the issues I seek to address, nor test the arguments that I analyze here. They therefore leave unanswered the central questions driving this study.

²In most negotiations, analyses of "outcomes" focus on whether or not agreement is reached. In crisis bargaining, analyses of "outcomes" focus on whether or not states engage in conflict, as the lack of agreement leads to conflict in these types of bargaining models.

bargaining structure has in influencing state bargaining behavior.

I argue that in most real-world international negotiations, it is this final factor—the bargaining structure—that best explains variation in state bargaining strategies. I lay out an argument that explains why these structural factors should mitigate the effects of power and socialization in many international negotiations and derive testable hypotheses that can be used to compare these effects. The results show that structural factors do, in fact, best explain variation in state bargaining strategies across a wide variety of issue areas.

The Standard Answer: State Power

Realist IR scholars argue that states' military and economic capabilities are a central source of power in the international system (e.g., Mearsheimer 2001; Waltz 1979). States' military capabilities (and the ability to win the impending war) are a central source of leverage in crisis bargaining (e.g., Schelling 1966). In other settings, economic capabilities play a central role. They affect "who gets to sit at the bargaining table" and provide states with resources that can be used to exert leverage over, and win concessions from, weaker states (e.g., Moravcsik 1998).

States' voting weight can also provide them with bargaining power. In some bargaining settings, instead of "one state, one vote," each state is given a different voting weight based on some indicator of its material capabilities,³ and some threshold of votes is designated for an agreement to be reached. Because these voting weights are not changed very often (if at all), over time, states' voting weights will reflect their underlying distribution of material capabilities to a lesser degree. Yet the states with greater voting weight will retain their bargaining leverage. The greater a state's voting weight, the more likely that state is to be the pivotal voter in any given negotiation (O'Neill 1997). States can use that leverage to extract concessions in exchange for their vote. A state's voting weight might therefore be a better indicator of its bargaining power than would a direct measure of its material capabilities, in certain settings. These arguments lead to the following testable "*Power Hypothesis*": a state with significant material capabilities (or with greater voting power) should be less likely to offer concessions than weaker states, all else constant.

Realists further argue that when dealing with high politics issues—issues in which states' interests are fo-

cused on protecting their own sovereignty and security—states are not likely to risk acting cooperatively, as the potential for their cooperation to be exploited carries high costs. When dealing with low-politics issues, states are likely to be able to cooperate more easily (Lipson 1984; Mearsheimer 1994/1995). This argument leads to the following testable "*High-Politics Hypothesis*": states should be less likely to make concessions when bargaining over high (versus low) politics issues, all else constant.

Finally, while it is not the standard explanation of variation in state bargaining strategies, it is important to recognize that some scholars in the IR literature highlight the potential effects of socialization on states' willingness to engage in cooperative behavior. These scholars argue that repeated interactions that are characterized by norms of cooperation, and interactions that take place within "social institutional settings," can alter the interests and identity of the states involved. States will become "socialized" in these interactions and, over time, will begin to adopt common interests as their own (Wendt 1994) and to follow the norms of their cooperative interactions (Johnston 2001; Lewis 1998). The following "*Socialization Hypothesis*" can therefore be tested to evaluate this argument: the greater the number of cooperative interactions a state has had with the other negotiating states, the more likely it should be to make cooperative offers of concessions, all else constant.

Structural Incentives/Constraints

While these arguments make sense, they overlook the fact that states are bargaining within an institutional bargaining *structure*. Institutional structures are important because they create a set of incentives that affect the strategic choices of states (Keohane and Nye 1977). I argue that two central effects characterize how states will respond to the incentives created by the institutional bargaining structure, regardless of "who those states are." Characteristics of the institutional bargaining structure, rather than states' material capabilities or level of socialization, will therefore be the most important factors driving state bargaining behavior.

First, most rational states, regardless of their material capabilities and level of socialization, will exploit a structural advantage that they may have in a given negotiation for their own benefit. This strategic incentive exists even if states have common interests. Individual, distributional interests still exist even when states share common interests (Schelling 1960). In addition, as described below, a state that uses a structural advantage to try to win concessions from opposing states can anticipate that those concessions will, in fact, be made. Exploiting a structural

³For example, greater economic resources provide greater voting weight to states in institutions such as the International Monetary Fund.

advantage can thus help to bring about an agreement that will fulfill a state's common and individual interests. Any rational state is therefore likely to exploit a structural advantage, regardless of its level of socialization.

Moreover, structural advantages are not directly tied to states' material capabilities and can thus potentially exist for states with greater or lesser capabilities. An example can help to illustrate the more counterintuitive case in which a "weaker" state has a structural advantage that it can exploit to win concessions from a "more powerful" state. As will be described in detail below, one structural source of bargaining leverage stems from the beneficial nature of states' outside options. States with a beneficial outside option have greater bargaining power than states facing costly outside options, all else constant (Morrow 1999). In 1971, the United Kingdom (UK) and Malta negotiated over the renewal of the UK's lease of its naval base in Malta. The UK clearly had the advantage in terms of material capabilities. However, Malta had the better outside option and thus the advantage in terms of the bargaining structure. Specifically, Malta was also engaged in talks with Libya and the Soviet Union regarding the potential installation of a naval base in Malta. Malta therefore had these other outside options to fall back on if negotiations with the UK fell through. It used that fact as leverage to (credibly) threaten to walk away if the UK did not offer a high enough price for its lease renewal. For the UK, finding a new location and building an entirely new naval base was an extremely costly alternative to accepting a higher price for renewing its lease with Malta. Malta was therefore able to use its structural advantage—its beneficial outside options—to gain bargaining leverage over the UK, and secured a higher price for the use of its territory than it had in the past (Wriggins 1976).

The question then becomes: why would a state that has greater material capabilities necessarily concede when the bargaining structure is skewed against it? I argue that *regardless of their material capabilities, most rational states will concede when they recognize the game is set against them and they desire an agreement*. This is easy to imagine for states with few material capabilities. But why would a state with significant material capabilities not put them to use? It could threaten to use force or economic sanctions to overpower and win concessions from the "weaker" state that is using mere structural advantages. Such a tactic could potentially be effective, but in most negotiations, I argue that it will not.

Specifically, military and economic capabilities are not likely to be effective tools in most international negotiations because the threat to actually put these resources to use as bargaining leverage is not credible. The reason is that the cost of war, or of using economic sanctions,

would not outweigh the benefits of the concessions that could be won in most negotiations. A threat to use force or sanctions to extract such concessions would therefore not be credible (and would thus be an ineffective bargaining strategy), because opposing states would not believe the threat would actually be carried out, *ex post*. This is particularly true in negotiations involving issues of cooperation. For example, the threat by the UK to use force or sanctions against Malta in order to secure a lesser price on its lease would not have been credible—especially given that the states were trying to cooperate in military affairs by reaching such an agreement in the first place. This same lack of credibility is likely to characterize the threat to use coercive measures in many negotiations, such as those involving climate change, attempts to create cooperative policies to combat terrorism, and the creation of aid packages.

In most international negotiations, states will therefore react to the strategic incentives they face in the same way, regardless of their material capabilities and level of socialization. They will all take advantage of structural factors that yield bargaining leverage, and when bargaining in a structure that is skewed against them, they are likely to make concessions in order to bring about an agreement.

Expected Structural Effects

Given that all states are likely to respond to both the positive and negative incentives created by the institutional bargaining structure in similar ways, I expect that features of the institutional bargaining structure will drive state bargaining behavior. Structural factors highlighted by formal bargaining models—as well as by detailed case study work—should, therefore, exert *consistent* and *statistically significant* effects on the bargaining behavior adopted by states across a wide range of real-world negotiations. Generalizable hypotheses can therefore be derived and subjected to large-N tests.

The first important feature of the bargaining structure that is likely to affect state bargaining behavior is the relationship between states' interests on the set of issues being negotiated. Specifically, the formal issue-linkage literature has shown that if the issues being negotiated *differ in their relative salience* to opposing states, the "issue-linkage structure" of the bargaining game fosters states' ability to reach a negotiated agreement (Sebenius 1983; Tollison and Willett 1979). In the ideal type, this occurs when issue X is most important to state 1's interests and issue Y is most important to state 2's interests. Within such an issue-linkage structure, the two states can trade concessions across the issues they value differently. In doing

so, each state is able to achieve a beneficial agreement on the issue of most importance to its own interests. The possibility for such a mutually beneficial trade-off increases the possibility of reaching a cooperative agreement, as empirically demonstrated by detailed case studies of international bargaining (e.g., Conceição-Heldt 2008; Frieden 2001).

The trading of concessions that these studies predict speaks directly to the type of bargaining behavior that I seek to explain. First, the possibility for a mutually beneficial exchange of concessions is not created if the issues being negotiated are not differently valued by states with opposing positions (Morgan 1990; Sebenius 1983). Such a bargaining structure creates a zero-sum setting because opposing states must struggle for gains on the same issue that is central to each of their interests. Any gain on that issue for one state will result in a loss for the opposing state. Bargaining structures that are characterized by issues that are *not differently valued* therefore create incentives *against* cooperative offers of concessions, as doing so directly translates into a loss of gains from the agreement.

However, if the issues being negotiated are differently valued by opposing states, the opportunity exists for a mutually beneficial exchange of concessions. This type of bargaining structure therefore creates the incentive for states to offer significant concessions. Each state has an incentive to offer concessions on the issue less salient to its own interests (and more salient to the interests of opposing states) in order to receive concessions in return on the issue most salient to its interests. Bargaining structures that are characterized by issues that are *differently valued* by opposing states therefore create incentives *for* the adoption of cooperative, concession-offering behavior. This logic leads to Structural Hypothesis 1 (S1).

Hypothesis S1: The more differently valued are the issues over which states are bargaining, the more likely they are to offer concessions, all else constant.

The second important feature of the bargaining structure is the set of outside options available to states. A state's best outside option defines the alternative to agreement that it considers when bargaining.⁴ States are not likely to accept an agreement that yields a payoff smaller than the payoff from their no-agreement outcome. A state's outside options therefore affect its "reservation price"—the minimum payoff it is willing to accept

from agreement—and, in doing so, affect its bargaining power.

A state with a beneficial outside option will have a high reservation price (Nash 1953). It can therefore credibly threaten to reject any proposal for agreement in which it is not offered fairly significant concessions. Such proposals fall in the policy space within which it would prefer its outside option. Ex post, it would therefore have an incentive to veto that agreement, making its original threat to do so a credible one.⁵ States with a beneficial outside option can use the credible threat to veto unacceptable proposals to extract concessions from their bargaining opponents. Thus, states with this type of structural advantage have a strategic incentive to use it and are likely to be observed adopting concession-extracting strategies.

In contrast, a state with a costly outside option has a low reservation price (Morrow 1999; Nash 1953). Because its reservation price is low, even agreements characterized by making significant concessions to the opposing state fall within the range of agreements it prefers over its costly outside option. States with beneficial outside options can exploit this "weakness" to extract concessions from states with costly outside options. States facing costly outside options are therefore likely to be observed offering concessions in order to bring about bargaining agreements. This logic is highlighted both by formal bargaining models and by case studies of international bargaining (e.g., Fisher and Ury 1981; Hopmann 1996; Morrow 1999; Nash 1953; Voeten 2001) and leads to Structural Hypothesis 2 (S2).

Hypothesis S2: States with good outside options are likely to use concession-extracting tactics, while those with costly outside options are likely to offer concessions, all else constant.

Another factor also influences states' reservation price and thus their likelihood of adopting concession-extracting tactics: the degree of constraints placed on state negotiators. Specifically, Putnam (1988) shows that when state negotiators face domestic ratification constraints, this "ties their hands" at the international negotiating table, moving their reservation price closer to their ideal point. As described above, a higher reservation price makes the threat to veto or delay agreements in order to extract concessions credible, lending bargaining power to states with these types of constraints. States with high

⁴This is also referred to in the literature as its "best alternative to a negotiated agreement" or its "BATNA" (e.g., Raiffa 1982).

⁵See Miller (1992, 46) for a more general argument that a better BATNA improves the credibility of threats.

domestic ratification constraints are therefore more likely to adopt concession-extracting types of bargaining strategies than are less-constrained states.

While this two-level game might appear to be unique to the domestic ratification of international agreements, it actually parallels a more general phenomenon highlighted in the bargaining literature. Indeed, in many bargaining interactions, a negotiating “agent” bargains on behalf of a “principal” she represents. Lawyers negotiate on behalf of their clients; diplomats negotiate on behalf of their governments; individuals negotiate on behalf of their boards and corporations in business deals. These principal-agent relationships are also two-level games with principal ratification constraints that vary depending on the principal-agent relationship (Lax and Sebenius 1991).

These principal-agent constraints have the same effect as domestic ratification constraints: greater constraints increase the reservation price that the agent has to work with when bargaining.⁶ Thus, the more constrained is a state negotiator—either because of domestic ratification rules or because of principal-agent ratification concerns—the higher is the reservation price she has to work with. And as discussed above, a higher reservation price creates a structural incentive to adopt less cooperative strategies. This logic leads to Structural Hypothesis 3 (S3).

Hypothesis S3: The more constrained is a state’s negotiator(s), the more likely that state is to be observed adopting concession-extracting strategies, all else constant.

A fourth structural factor that might affect states’ bargaining behavior is the decision rule governing how an agreement must be reached. Most international negotiations are characterized by a “consensus” decision rule. However, some negotiations are characterized by a majority (or supermajority) decision rule. Decisions made in the General Assembly of the United Nations are governed by such a majority decision rule, as are decisions in many issue areas in the European Union.

These different types of decision rules create incentives for the adoption of different types of bargaining behavior. In particular, the central way in which a state can extract concessions from other states without altering the bargaining structure is through a threat to delay or veto agreement, thus imposing the no-agreement outcome.

⁶This assumes that other factors, such as the distance between the ideal point of the principal and agent, are held constant.

In a negotiation characterized by a consensus decision rule, this strategy is available to each state involved in the negotiation. This noncooperative, concession-extracting tactic is thus fostered by such a decision rule.

In contrast, under a majority or supermajority decision rule, states must form coalitions in order to delay or veto agreement. While it is possible for states to form such “blocking coalitions,” it requires cooperation among states (and potentially large numbers of states) to carry out. Forming and holding together these coalitions is likely to be difficult due to cooperation and collective action problems. Concession-extracting behavior is therefore less likely in negotiations governed by a majority decision rule than in a negotiation governed by a consensus rule. This logic is consistent with the predictions of other studies (e.g., Elgström and Jönsson 2000) and leads to a fourth Structural Hypothesis (S4).

Hypothesis S4: In negotiations characterized by a consensus decision rule, states are more likely to adopt concession-extracting behavior than in negotiations governed by majority decision rule, all else constant.

Finally, formalized arguments show that when negotiations are subject to public scrutiny, state leaders have a strategic incentive to “posture” and present themselves as “strong” in the negotiation (Stasavage 2004). This allows them to show their domestic audience that they are defending the national interest. In highly publicized negotiations, negotiators are therefore likely to be unwilling to compromise on the narrow national interests they represent. When their actions are less transparent, they may be more willing to offer concessions.

Hypothesis S5: In negotiations that are highly publicized, states are less likely to offer concessions, all else constant.

Empirical Analysis

To test the effects of these structural factors against the power and socialization arguments, an important endogeneity problem needs to be addressed. In particular, the models from which these hypotheses are derived implicitly assume that the structural characteristics of a bargaining game are exogenous to the bargaining interaction itself. However, in many international negotiations, states are able to adopt strategies that change key characteristics of the bargaining structure. When these types of strategies are available, it is therefore extremely difficult to identify

the true theoretical and empirical effects of these structural factors on states' bargaining strategies.⁷

I deal with this empirical problem in two ways. First, I define variation in state bargaining strategies by focusing on the degree of concession offering that characterizes a given state's bargaining strategy. Second, I focus the empirical analysis on bargaining within the Council of Ministers of the European Union (and its preparatory bodies—the main forum in which the EU member states negotiate an agreement on a piece of legislation).

Dependent Variable: Cooperative Bargaining Behavior

To test the effects of the bargaining structure against more standard arguments about variation in state bargaining strategies, the dependent variable must fulfill two criteria. First, it must distinguish between cooperative and noncooperative behavior, as most arguments in the IR literature that focus on state behavior tend to focus on issues of cooperation. Second, it must restrict structure-altering strategies from the set of bargaining strategies being analyzed, allowing those structural factors to be treated as exogenous independent variables whose effects on state bargaining strategies can be systematically tested. Existing typologies of bargaining strategies fulfill the first criteria but not the second and therefore cannot be used as dependent variables in a test of the effects of the bargaining structure.⁸

I therefore introduce a dependent variable that measures the degree of concession offering that characterizes a state's bargaining strategy. States could refuse to offer concessions and threaten to veto or delay agreement (im-

posing the fixed no-agreement outcome that characterizes that bargaining game). This type of behavior makes it less likely that an agreement will be reached, but more likely that any agreement that is reached will be closer to the ideal point of the state adopting this type of behavior. Alternatively, states could offer significant concessions from their bargaining position on the issues being negotiated. Offering significant concessions makes agreement more likely but also moves any agreement farther away from a state's own ideal point. Finally, states could adopt a variety of strategies in between these noncooperative and cooperative extremes.

This conceptualization of variation in bargaining strategies satisfies both necessary criteria. First, defining the dependent variable in terms of the offering of concessions reflects the standard definition of international cooperation, which is conceptualized as policy "adjustment" (Keohane 1984). The more concessions a state offers, the more the final agreement will require that state to "adjust" from its ideal bargaining outcome, moving toward the preferences of the opposing state (or states). Offering larger concessions therefore reflects more cooperative bargaining behavior, and refusing to offer concessions and working to extract concessions reflect noncooperative behavior. Second, these noncooperative and cooperative strategies do not involve changing the bargaining structure. Noncooperative strategies are characterized by threatening to impose the no-agreement outcome that (already) characterizes the fixed bargaining structure, and cooperative strategies are characterized by offering concessions on the issues that (already) characterize the "issue-linkage" structure. Strategies designed to change these structures are not included in this definition.

Overall, four categories of bargaining behavior can be empirically identified, creating an ordered categorical dependent variable with larger values indicating more "cooperative" behavior. The least cooperative type of bargaining behavior (category 0) is characterized by tactics designed to extract concessions from other states. Empirically, this type of behavior consists of veto threats or the delaying of an agreement. In negotiations subject to a majority voting decision rule, in which individual vetoes are not possible, this type of behavior is characterized by tactics that aim to construct a "blocking minority"—a coalition of states with enough votes to block an agreement. Both types of tactics serve to "hold agreement hostage" in an attempt to extract concessions from opposing states. The second least cooperative type of bargaining behavior (category 1) is defined by the refusal to offer concessions, often accompanied by a demand for concessions from opposing states. When adopting such behavior, a state does not make overt attempts to extract concessions, but

⁷McKibben (2010, 702–3) explicitly highlights this problem in relation to analyzing the effects of the issue-linkage structure on states' bargaining behavior. This same problem applies whenever states can change a particular feature of the bargaining structure.

⁸These typologies distinguish between "distributive" and "integrative" bargaining (Odell 2000; Walton and McKersie 1965), between "bargaining" and "problem solving" (Elgström and Jönsson 2000; Hopmann 1995), and between "hard" and "soft" bargaining (Dür and Mateo 2010). These categories are very broad and do not distinguish between structure-altering strategies and strategies that do not alter the bargaining structure. For example, "distributive bargaining" behavior includes: (1) the threat to use sanctions or force, as well as (2) the threat to veto agreement. In contrast, "integrative bargaining" behavior includes: (1) offering concessions on an issue not included on the negotiating agenda in exchange for receiving concessions on an issue already included within the negotiation, as well as (2) a mutually beneficial trade of concessions across issues already included in the negotiation. In both cases, the first tactic alters an important feature of the bargaining structure—states' outside options and the issue-linkage structure, respectively—while the second does not.

at the same time, demonstrates very little willingness to “adjust” from its bargaining position.

Strategies that are cooperative in nature are characterized by the offering of concessions. When such concessions are made, there is variation in the magnitude of those offers. The most cooperative strategies are characterized by a state offering concessions that signify a willingness to accept the outcome preferred by opposing states on at least one of the central issues in the negotiation (category 3). Less cooperative are concession offers that indicate a state’s willingness to adjust from its position, but the lack of a willingness to accept the most preferred outcome of opposing states on any of the issues (category 2).⁹

Data: Bargaining in the European Union (EU)

To further deal with the potential endogeneity problem, I focus this analysis on explaining variation in state bargaining strategies within the EU decision-making process. The rules and procedures of the EU significantly limit states’ ability to alter the bargaining structure, allowing these factors to be analyzed as exogenous independent variables. First, coercive threats that states often use to alter other states’ outside options are not likely to be credible in EU negotiations. For example, it is not likely that a threat by France to use force against Germany absent a favorable agreement would be viewed as credible. In addition, in the EU decision-making process, negotiating agendas are set by either the European Commission or the rotating Council Presidency.¹⁰ Thus, while there are clearly some opportunities for the states to influence draft proposals and to link additional issues during the negotiation process, EU decision making provides one of the *closest* real-world examples of negotiations in which states are unable to alter the bargaining structure.

⁹The conceptualization of bargaining I propose is not necessarily zero-sum in nature. Because many negotiations include multiple issues, if one state offers large concessions on one issue, this does not prevent it from being able to receive large concessions on one of the other issues in the negotiation. “Integrative,” joint-gains processes can therefore be captured by opposing states both offering concessions on different issues, while more zero-sum, “distributive” processes can be captured by a one-sided offer of large concessions while the opposing state either offers little to no concessions or adopts concession-extracting tactics.

¹⁰Beginning on December 1, 2009, agenda-setting powers in the area of foreign policy were extended to the new High Representative of the EU’s External Action Service. However, in the negotiations analyzed in this study, the treaty that created and delegated powers to this institution had not yet come into effect.

Focusing on bargaining within the EU also allows for variation in states’ bargaining strategies to be analyzed while holding many potentially mitigating factors constant. Factors such as the institutional bargaining setting and the set of states involved are held constant across the EU negotiations. Variation in these factors can therefore be eliminated as a potential explanation for the variation in the bargaining strategies that I analyze, as they remain constant while the EU states’ strategies vary. Moreover, by analyzing negotiations that took place in the same basic time period, the actual negotiators representing each state can also be held constant across the different negotiations. Individual factors such as negotiating experience and psychological biases, which might affect state representatives’ choice of bargaining tactics (Druckman 1994), are therefore also held largely constant for each state across the multiple cases examined here.

While holding these factors constant, a wide range of issue areas are dealt with in the EU negotiations, ensuring that significant variation still exists across the main independent variables. The sample of cases in the dataset consists of two sets of negotiations, dealing with both high- and low-politics issue areas. The high-politics negotiations cover the negotiation of both military and civilian missions in the area of the EU security and defense policy, and the low-politics negotiations cover environmental policy, trade policy, the EU budget, and more. These cases also represent all possible combinations of two important structural variables: whether or not the negotiation was highly publicized and whether or not the decision rule was consensus or qualified majority, ensuring significant variation exists across these variables. A description of each negotiation in the dataset is laid out in the online appendix.

The original dataset that I analyze was coded from primary interviews conducted with the state representatives directly involved in EU negotiations. From 2005 to 2010, I conducted 146 interviews with Ambassadors and Deputy Ambassadors (and other state representatives) in the Committee of Permanent Representatives (COREPER) and Political and Security Committee (PSC)—the central institutions of interstate bargaining in which all “important” issues at stake in EU legislation are negotiated. Representatives from 25 of the 27 member states are covered by these interviews.¹¹

While the EU is sometimes considered to be a highly cooperative forum, there is a wide variation in the EU states’ bargaining behavior. This variation is highlighted

¹¹I recognize the potential measurement issues that stem from this type of data-gathering process. The online appendix, which lays out detailed coding rules for the key independent variables, also discusses the steps I took to address these potential issues.

by several scholars (e.g., Dür and Mateo 2010; McKibben 2010) and is present in the data analyzed here. Across the 588 observations of state bargaining strategies (spanning 23 different bargaining interactions) that I analyze, the mean of the dependent variable is 1.891, with a standard deviation of 0.836.¹² Even within the EU, there is a significant amount of noncooperative bargaining behavior, in addition to cooperative behavior, to explain.

Finally, it is important to note that several of the negotiations that I analyze took place in multiple “phases.” These different phases were often separated by a period of time in which no negotiations took place and were characterized by a change in the set of issues being negotiated. Because these phases were therefore characterized by different structures, I analyze each phase as a separate bargaining interaction, following the approach of Lake and Powell (1999). Moreover, states’ behavior across these phases often changed. Analyzing them separately therefore makes empirical, as well as theoretical, sense.¹³ Finally, breaking down the overall process into its multiple phases helps to capture changes in the negotiation process over time—a factor often overlooked in large-N analyses of negotiations.

Measures of Power and Socialization

To explain the variation in the cooperative nature of states’ bargaining behavior in the EU, several independent variables are included in the model. The standard realist argument focuses on variation in states’ power to explain variation in their bargaining behavior. Two different measures of this type of power exist: one focusing on states’ material capabilities and one on their voting weight. Military capabilities are not likely to be a major factor in negotiations among the EU states. I therefore include the natural log of each state’s GDP (*ln GDP*) to analyze the effect of variation in their economic capabilities—the resources they are more likely to try to use as leverage in EU negotiations. In addition, the Shapley-Shubik index (SSI) is often used to analyze state power in weighted voting systems such as the EU (e.g., Thomson et al. 2006). It measures the percent of all possible voting sequences in which a given state is the pivotal voter. States that are more often the pivotal voter arguably have greater bargaining

power among the EU member states. I therefore code a variable labeled *Voting power index* using the SSI to analyze this second potential source of bargaining power. According to standard power-based arguments, these variables should exert a negative and statistically significant effect on the cooperative nature of states’ bargaining behavior.

To control for the distinction between high- and low-politics negotiations, I include a dichotomous variable labeled *Foreign and defense policy*. This variable is coded 1 for all negotiations that dealt with the EU’s foreign security and defense policy—the standard policy areas that fall under the definition of “high politics” issues.¹⁴ Prevailing IR theory would predict a negative and statistically significant effect associated with this variable.

Two variables are also included in the model to address possible socialization effects taking place within the EU. The first is a dichotomous variable labeled *New member state*, which is coded 1 for states that joined the EU in its recent expansions into Eastern Europe in 2004 and 2007. Because these states joined the EU very shortly before the negotiations analyzed here, it is likely that they had not yet been socialized to the “norms” of EU interactions. Such norms include a “culture of compromise,” which is argued to characterize EU negotiations (Lewis 1998). The logic of the socialization argument would therefore predict a negative and statistically significant effect associated with this variable. The second is a dichotomous variable labeled *Euro state*, which is coded 1 for all states that had given up their currency and adopted the Euro at the time a given negotiation took place. This variable is included to control for a possible socialization effect derived from engaging in the most significant form of monetary cooperation in the international system. Adopting the same currency would likely lead to a common interest in protecting the Euro, and the pursuit of such a common interest could begin to create a common identity among these states. If such a socialization process is indeed taking place, this variable would be expected to exert a positive and statistically significant effect on states’ bargaining behavior.

¹²In particular, the dependent variable is distributed as follows: 39 observations fall in category 0; 124 fall in category 1; 287 fall in category 2; and 138 fall in category 3.

¹³Controls are included to deal with the nonindependence of states’ bargaining strategies across the multiple phases of a negotiation.

¹⁴In the EU, policies in the “Justice and Home Affairs” issue area also potentially infringe on central constitutional and national legal issues, raising sovereignty concerns. Examples of such dossiers include the European Arrest Warrant and even the Racism and Xenophobia dossier (Interviews 2005–2010). This concern for protecting state sovereignty also reflects “high politics” issues, as many define it. I therefore run alternative models controlling for both of these issues areas. The results of these additional models are reported in the online appendix and are consistent with the results reported here.

Measures of the Bargaining Structure

I argue that the institutional bargaining structure will mitigate the effects of state power and socialization. I therefore expect those variables to be statistically insignificant in explaining the cooperative nature of states' bargaining strategies, while features of the bargaining structure should exert statistically significant effects. Empirically observable variables that code the main features of the bargaining structure are described below.¹⁵

Hypothesis S1 predicts that if the "issue-linkage structure" of the negotiation is more differently valued, states will adopt more cooperative bargaining strategies. To date, large-N tests of issue-linkage arguments have been hindered by the lack of a method to consistently measure and compare the relationship between linked issues. To address this problem, I propose a measure which builds on analytical and spatial models which have shown that linking together issues that are "differently valued" by states with opposing interests will produce a larger zone of agreement (Sebenius 1983; Tollison and Willett 1979), while linking issues that are not differently valued reduces or eliminates the zone of agreement (Morgan 1990; Sebenius 1983). Drawing on this logic, this empirical measure creates a proxy for the structural relationship between a given set of linked issues by measuring the average size of the zone of agreement created by the linkage of that particular set of issues. Drawing on interviews with state negotiators, I code each state's bargaining position and flexibility on each issue in the negotiation. This information is then used to determine the size of the zone of agreement for each pair of states on each issue—the size of the policy space within which both states would be willing to accept an agreement on that issue. Those individual measures are then aggregated to calculate the average zone of agreement across all issue pairs in the negotiation. The larger the value of this measure, the more "differently valued" are the issues by states with opposing interests. If Hypothesis S1 is correct, this variable should therefore have a positive and statistically significant effect on the dependent variable.

Second, Hypothesis S2 predicts that the worse a state's outside option in a given negotiation, the more cooperative its bargaining strategy is likely to be. Unfortunately, states' outside options are another factor for which a consistent and systematic empirical measure does not currently exist (Odell 2002). As a first attempt to measure this concept, I recognize that the better a state's outside

option, the less "need" that state has for reaching an agreement. I then code this "need for agreement," drawing on interview evidence with state negotiators. Negotiators were asked the degree to which each state placed importance on "reaching an agreement, in and of itself" in each bargaining interaction. This is coded as a four-category variable, labeled *Agreement importance* where reaching an agreement, in and of itself, was "very important" (coded 3), "important" (coded 2), "somewhat important" (coded 1), or "unimportant" (coded 0) for each individual state in each negotiation.¹⁶ Larger values indicate a worse outside option. Following Hypothesis S2, this variable should exert a positive and statistically significant effect on the dependent variable.

Third, Hypothesis S3 predicts that negotiators constrained by domestic ratification requirements will be forced to adopt less cooperative bargaining strategies than other state negotiators. In the EU, negotiations take place between representatives of the governments of the member states. However, each state's Parliament has the opportunity to request the ability to "scrutinize" an agreement before the state can accept it. The *Parliamentary scrutiny* variable is coded 1 for all observations in which a state's Parliament has requested such a scrutiny reservation. If Hypothesis S3 is correct, this variable should exert a negative and statistically significant effect on the dependent variable.

Fourth, Hypothesis S4 predicts that negotiations subject to some form of majority decision rule will be characterized by more cooperative bargaining behavior than negotiations subject to a consensus decision rule. In the European Union, some issue areas are governed by a consensus decision rule and some are governed by a "qualified" majority voting (QMV) rule. I therefore include a dichotomous variable, *Majority voting*, which is coded 1 for negotiations governed by the qualified majority voting rule and 0 for consensus decisions.¹⁷ If Hypothesis S4 is correct, this variable should exert a positive and statistically significant effect.

Finally, Hypothesis S5 predicts that more transparent and highly publicized negotiations are likely to be

¹⁵The online appendix includes a codebook describing how interview and documentary evidence was used to code these key independent variables.

¹⁶Measurement issues potentially stem from an incentive interviewees might have to misrepresent the importance of agreement to make up for significant concessions that might have been made (or vice versa). Interviews asking these questions were therefore conducted before an agreement was actually reached whenever possible. Multiple state representatives were also independently interviewed (whenever possible) and posed these same questions to corroborate the interview data used in the coding process.

¹⁷The EU Treaties specify the decision rule based on the issue area under consideration. For these negotiations, Pillar I ("Community" legislation) issues were generally subject to a QMV decision rule, while Pillar II and III issues were subject to a consensus rule.

characterized by noncooperative bargaining behavior, all else constant. A dichotomous variable, labeled *Publicity*, is coded 1 for negotiations that received media attention and 0 otherwise.¹⁸ If Hypothesis S5 is correct, this variable should exert a negative and statistically significant effect on the dependent variable.

Control Variables

Negotiations that take place among the member states in the European Union are also overseen by the state that holds the rotating Presidency of the EU Council at the time. Several works have examined how the role of President affects a state's bargaining behavior, highlighting contesting arguments about this effect (e.g., Schalk et al. 2007; Tallberg 2003; Wanrtjen 2008). To control for these possible effects, a dichotomous variable labeled *Presidency* is included in the analysis. It is coded 1 for any state that held the Presidency during the negotiations and 0 otherwise.

Finally, several of the negotiations examined in this analysis took place in multiple phases. The strategy adopted by each state varies across these multiple phases of the dynamic negotiation process. However, the strategies adopted by a state in later phases are clearly not independent from the strategies it adopted in earlier phases. This is therefore an important issue to deal with in the model. To do so, I include a lag of the dependent variable. For negotiations in later phases, the bargaining strategy adopted by each state in the previous phase is included as an independent variable in the model (*Lagged DV*). For negotiations in their first phase, the mean of all bargaining strategies is included in place of the lag.¹⁹

Statistical Tests

The bargaining strategy adopted by each EU state in each of the 23 bargaining phases is analyzed, with each phase treated as its own bargaining interaction with its own bargaining structure. The unit of analysis in this study is therefore "state-bargaining phase." The dependent

variable reflects the cooperative nature of state bargaining behavior in each of these bargaining interactions. Larger values of this variable indicate more "cooperative" behavior, defined in terms of the offering of concessions.

To test the effects of the bargaining structure against more standard explanations of variation in state bargaining behavior, I estimate two generalized ordered logit models with clustered standard errors.²⁰ Model 1 includes *ln GDP*, focusing on states' capabilities as the central measure of their power, and Model 2 includes the alternative, *Voting power index*. While standard ordered logit models might appear to be the appropriate statistical technique, the data violate the assumption of proportional odds that underpins these models. In other words, all independent variables do *not* exert the same effect across all categories of the dependent variable.²¹ The generalized ordered logit model relaxes this assumption, allowing the effects of the independent variables to vary across the different categories of cooperative bargaining behavior. Standard errors were also clustered by negotiation phase to deal with the fact that each state's choice of bargaining behavior within a given bargaining interaction is dependent on the choices of other states.²²

Table 1 reports the results for Models 1 and 2. The generalized ordered logit model produces a coefficient and standard error highlighting the effect of each independent variable *on each category of the dependent variable* (minus the highest one). These effects for each of these three categories of the dependent variable (0, 1, and 2) are presented for each model in the columns across Table 1. When interpreting these results, note that *positive coefficients indicate that larger values of the independent variable make it more likely that a state's bargaining behavior will be more cooperative than the current category; negative coefficients indicate that larger values of the independent variable increase the likelihood of either being in the current category of behavior or in a less cooperative category* (Williams 2006). This model therefore allows us to identify precisely which bargaining strategies are affected by particular independent variables, allowing for a nuanced interpretation of the statistical results.

²⁰These models were estimated using the *gologit2* command in Stata (Williams 2006).

²¹The Brant test for proportionality of odds yields a χ^2 statistic of 165.59 for Model 1 and 170.69 for Model 2, with $p > \chi^2 = 0.000$ for both. A statistically significant test indicates that the assumption of proportional odds is violated.

²²Multilevel models were also run to address the fact that even with clustered standard errors, there may be unobserved heterogeneity at the level of bargaining phase that creates omitted variable bias in the models. The results of these models are reported in the online appendix and are consistent with those in Table 1.

¹⁸Specifically, this variable was coded 1 only if the actual negotiation process for a given dossier was covered in an article by the *EU Observer*, one of the key EU news outlets.

¹⁹Four alternative measures of this lagged dependent variable are therefore used to check the robustness of the results to the specification of this variable in the first phase of a negotiation. These alternative measures use category 0, category 1, category 2, and category 3, respectively, to code the first phase of negotiations. The results of these alternative models are reported in the online appendix and are consistent with those using the original measure.

TABLE 1 Generalized Ordered Logit Results

	Model 1			Model 2		
	Cooperative Strategy = 0	Cooperative Strategy = 1	Cooperative Strategy = 2	Cooperative Strategy = 0	Cooperative Strategy = 1	Cooperative Strategy = 2
Power and “High Politics” Measures						
ln GDP	−0.046 (0.101)	−0.046 (0.101)	−0.046 (0.101)			
Voting power index				3.230 (5.621)	3.230 (5.621)	3.230 (5.621)
Security and defense policy	−0.170 (0.400)	−0.170 (0.400)	−0.170 (0.400)	−0.170 (0.404)	−0.170 (0.404)	−0.170 (0.404)
Socialization Measures						
Euro state	−0.141 (0.309)	−0.141 (0.309)	−0.141 (0.309)	−0.102 (0.304)	−0.102 (0.304)	−0.102 (0.304)
New member state	0.183 (0.356)	0.183 (0.356)	0.183 (0.356)	0.354 (0.342)	0.354 (0.342)	0.354 (0.342)
Bargaining “Structure” Measures						
Issue-linkage structure	1.219* (0.192)	1.219* (0.192)	1.219* (0.192)	1.220* (0.191)	1.220* (0.191)	1.220* (0.191)
Agreement importance	1.210* (0.387)	0.033 (0.317)	0.920* (0.375)	1.216* (0.389)	0.034 (0.315)	0.907* (0.358)
Parliamentary scrutiny	−1.893* (0.576)	−0.057 (0.288)	−0.393 (0.500)	−1.900* (0.593)	−0.069 (0.293)	−0.369 (0.517)
Majority voting	2.067* (0.523)	0.460 (0.522)	−0.165 (0.428)	2.061* (0.521)	0.457 (0.521)	−0.173 (0.431)
Publicity	−3.362* (1.041)	0.505 (0.553)	1.471* (0.455)	−3.368* (1.043)	0.504 (0.553)	1.487* (0.448)
Control Variables						
Presidency	0.537 (0.506)	0.537 (0.506)	0.537 (0.506)	0.523 (0.506)	0.523 (0.506)	0.523 (0.506)
Lagged dependent variable	−0.011 (0.606)	0.900† (0.496)	0.295 (0.523)	−0.006 (0.607)	0.909† (0.497)	0.306 (0.528)
Constant	3.347† (1.865)	−0.201 (1.644)	−4.294* (1.964)	2.571† (1.546)	−0.975 (1.252)	−5.052* (1.730)
N		588			588	
pseudo R ²		0.281			0.281	
Proportional reduction in error		28.53%			27.35%	
Log pseudolikelihood		−506.659			−506.636	
Wald χ^2		391.36			163.91	
p > χ^2		0.000			0.000	

*indicates $p < .05$, † indicates $p < .10$.
Standard errors are clustered by bargaining phase.
Note: Variables that do not violate the proportional odds assumption exert the same effect across all categories of the dependent variable.

Empirical Results

The results of these tests show that the bargaining strategies adopted by the EU states are driven by the *structure*

of the bargaining game within which they interact rather than by state power and socialization effects. When these structural factors are taken into account, measures of state power and socialization exert statistically insignificant

effects on the bargaining strategies states adopt, while the structural factors themselves all exert statistically significant effects consistent with the logic of formal bargaining models. These results point against the prevailing wisdom that variation in the cooperative nature of state behavior stems from differences in their material capabilities and power. Instead, they are consistent with my argument that the effects of power and socialization will be mitigated by the incentives created by the bargaining structure.

Power and Socialization Results

Most importantly, bargaining power in the EU does not stem from states' material capabilities, nor does it stem from their voting power. When these factors are set against structural sources of bargaining leverage, they do not exert a statistically significant effect on the cooperative nature of the EU states' bargaining strategies. In addition, whether or not states are negotiating over high- or low-politics issues does not impact their bargaining strategies in a statistically significant way, when set against the central structural factors that I highlight here.²³ These results hold across both models reported in Table 1 and are robust across all model specifications reported in the online appendix.

It is important to note that these results do not indicate that these factors do not matter, nor do I argue that they should not matter. The results show that these factors exert statistically insignificant effects: (1) when set against structural factors and (2) when this is done in negotiating settings in which coercive threats are not likely to be credible, as is the case in the EU. Realist factors are not irrelevant, even in EU negotiations. Indeed, when structural factors are not included in the model, states' material capabilities and the high-/low-politics nature of a negotiation do exert statistically significant effects in the direction predicted by standard realist theory.²⁴ These effects are simply *mitigated* by the bargaining structure in settings such as the EU, as predicted by my argument.

Finally, the results do not support the predictions based on a logic of socialization. Neither the *Euro state* variable nor the *New member state* variable exerts a statistically significant effect in the direction predicted by a socialization argument. The results do not necessarily contradict the socialization argument, as this test does not compare the EU as a "social institution" to other institutions. However, given that the EU is often thought to

be an institution in which socialization is important (e.g., Lewis 1998), the insignificant results in this setting are interesting. Additional analyses that compare structural and socialization effects across a broader range of cases are therefore warranted.

Bargaining Structure Results

The results show that, rather than states' material capabilities and level of socialization, factors that "structure" state bargaining interactions are the main predictors of state bargaining behavior in a setting such as the EU. Moreover, the nuanced results of the generalized ordered logit models provide empirical evidence that the bargaining structure affects states' bargaining strategies precisely in the ways hypothesized by formal bargaining models.

Consistent with Hypothesis S1, negotiating over issues that are more differently valued by states with opposing interests exerts a positive and statistically significant effect on states' bargaining strategies. This effect is not only statistically significant, holding across all categories of the dependent variable, but it is also a substantively significant effect. A one-standard deviation increase in this variable makes a state about 4.74 times more likely to adopt more cooperative bargaining behavior, holding all other variables constant.²⁵

In addition, the positive effect of *Agreement importance*, and the fact that this effect specifically occurs at the most extreme categories of state bargaining behavior, corresponds directly to the predictions of Hypothesis S2. The first part of the argument stated that powerful states would be likely to adopt the least cooperative bargaining strategies (category 0). Thus, an increase in *Agreement importance* (which decreases bargaining power) would make a state likely to adopt behavior more cooperative than this. The empirical evidence in support of this specific prediction is reflected in the positive coefficient associated with category 0. The substantive effect of this coefficient shows that a one-unit increase in the importance of an agreement to a state's interests (i.e., a one-unit decrease in a state's bargaining power) makes a state about 3.3 times as likely to adopt a bargaining strategy more cooperative than category 0, all else constant.

The second part of the argument stated that weak states would be likely to adopt highly cooperative strategies (category 3). The empirical evidence in support of this specific prediction is reflected in the positive coefficient associated with category 2. The substantive

²³This result is robust to the use of the Pillar II and Pillar III variables as an alternative to the Security and Defense Policy measure.

²⁴These results are reported in "baseline" models in the online appendix.

²⁵Odds ratios were similar across Models 1 and 2 for all variables. The change in odds for a standard deviation increase in X is calculated as $e^{\beta \cdot sdX}$ and for a one-unit increase in X , as e^{β} .

effect of this coefficient shows that a one-unit increase in the importance of an agreement to a state's interests (i.e., a one-unit decrease in a state's bargaining power) makes a state about 2.5 times more likely to adopt the most cooperative bargaining strategy (category 3) than a less cooperative category, all else constant. The results of these empirical analyses therefore provide strong support for Hypothesis S2.

Consistent with Hypothesis S3, state negotiators constrained by parliamentary scrutiny are significantly more likely to adopt concession-extracting tactics (category 0) than unconstrained negotiators. Specifically, the odds a negotiator constrained by parliamentary scrutiny will adopt *any* strategy more cooperative than category 0 are about 85% lower than the odds their unconstrained counterparts will adopt these more cooperative strategies, all else constant. This result directly corresponds to the logic underpinning this hypothesis: constraints raise the reservation price a state's negotiator has to work with, increasing her ability to effectively use concession-extracting tactics.

Consistent with Hypothesis S4, when bargaining in a majority voting setting in which no single state has veto power, the EU states are significantly less likely to adopt concession-extracting bargaining strategies. This is empirically demonstrated by the positive and statistically significant coefficient associated with category 0. Moreover, the substantive effect is quite significant—when the voting rule is qualified majority rather than consensus, the odds a state negotiator will adopt a more cooperative bargaining strategy is about eight times more likely than the odds it will adopt a concession-extracting strategy (category 0), all else constant. This precise effect is consistent with the logic underpinning Hypothesis S4, which predicted that without an individual veto, states would be less likely to be able to credibly use concession-extracting tactics due to the collective-action problems they face when trying to form (and hold together) a blocking minority.

Consistent with the prediction of Hypothesis S5, non-cooperative bargaining strategies are more likely to be adopted by the EU states in highly publicized negotiations (category 0). However, the most cooperative bargaining strategies are also more likely to be adopted in highly publicized negotiations (category 3). The results therefore support Hypothesis S5, but also indicate that the effect of publicity is conditional. Some domestic constituencies may strongly favor cooperation over hard-line tactics, while others do not. Different state leaders may therefore feel different pressures. This is likely to be particularly evident in the EU, where some states are more European-oriented while others are more “Euroskep-

tic.”²⁶ The conditional nature of *Publicity*'s effect, and its potential interaction with factors that affect the orientation of domestic interests, is therefore worthy of further investigation.

Finally, it is important to note that while the EU literature has tended to highlight cooperative interactions among the EU states (e.g., Lewis 1998), this study identifies the existence of noncooperative bargaining behavior as well. While these arguments might appear to be incompatible, my results are not inconsistent with these other EU studies. In particular, I analyze bargaining *over time* and across the multiple phases of negotiation, capturing noncooperative strategies in *early* phases of negotiations which often differ from more cooperative strategies in *later* phases.²⁷ These differences are likely to be missed by analyses that condense negotiations into a single interaction, as is often done in large-N work (e.g., Bueno de Mesquita and Stokman 1994; Thomson et al. 2006). For example, in the Decision-Making in the European Union (DEU) dataset (Thomson and Stokman 2003), some of the negotiations that are included (and condensed to a single negotiating interaction) lasted for only 89 days while some lasted for over five years.

If the negotiations in the DEU dataset were broken down into multiple phases, many of the early phases would likely be characterized by highly noncooperative behavior and would not have resulted in agreement. A review of the Council minutes dealing with the DEU dossiers reveals preliminary support for this claim. For example, fairly contentious negotiations characterized early negotiations over the taxation of savings (CNS/1998/0193). “Serious problems remain in the area of taxation of savings The UK sticks firmly and fully to the position outlined in its paper on international bonds. It seems that this position is not to be understood as a starting point for negotiations, [but rather, it] insists that all the exemptions set out in [its] paper must be accepted The majority of member states could not accept the exemption that the UK is asking for and appealed to the UK . . . to reconsider its position . . . in order to overcome the present deadlock.”²⁸ This highlights non-cooperative, concession-demanding behavior by the UK in the early phases of these negotiations.

²⁶Thank you to an anonymous reviewer for pointing this out.

²⁷Demonstrating this empirically, the effect of the lagged dependent variable is either positive and statistically significant or, at the very least, zero. Later phases of a negotiation are thus consistently more cooperative (or, at least are not less cooperative) than prior phases.

²⁸See Council document 12514/99, p. 4.

My analysis, in this regard, therefore does not contradict earlier works. Instead, it looks across the negotiation over time, capturing variation that other studies are likely to miss. The dynamics of how negotiations change over time is therefore important, and something that future large-N work should take into account.

Implications for International Bargaining

I argued here that, in many international negotiations, the bargaining strategies states adopt will be driven by the institutional structure of the negotiation. These structural effects were specifically shown to characterize negotiations in the EU decision-making process. However, they are likely to characterize other important international negotiations as well. In particular, the fact that the effects of states' material capabilities are mitigated by the bargaining structure is driven by the fact that threats to put these capabilities to use as bargaining leverage are not likely to be credible. Negotiations in the EU decision-making process are just one example of international negotiations that fulfill this criterion.

There are clearly international negotiations in which coercive threats *can* be credible. Crisis bargaining provides a key example. In these types of negotiations, states' material capabilities can be an effective source of bargaining leverage. I therefore expect states' material capabilities to exert statistically significant effects on their bargaining behavior in these types of negotiations, consistent with the predictions of standard realist theory.

However, in negotiations in which the cost of using force or economic sanctions is *not* likely to outweigh the benefits of doing so, structural factors should mitigate the effect of states' material capabilities and drive state bargaining behavior. Given the substantive nature of the issues at stake in many international negotiations, threats to resort to force or sanctions absent a favorable agreement are not likely to be credible, just as they are not credible in the EU. The results highlighted here can thus potentially apply to a wide variety of international negotiations. This article introduces rules for coding features of the bargaining structure that can help future work to take these potential effects into account.

By demonstrating the effects of the bargaining structure, this article also has important implications for the debate regarding the role of institutions in the international system. It shows that there are potentially many bargaining settings in which institutions constrain states—even those with significant “power.” Realist sources of power are not irrelevant, but they do not matter uncon-

ditionally because their effects can be mitigated by the institutional bargaining structure. Understanding when and why these constraining effects will exist and how credibility problems affect states' ability to effectively use their material capabilities are therefore important considerations for future work.

Finally, these results also have broader implications for the study of international bargaining. In particular, states must act *within the confines* of the bargaining structure in some negotiations, while in others, they can *change* that structure. By showing how the bargaining structure affects when and why states will need to make concessions, this study also highlights the *incentives* states might have to change it. Future work can therefore build on this analysis to begin to systematically analyze states' strategic decisions regarding if and how to change the bargaining structure, further advancing our understanding of dynamic and multifaceted international bargaining processes.

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Supporting Information

Additional Supporting Information may be found in the online version of this article at the publisher's web site:

Part I: Codebook for Key Variables

- Coding "Cooperative Strategy"
- Coding "Difference in Issue Salience"
 - **Step 1:** Code States' Bargaining Positions
 - **Step 2:** Code States' "Give"
 - **Step 3:** Calculate the Zone of Agreement for Each Issue-Pair
 - **Step 4:** Aggregate to Characterize the Overall Negotiation
- Coding "Agreement Importance"
- Coding "Parliamentary Scrutiny"
- Coding "Publicity"

Part 2: Substantive Description of Cases

Part 3: The Nature of the Data: Bargaining or Arguing?

Part 4: Data Analysis-Robustness Checks

- **Table S1:** Summary Statistics
- **Table S2:** Generalized Ordered Logit Results: Models 1 and 2. (Security and defense policy variable to control for high/low politics)
- **Table S3:** Generalized Ordered Logit Results: Models 3 and 4. (Pillar dummy variables to control for high/low politics)
- **Table S4:** Generalized Ordered Logit Results: Models 5 and 6: Robustness Checks: lnGDP, Security and defense policy with Alternative lagDVs, part 1

- **Table S5:** Generalized Ordered Logit Results: Models 7 and 8: Robustness Checks: lnGDP, Security and defense policy with Alternative lagDVs, part 2
- **Table S6:** Generalized Ordered Logit Results: Models 9 and 10: Robustness Checks: Voting power, Security and defense policy with Alternative lagDVs, part 1
- **Table S7:** Generalized Ordered Logit Results: Models 11 and 12: Robustness Checks: Voting Power, Security and defense policy with Alternative lagDVs, part 2
- **Table S8:** Generalized Ordered Logit Results: Models 13 and 14: Robustness Checks: lnGDP and Pillar Variables, with Alternative lagDVs, part 1
- **Table S9:** Generalized Ordered Logit Results: Models 15 and 16: Robustness Checks: lnGDP and Pillar Variables, with Alternative lagDVs, part 2
- **Table S10:** Generalized Ordered Logit Results: Models 17 and 18: Robustness Checks: Voting Power and Pillar Variables, with Alternative lagDVs, part 1
- **Table S11:** Generalized Ordered Logit Results: Models 19 and 20: Robustness Checks: Voting Power and Pillar Variables, with Alternative lagDVs, part 2
- **Table S12:** Multilevel, Ordered Logit Model Results Corresponding to Models 1–4.
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- **Table S15:** Multilevel, Ordered Logit Model Results Corresponding to Models 13–16.
- **Table S16:** Multilevel, Ordered Logit Model Results Corresponding to Models 17–20. Baseline Models
- **Table S17:** "Baseline Models" 1 and 2 (i.e., without structural variables) – Generalized Ordered Logit Results.
- **Table S18:** "Baseline Models" 3 and 4 (i.e., without structural variables) – Generalized Ordered Logit Results.
- **Table S19:** "Baseline Models" 1–4 (i.e., without structural variables): Multilevel, Ordered Logit Model Results.