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Strategies of Small Member States Towards the Institutional Reform of EU

The Case of Denmark

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Abstract

The institutional reform of EU poses a challenge for small Member States because it touches upon fundamental principles of formal equality and representation in EU. This paper tries to understand the strategies of small Member States towards the institutional reform. Hence, a theoretical framework on small state strategies is outlined. The theoretical model consists of three strategies that interact with on another: the offensive strategy, the defensive strategy and the smallness strategy. The offensive and defensive strategies originate from the integration dilemma where small states are placed in a dilemma between autonomy and influence. The two strategies represent different views regarding the gains of integration and the level of participation in the integration process. The smallness strategy originates from a different approach – actor-centred approach – and represents different ways for small states to exploit their smallness advantages in international relations. This theoretical framework is applied to the case of Denmark. The study concludes that the strategy of Denmark towards the institutional reform both reflects offensive, defensive and smallness elements.

Key words: Small Member States, Institutional reform, Strategies, Integration dilemma, Smallness advantages, Denmark

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1 Introduction

1.1 The Subject of the Study

This study is motivated by the institutional challenges and dilemmas the current development in EU raises for small Member States. The recent Intergovernmental Conferences (IGC) resulted in institutional changes that challenged the voting strength and representation of small Member States within the Union. These institutional issues touch upon the fundamental principle of formal equality between states, the power relationship between small and large and the balance between representation within the policy process and the efficiency of the process itself. Hence, this institutional reform of EU raises concerns for small Member States.¹

The subject of this study can be divided in two related themes: the institutional reform and small Member States within the EU. 1) The institutional reform is an appealing study because the reform challenges some fundamental elements and principles of the cooperation. Institutional issues are closely related to the future structure of the system and have considerable consequences for the decision-making process and the balance of power for many years to come. None of the Member States can ignore that but especially for small states the institutional reform is essential because it may point towards a “directorship of the big states”. 2) Small Member states within the EU are in itself a motivating study field. Research in European integration has often been biased towards the larger states. In that sense the institutional reform is no exception² which is why it is considered both essential and relevant to apply a small state perspective on the institutional reform.³ Such a perspective may even contribute with some new insights on the dynamics of the integration process.

¹ Goetschel 1998: 207-266

² A quick glance upon articles from the CEPS, Center for European Policy Studies, indicates that focus often has been paid towards the larger states. E.g.: “All eyes now are on the major battle between Germany and France on the one hand and Poland and Spain on the other over voting weights”, CEPS, Wednesday 10 December 2003

³ Goetschel 1998, Antola & Lehtimäki 2001, Wivel 2004 has already contributed with valuable insight on this subject.

1.2 Purpose and Research Question

My ambition of this study is both empirical and theoretical. The *empirical purpose* is to analyse the strategy of a small Member State towards the changing institutional structure in EU. Evidently, this also calls for an understanding of the institutional reform and the challenges it raises for small Member States. I have chosen Denmark as the case of this study and the aim is thus to understand the Danish Government's strategy towards the institutional reform. In order to get a thorough understanding of the Danish strategy, the analysis of Denmark relates historically to the headlines in Danish EU policy and relates horizontally with the positions of other small states. The *theoretical purpose* is to set forth a theoretical framework that can be applied to the Danish case and contribute to an understanding of the Danish strategy. My intention is to outline a theoretical model that embodies different types of small state strategies in regard to European integration. The theoretical model can thus be understood as a sub-theory to those theoretical studies that aim to produce a theory on national integration strategies.⁴ These integration strategies are created in interaction between the Government, the society level and the level of EU/other EU Governments.⁵ The primary focus of this study is the angle of the Government, while the other levels are included as underlying variables.

The objective of this paper is to answer the following **research question**: "*How is it possible to understand the strategy of the Danish Government towards the institutional reform of EU?*" The question comprehends both the empirical purpose regarding the strategy of the Danish Government and it includes implicitly the theoretical purpose on how to understand small state strategies.

1.3 Clarifications

The plan of the study is to begin with the theoretical framework. After that I will discuss the institutional reform in relation to small states. Then the study will continue with the analysis part that consists of a presentation of the case including the analysis. The study ends with concluding comments on the research findings.

In this section, I will make some further clarifications and defining comments to the framing of this present study.

⁴ e.g. Branner & Kelstrup 2003

⁵ Branner & Kelstrup 2003: 77

1.3.1 A Small State Perspective

This study originates from *a small state perspective*, which means a perspective where characteristics and challenges that are specific for small states are emphasised. But why is this focus on smallness important for this present study?

Before answering this question attention should be made to some of the arguments saying that smallness has lost its importance, especially in EU. Norms and unwritten practices such as the tendency to seek consensus and the awareness that every member state needs the support of any other Member State sooner or later have created a Union where the size is less important and where the force of the argument is stronger.⁶ It is not size per se but the action made by small states that is interesting.⁷ And when it comes to daily EU policy-making there is no real cleavage between large and small Member States and there are no interests that are systematically defended by small or large states. Coalitions follow other patterns on a case by case basis, such as sectoral interests, historical features and political stands and traditions.⁸

Although smallness in some aspects has lost its importance, it has been stressed that the “exceptions are institutional issues, where a divergence of interests is more likely to arise between large and small states.”⁹ This is happening with the current institutional debate where the larger states want to avoid the “tyranny of the small” while the small states fear the “directorate of the big”.¹⁰ The potential costs of being exploited are much higher for small states than for great powers, so when it comes to institutional changes that challenge the formal powers of small states, e.g. voting strength and representation, this creates a vulnerable situation for small states.¹¹ That is why the small state perspective is considered useful for this paper.

A small state perspective requires an indication of what *small* means. Smallness is usually defined by size¹². This paper implies a simple definition where small is defined by the size of the population. Other variables like weak political institutions, resources and experiences with international institutions might also be relevant in a distinction between different types of small states. However, the theoretical framework is developed with all small Member States in sight and, of course, they are not all identical but they are all characterised by a relatively small population. This is assumed a relevant variable in institutional settings that often

⁶ Goetschel 1998: 77-78

⁷ Broman 2005: 4

⁸ Goetschel 1998: 59-60

⁹ Goetschel 1998: 60

¹⁰ Antola & Lehtimäki 2001: 7-11

¹¹ Wivel 2005: 7-8

¹² Although no absolute criterion as to how small states should be defined exist; Antola & Lehtimäki 2001: 13-14; Thorhallsson 2000: 3

depend on the size of the population. The size of the population distinguishes the nineteen small Member States from the six large Member States (Germany, France, UK, Italy, Spain and Poland).¹³

1.3.2 The Theoretical Framework

As presented, my objective is to lay down a theoretical model on *small state strategies* within the EU. Strategies are understood as plans of action resulting from the intention to accomplish a specific goal. A strategy, in the perspective of this study, is thus a way for small states to cope with integration in order to fulfil its interest. The interesting thing is that small states cope differently with integration and the challenges that integration implies, which is why different types of strategies are laid down.

The theoretical framework on small state strategies originates from different perspectives. One perspective is the *integration dilemma* between influence and autonomy. In relation to the external environment it is in the interest of small states to be influential but at the same time autonomous. Small states are characterised by a deficit of power in relations to other states in the surrounding environment which means that the options to be influential and to preserve one's autonomy is limited. These limited options create in relation to international cooperation an integration dilemma between autonomy and influence. Small states can enhance their influence through institutional settings but at the same time they bind themselves and they risk suffering a loss in autonomy. The integration dilemma imposes a choice of strategy where the state either gives up a substantial part of its autonomy with the danger of being entrapped in the integration system or insists on its autonomy with the danger of being abandoned.¹⁴ This choice of strategy is an important feature of the theoretical framework of this study. I argue that the choice of small Member States is between an *offensive strategy* and a *defensive strategy*.¹⁵

One could question whether this integration dilemma also is relevant for large Member States. Of course, large states also are faced with dilemmas between the benefits and costs of integration but the integration dilemma is particularly acute for small Member States. The potential cost of being abandoned and exploited are higher for small states and the choices of small states may have a direct effect on their security and survival. The smaller states have neither the possibility to abandon the EU and thereby transform or even destroy it. They may choose to exit the organisation but it will continue to affect the small state. Smaller states have no “go-it-alone” power and they are unable to form an effective alternative

¹³ Antola & Lehtimäki 2001: 13-14; Thorhallsson 2000: 3; Broman 2005: 6

¹⁴ Goetschel 1998: 13-19; Petersen & Tiilikainen 1993: 154; Branner & Kelstrup 2003:73-75

¹⁵ Wivel 2002: 13-15

coalition.¹⁶ All together this means that the dilemma between influence and autonomy is more present and intense for small Member States.

Another important feature of the theoretical framework is the understanding that small states' deficit of "greatness" can be transformed to a "smallness advantage". The smallness may in some situations advantage the small Member States when dealing with the large, because of their virtues of smallness qualities. The underlying understanding is that the traditional interpretation of smallness as a deficit is no longer adequate since small state have become standard players in the international arena and the question is instead how to be the best player.¹⁷ This assumption of smallness as an advantage is likewise an important element of the theoretical framework. Accordingly, I argue that small state follow a *smallness strategy*.

This means that the theoretical model consist of three strategies: an offensive strategy, a defensive strategy and a smallness strategy. This division restructures theoretical findings from previous studies in three types of strategies which individually differ according to their assumptions and hypotheses. I argue that, a small state strategy towards integration is determined by what small states perceive as the best strategy to fulfil their interests given the available options. These perceptions and options diverge in time, between countries and issues and that is why three types of small state strategies are developed, because there exists not *one* small state strategy.

The theoretical framework should be seen as a general model of small states strategies and is not developed specific to the Danish case. I assume that all small Member States will alternate between these three strategies and that the theoretical framework is applicable to all small Member States. However, the exact use and combination of these strategies must be explained by specific characteristics of the state in question; including both domestic and external circumstances.

1.3.3 The Institutional Reform

The so-called institutional reform is in this paper limited to four essential institutional issues about voting strength and representation: *the size and composition of the Commission, the rotating Presidency, the weighting of votes in the Council and the extension of qualified majority in the Council*. I have chosen to focus on these four issues because they have resulted in disagreements and

¹⁶ Wivel 2004: 7-8

¹⁷ Goetschel 1998: 13-19; Petersen & Tiilikainen 1993: 154; Branner & Kelstrup 2003:73-75; Antola & Lehtimäki 2001: 14-18

created some of the biggest challenges in relation to the principles of equality and representation.

The time frame of the institutional reform is limited to the period starting with January 2000 and ending December 2005. The time period is based on important events like the summit in Nice, December 2000 and the final agreement on a Treaty of Establishing a Constitution for Europe (Constitutional Treaty) in Brussels, June 2004.¹⁸ The focus of the study is limited to the preparatory processes towards the IGCs. The final outcome of the IGCs is not examined because it is not the purpose of this study to evaluate the Danish strategy in relation to the final outcome.

1.3.4 The Case of Denmark

The choice fell on Denmark because of the uniqueness of the Danish case. Denmark is unique when it comes to the question of integration and policy towards EU. Denmark has traditionally shown a reluctant attitude towards EU which until recently has been a rather unique behaviour for a small state, in comparison with other old small Member States, e.g. the Benelux countries. Denmark is the proof of the complexity in defining a small state behaviour in EU and that is why I find it motivating to analyse the Danish case.¹⁹

1.4 Methodology and Sources

This section elaborates on the applied material; including some comments on the methodological aspect of the study.

1.4.1 Theoretical Material

The material used in support of the theoretical section originates from different sources. Three important theoretical sources should be pointed out. I have already mentioned the theory regarding the integration dilemma²⁰ which assumes that international integration creates difficult choices between the costs and benefit of integration. A second contribution is the adaptation theory²¹ which argues that

¹⁸ The Treaty of Amsterdam is excluded because it did not lead to significant changes as the institutional reforms were postponed, Goetschel 1998: 235

¹⁹ Branner & Kelstrup 2003: 14-16

²⁰ See Wivel 2004: 4-9; Wivel 2002: 13-15; Wallace 1999: 11-14; Branner & Kelstrup: 73-75; Petersen & Tiilikainen 1993:154; Goetschel 1998: 13-19

²¹ See Branner & Kelstrup 2003: 77-89; Due-Nielsen & Petersen 1995

national integration strategies can take different forms that range over policies of dominance to policies of acquiescence. This depends on the country's degree of control over its external environment and its degree of sensitivity to the external environment. The third contribution is the concept of "small state – smart state"²², arguing that a state's ability to be influential in international institutions is no longer related to its size but rather its capacity for innovative thinking.

The theoretical model consists of these different elements which I consider useful for the understanding of small state strategies. The different elements are theoretical contributions which I have modified into the theoretical model of this paper. These elements are not unique or new but the theoretical model of three strategies is obviously a new way of approaching small Member States within the EU.

1.4.2 Empirical Material

The empirical material has been selected according to two requirements: firstly, its connection to the Treaty of Nice and the Constitutional Treaty; secondly, its relevance for the strategy of the Danish Government. Basically, the material originates from the preparations of the Danish Government towards the EU summits. The preparations evolve in cooperation with the Danish Parliament (Folketinget) and in particular the parliamentary European Committee (Europaudvalget, EEU). Before the summits, the Government defines their basis for negotiation in consulting with the EEU Committee and the Government continues to coordinate regularly with the committee. Additionally, EU summits are often debated in Folketinget.

Additionally information derived from journal articles and media sources has complemented the empirical analysis.

Unfortunately it has not been possible to gather sufficient material regarding the negotiations strategies that work around the negotiation table; hence the negotiations are closed for the public. As a consequence the analysis of the Danish strategy does not include such specific negotiations strategies.

1.4.3 Method

It is evident that the method applied for this study is the case study method. The Danish case is considered a unique case which might imply some specific and even conflicting features. This makes the case study method a natural choice because such a research method is concerned implicitly with the complexity and

²² See Broman 2005A; Broman 2005; Goetschel 1998: 193-205; Lindell & Persson 1986

the particular nature of the case in question. However, it needs to be stressed that the theory-developing of this paper aims to formulate and use general small state concepts. This means that if this theoretical framework is considered useful for a unique case like Denmark it is believed useful for other small states as well.²³

The Danish case is analysed by methods and techniques associated with the Content Analysis (CA). The empirical text material is viewed as a “medium of expression” by the government and by analysing the content of this text it is possible to interpret the strategy of the government. The primary focus of this study is the semantic aspect of the text, i.e. “what is said in a text”.²⁴ Especially the argumentation of the text is considered relevant. Argumentation is “a verbal or written activity consisting of a series of statements aiming at justifying or refuting a certain opinion and persuading an audience”.²⁵ Argumentation will often reveal the applied strategy.²⁶

²³ Bryman 2001: 47-54

²⁴ Bauer & Gaskell 2000: 133-134

²⁵ Bauer & Gaskell 2000: 153

²⁶ Bauer & Gaskell 2000: 152-157

2 Small State Strategies

As indicated in the beginning this theoretical section sets out three types of small state strategies: *the offensive strategy*, *the defensive strategy* and *the smallness strategy*. What these strategies have in common is that each makes predictions on which strategies small states should apply in EU in order to fulfil their interests and in that sense compensate for their relative power deficit. The smallness strategy differs from the two other strategies which will be discussed at the end of this section where the different strategies are related to each other.

In addition two underlying variables will be presented: *domestic circumstances* and *external circumstances*. Although, these two variables are included in the theoretical framework they are not subject for an individual analysis.

2.1 The Offensive Strategy

An offensive strategy assumes that institutions favour small states because institutions enable small states to exert influence on decisions which otherwise would have been totally dominated by larger states.²⁷ This means that an offensive strategy will prioritise international organisation and cooperation and always advocate for and assist on the extension of their scope and effectiveness. According to the theories on the integration dilemma an offensive strategy will seek to preserve the representation in the decision-making institutions where a voice-opportunity and a vote-opportunity enable small states to be influential. Besides, a strengthening of (supranational) institutions is preferable in order to insure and encourage common rules that rise above individual national preferences, instead of a fragmented institutional framework where large states choose to act and dominate outside the institutional structures.²⁸

An offensive small state strategy calls for active participation in international institutions. Offensive smaller states will always seek to expand their influence within these institutions. In that respect, it is important to underline that an offensive dominating strategy, as presented by the adaptation theory, is not that

²⁷ This assumption originates from the paradigm of neo-liberal institutionalism, Antola & Lehtimäki 2001: 17

²⁸ Wallace 1999: 12-13; Antola & Lehtimäki 2001: 17-18; Wivel 2004:4-5; Goetschel 1998: 197-199

applicable in EU-terms. In an integrated community as EU with a high level of interdependence, a strategy of dominance is less relevant because no single country can dominate the Union. The Union is an ongoing negotiation order where member states work intensively together for a long time and a policy of dominance is neither valuable nor prioritised because it will create an unconstructive negotiation environment where compromises and common decisions are difficult to obtain.²⁹ According to the adaptation theory, an offensive strategy in EU is thus better understood as a policy of balance which is characterised by a high degree of participation that implies an active formulation of demands and attempts to influence the agenda. It can be seen as a “give and take” strategy where concessions have to be made, in order to be favoured in other areas. Kelstrup calls such a strategy for “balancing and optimising political integration”³⁰ where concessions are given in the belief that they will be more than balanced by the benefits. Characteristic for such a strategy is the determination of being an insider that aims to play an active role in shaping the agenda.³¹

In order to actively seek influence small states are willing to reduce political autonomy and suppress or compromise on national interest so as to reach the goals of integration.³² The small state will, if necessary, give up sovereignty and autonomy in order to be an international player. This prediction is derived from the integration dilemma between autonomy and influence. When a small state is acting according to the offensive strategy it is expected to prioritise influence over autonomy.³³

2.2 The Defensive Strategy

A defensive strategy assumes that small states, although the notified role given by the offensive strategy, only are playing a part within certain limits set by the larger state. The prospects of significantly influencing the actions of the great powers are perceived to be very small.³⁴ Representation and voice opportunities in international institutions do not result in real influence and it is therefore better to reluctantly accept a cooperation and instead of seeking influence attempt to preserve autonomy. A defensive strategy will, according to the integration dilemma, work for a preservation of unanimity, i.e. the right to veto a proposal if it conflicts with vital national interests. Further, a defensive strategy prefers to

²⁹ Petersen & Tiilikainen 1993: 151-154; Larsen 2005: 24-27; Due-Nielsen & Petersen 1995:14-16

³⁰ Petersen & Tiilikainen 1993: 153

³¹ Wallace 1999: 13; Petersen & Tiilikainen 1993: 151-154; Due-Nielsen & Petersen 1995:14-16; Branner & Kelstrup 2003: 75-76; 80-81; 84

³² Branner & Kelstrup 2003: 75

³³ Wallace 1999: 11; Petersen & Tiilikainen 1993: 154; Goetschel 1998: 17; Wivel 2002: 13-14

³⁴ This assumption originates from the paradigm of power politics, Antola & Lehtimäki 2001: 15-16

maintain the intergovernmental method and national representation because it will limit the risk of entrapment.³⁵

This means that the defensive strategy implies an inactive policy that considers it best to stay out of conflicts and issues with the larger states, i.e. a low profile strategy. According to the adaptation theory a defensive strategy may correspond to the policy of quiescence which implies a policy of minimal external activity that aims to be quiet and unnoticed. Such a strategy means to stay out of any international cooperation and is therefore not that relevant for the topic of this paper where focus is applied to EU Member States that have joined a rather extensive cooperation. However, the temptations of non-commitment or exemption strategies will very likely be experienced when national interests are threatened by the integration process.³⁶ A defensive strategy of small Member States in EU is though best understood as a policy of acquiescence which can be translated to silent acceptance or permission. According to Mouritzen's version of adaptation strategies such a policy may consist of a strategy of concessions which means surrendering domestic values and interest to external forces combined with a strategy of bastion where vital national interests are defended.³⁷ These different strategies all respond to what Kelstrup calls "reluctant political integration"³⁸ that is characterised by adherence but also attempts to minimise undesirable adjustments, i.e. avoiding commitment that jeopardise national autonomy.³⁹

A defensive small state strategy towards the international environment will thus seek to protect national interests and avoid sovereignty loss. Defensive small states prefer independency because they fear entrapment and overruling of national priorities.⁴⁰ In relation to the integration dilemma it means that autonomy is prioritised over influence and sovereignty is seldom given up.⁴¹

2.3 The Smallness Strategy

The smallness strategy is derived from the understanding that smallness offers strategic opportunities as to achieve the small state's goals. A smallness strategy means different ways for small states to exert strategic power qualities in order to compensate for their lack of quantitative power resources.⁴² It is possible to divide these qualities in three sets of strategic opportunities. Firstly there are the strategic

³⁵ Branner & Kelstrup 2003: 75-76; 80-84; Antola & Lehtimäki 2001: 15-18; Wivel 2004:4-5;

³⁶ Branner & Kelstrup 2003: 83-84; Due-Nielsen & Petersen 1995: 15

³⁷ Branner & Kelstrup 2003: 80; Due-Nielsen & Petersen 1995: 190-192

³⁸ Petersen & Tiilikainen 1993: 153

³⁹ Wallace 1999: 14

⁴⁰ Branner & Keslstrup 2003: 74-76

⁴¹ Wivel 2002: 13-14; Petersen & Tiilikainen 1993: 154; Goetschel 1998: 17

⁴² Goetschel 1998: 16

opportunities that stem from the organisational capability, secondly there are negotiation skills and thirdly the capability to cooperate and build coalitions.

The smallness of organisational capabilities strengthens the function, the efficiency and the coordination of the domestic political institutions.⁴³ Limited organisational resources also means that small states cannot manage to adopt a position on every international issue that arises, but they are as such not obliged to do so.⁴⁴ In fact, the smallness of organisational capabilities and the high intensity of interests advantage the small states: “smallness provides the advantage of effective national policy-coordination. This helps small member states to concentrate their efforts on the issues that are of real relevance to them.”⁴⁵ Small states are flexible in some issues and inflexible in other issues and consequently they are often easier to negotiate with because they are willing to pay a higher price to reach its goal.⁴⁶

The opportunities that are derived from small state negotiation skills include negotiation advantages like, norm-compliance, mediation, leadership qualities, and the ability to be the honest broker. In other terms: diplomacy is the tool of statecraft which they occasionally can hope to excel.⁴⁷ Small states are skilled to play the role of the honest broker because it has fewer interests, a more conflict-solving approach and acts without appearing sufficiently self-interested. Its role of honest broker allows it to have direct input on the outcome, an outcome which will affect the small state as a member of the organisation.⁴⁸

The last set of small state qualities is their ability to create and join alliances or coalitions. Alliances have traditionally been seen as a way for small states to increase their influence when dealing with the big.⁴⁹ In relations to EU, Wallace claims that “small state[s] should therefore build and maintain coalition, in spite of divergent interests on specific issues, as vehicles for promoting status and shaping multilateral agendas.”⁵⁰ Small states can choose to build coalitions among themselves or with larger states. In relations to larger states small states are often considered as a convenient coalition partner because, firstly, alignment with the small state requires few concessions of the larger partner in return and, secondly, if small states succeed in gaining benefits these are not considered as a threat to its larger partners.⁵¹

⁴³ Lindell & Persson 1986: 84

⁴⁴ Lindell & Persson 1986: 84

⁴⁵ Broman 2005:10

⁴⁶ Wallace 1999: 21; Thorhallsson 2000: 222

⁴⁷ Lindell & Persson 1986: 88; Wallace 1999: 24

⁴⁸ Goetschel 1998: 204-205, Broman 2005

⁴⁹ Keohane 1971:161

⁵⁰ Wallace 1999: 13

⁵¹ Goetschel 1998: 202-203

In relation to the focus of this study a smallness strategy will carefully judge how best to adjust, i.e. which institutional positions to defend, which to abandon. The Government will be flexible and prioritise between the different institutional goals. Further, a small state will launch joint initiatives in order to mediate their interest and thereby create a strong alliance. At this point it should be noticed that the smallness strategy also could have been applied directly to specific negotiations strategies, but this element has, as mentioned earlier, been delimited due to lack of empirical material.

2.4 Underlying Variables: Domestic and External Circumstances

As mentioned in the beginning, the strategy of the Government is created in interaction with the society level and the level of EU/other EU Governments. The argument is that: “decision-makers must select policies which are not only acceptable to themselves and compatible with the policies of other integration partner, but which also satisfy the demands and fears of their own publics.”⁵² The society level and the level of EU/ other EU Governments provide the backbone of the Government’s strategy and may affect the Government’s choice of strategy. I have named these underlying variables as domestic and external circumstances.

The variable, *domestic circumstances*, is an underlying factor that affects and interferes with the strategies of small states because “no strategy for managing European integration can work unless it can create and maintain a domestic consensus in support”.⁵³ Decisions that used to be a domestic matter are decided on the European level. EU constitutes thus a new political system where the individual Government might be circumvented in the decision-making process.⁵⁴ This has created a gap between the state and the society.⁵⁵ This means that while the Government recognises the need for concessions the public only accept the benefits but not the costs. Domestic support or dissatisfaction is thus expected to have an underlying effect on the Government’s choice of strategy. This effect depends, however, on the Government’s control over the public opinion and the Government’s sensitivity towards societal influences.⁵⁶

The three strategies cannot be understood independently from the other EU Member States and the ongoing process of policy-making and negotiations in EU – so-called *external circumstances*. The level of influence capability and the

⁵² Branner & Kelstrup 2003: 77

⁵³ Wallace 1999: 23

⁵⁴ Petersen & Tiilikainen 1993: 155-157

⁵⁵ Petersen & Tiilikainen 1993: 148; Wallace 1999: 21-23

⁵⁶ Branner & Kelstrup 2003: 84-87

degree of sensitivity towards the external environment, as pointed out by the adaptation theory, are important for a Member State strategy. E.g. economic power will often enable the state to play an offensive role in economic issues while it is more difficult for a militarily weak state to launch an offensive strategy in the area of foreign and security policy. Further, the reputation of a Member State is also important. If a country often works against the consensus it might “damage” its reputation and it will be difficult to gain goodwill and understanding in other issues. It may also be difficult for a country to apply an offensive strategy if this country is known by all the other Member States as the “reluctant partner.”⁵⁷

These domestic and external factors are connected to the proposed small state strategies because they create underlying conditions where one choice of strategy might be more obvious than others.

2.5 Three Types of Strategies

This section has developed three strategies of small states towards integration: *the offensive strategy*, *the defensive strategy* and the *smallness strategy*.

To begin with, one might wonder why it is necessary to have different small state strategies. The small states are member of the same Union, have the same power deficit and face the same dilemmas and challenges. Why would they act differently? They act differently because they perceive the “best strategy” differently. Characteristic for the offensive and defensive strategies is that they basically represent different reactions to the integration dilemma between influence and autonomy. They represent different versions of the “best strategy”.

The differences between the offensive and the defensive strategy diverge along different dimensions: the state’s *perception of institutions*, its *preferences regarding influence and autonomy* and its *level of participation*. The offensive strategy believes that international institutions provide perceptible options of influence for small states while the defensive strategy sees institutions as another tool for larger states to be powerful and hence small states will continue to have limited influence. As a result small states act differently towards integration because they perceive the gains and the influential options differently. Accordingly, the offensive strategy is very active and participating while the defensive strategy is inactive and reluctant. The reason is that an offensive small state is willing to give up autonomy because of the gains of integration while a

⁵⁷ Branner & Kelstrup 2003: 78-80

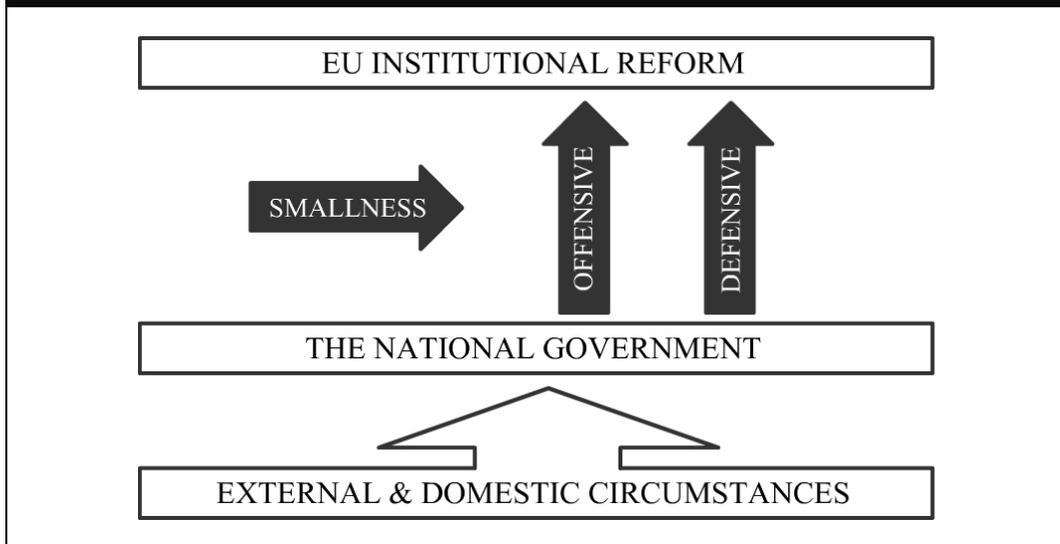
defensive small state is not willing to give up autonomy for uncertain gains. This difference is derived from the dilemma between autonomy and influence.

The reason why it has been essential to theoretically outline these two very different strategies is because it enables the researcher to study and clarify to what extent a small state strategy is either offensive or defensive. In “real life” the offensive and defensive strategies probably will be mixed but in order to discover that, it is important to draw a theoretical distinction between the two strategies. The defensive and offensive strategies shall not be perceived as mutually exclusive because an explanation of a small state strategy must be based on an interaction between the strategies. Additionally, there may be overlaps between the strategies, e.g. concessions may be a part of a balancing policy of “give and take” as well as a being the core strategy of a defensive strategy.

The smallness strategy differs from the two other strategies because it is not in itself a strategy towards integration. It is a strategy on how small states shall act in order to exploit their advantages of smallness. The defensive and offensive strategy can explain how small states cope with integration. The smallness strategy is another type of variable because it is an intervening variable in relation to the offensive and defensive strategy. The offensive and defensive strategies are structural variables that aim to forecast how small states will react to structural pressure and challenges from the external level. The smallness strategy is an actor-centred variable that aims to forecast how small state can behave in a skilled and correct way in relation to the surrounding environment and the other actors. The challenging aspect of the theoretical framework is to combine these two different types of variables into an analysis of small state strategies. The offensive and defensive strategies can explain the overall mode of the small state strategy while the smallness strategy can explain the tactical mode of the small state strategy.

The interaction of the three strategies and the underlying variables is shown in figure 1.

Figure 1: Theoretical Model on Small State Strategies



2.5.1 Hypotheses

The aim of the theoretical model is to apply it to the case of Denmark. The model is applied according to the following sets of hypotheses. These hypotheses are derived from the theoretical framework and function as analysing tools.

- The offensive strategy will strive for strong and efficient institutions because such institutions provide options of influence while the defensive strategy will strive to insure intergovernmental structures in order to preserve national autonomy.
- The offensive strategy is willing to give up a greater amount of autonomy as to insure the goal of integration while the defensive strategy will strive to defend autonomy.
- The offensive strategy will in general reflect a high level of active participation while the defensive strategy will reflect a low profile and to some extent silent acceptance.
- The smallness strategy will strive to exploit the smallness advantages of flexibility and coalitions.

The objective is not to test these hypotheses but instead the theoretical model as such: is the model applicable to the Danish case and does it contribute to an understanding of the strategy of the Danish Government?

3 The Institutional Reform

Before proceeding to the analysis attention is given to the institutional reform. It is not advantageous to address the question of small state strategies towards the institutional reform before the institutional reform is understood. The aim of the section is thus to analyse the different institutional issues that form the basis of the reform and to discuss in what way the institutional initiatives pose a challenge for small Member States

It is important to understand the context of the institutional reform as it is much related to the enlargement of the Union. The Union has undergone several enlargements and there is a risk that the widening of the Union will paralyse the decision-making if adjustments are not made. There is a risk that the deepening process will be lacking because an unchanged decision-making structure with 25 Member States will be slow and perhaps impossible.⁵⁸ A conflicting point of view is that the efficiency consideration is not the primary reason for an institutional reform because the Community could very well be run with ten more members. The reason is instead that larger member states fear that the expansion of the number of small states will tie the larger states if institutional changes are not made.⁵⁹

3.1 The Composition of the European Commission

The Commission is a unique institution that yields executive powers, monitoring and guardian powers and has in most areas the sole right to initiate new policies.⁶⁰ The Commission is viewed as a supranational organisation because it acts independently from the Member States and is destined to act on behalf of the entire Union and express the general interest that goes beyond the sum of national interests.⁶¹

Small Member States picture the Commission as particularly important. The Commission functions often as a counterbalance to the Council and smaller states

⁵⁸ Antola & Lehtimäki, 2001: 9

⁵⁹ Antola & Lehtimäki, 2001: 21

⁶⁰ Bomberg & Stubb 2003: 44-45; Antola & Lehtimäki 2001: 29

⁶¹ "The Members of the Commission shall, in the general interest of the Community, be completely independent in the performance of their duties", article 213, The Treaty Establishing the European Community (consolidated text)

see the Commission as their friend because it preserves the interests of the community and treats all Member States on equal terms: "the Commission given its supranational character, pledges to treat all Member States on equal terms, acting as a competent and 'neutral' power against the larger states"⁶². The Commission can oppose a majority decision in the Council which constitutes an essential guarantee for all Member States since it protects minority interests for being outvoted unreasonably. The small Member States trust the Commission's capacity in ensuring a fair balance between all interests at stake. Consequently, a change of the composition of the Commission or a change in the power balance between the Commission and the Council is of interest for the smaller states.⁶³

In relation to the enlargement the size and the composition of the Commission have been questioned because some fear that an increase in the number of Commissioners might harm the efficiency of the decision-making process. Small states are worried that they might lose their national representative and thereby risk that their national specifics and sensitivities are not taken into account. Additionally, they fear that states which are not represented by a Commissioner will claim not to be obliged to fulfil the decisions agreed by the Commission. This will weaken the Commission both as regards legitimacy and political substance.⁶⁴

3.2 The Presidency of the Council

The Presidency of the Council rotates every sixth month between the different Member States. In an enlarged Union consisting of 25 Member States the rotating element of the Presidency has been questioned. This troubles the smaller states because the Presidency is believed to be a powerful chair.

The Presidency is in itself an institution with several responsibilities and duties that empowers the Presidency with asymmetrical control of the negotiation process and of information. Hence, the government that holds the presidency has considerable control of the legislative agenda inside the Council and has possibilities to promote certain agreements and outcomes compared to others. The Presidency is a window of opportunity for small states to play a larger role, both on the European and on the international scene. The possibility to hold a Presidency enables the small state to raise the profile of their state and within certain limits to set the agenda and determine the outcome of the Union. This

⁶² Antola & Lehtumäki 2001: 29-30

⁶³ Antola & Lehtumäki 2001: 28-30; Beach 2004; Tallberg 2002; Goetschel 1998: 53-58; Wivel 2004: 12

⁶⁴ Almer, Brinar & Kral 2003: 8-9; Wivel 2004: 12

means that the prospect of running the Presidency of the Union is very important for the small Member States.⁶⁵

With the enlargement of 2004 the rotating system is under pressure. In an enlarged Union of 25 Member States each member could expect to hold the Presidency every thirteenth year which is considered both unacceptable for large Member States and inefficient. When the Presidency rotates, there is a risk that long-term goals are weakened and that the Presidency only carries on by necessity.⁶⁶ Furthermore, the burden of the Presidency is seen as a task so huge, that small states might have difficulties in providing the adequate administrative capacity and civil service.⁶⁷ Therefore an abolishment of the rotating Presidency became a debated issue in relations to the Constitutional Treaty. This challenges the position of small states because they see the Presidency as a unique option of influence. Additionally they are sceptical about a permanent President because they fear that it will strengthen the Council in relation to other EU-institutions, especially in relation to the Commission.⁶⁸

3.3 The Weighting of Votes in the Council

The Council is together with the Parliament the main legislative body. The Council, being an intergovernmental institution, represents directly the Member States and embodies a forum where national interests are defined.

Decisions in the Council are primarily taken by qualified majority or unanimity. Under qualified majority voting (QMV) the votes are weighted and reflect the relative population size of the different member states. The smaller states have been favoured in the voting system and a majority or a blocking minority has required a coalition of small and large Member States. However, the increased number of small states concerns the large states because they fear that small states will tie-down important decisions. This concern started the debate about a new voting system where larger states require compensation by extra votes.⁶⁹ Obviously, the smaller states fear that the rules will be changed in a way where the advantages of being influential through QMV is overshadowed by the risk of losing autonomy and being entrapped in disadvantageous proposals. Another risk is that the voting system might be so complex that it will be difficult to make constructive decisions.

⁶⁵ Antola & Lehtimäki 2001: 37-38; Tallberg 2004: 1002; Metcalfe 1998: 416, Hix 2005: 80; Goetschel 1998: 75-76

⁶⁶ Almer, Brinar & Kral 2003: 2-3

⁶⁷ Goetschel 1998: 76

⁶⁸ Almer, Brinar & Kral 2003: 3

⁶⁹ Hix 2005: 84; Antola & Lehtimäki 2001: 22-23; 26-27

The discussion of the voting system is very sensitive and creates a cleavage between smaller and larger states. However, arguments have been made that the weighting of votes is more cosmetic than of real importance because coalitions in daily politics are created along other divisions than small versus large.⁷⁰ Despite the “cosmetics” it should not be overlooked that the Council is a powerful body where the voting weight is the visible symbol of power, not least in the eyes of the public. And one should not forget that compromises and decisions always are made in the shadow of the vote.⁷¹

3.4 The Extension of QMV

The weighting of votes is related to the question concerning the extension of QMV. The point of discussion is how many areas should be covered by QMV? The argument for an extension of QMV is that it enables the Union to take efficient and qualified decisions that do not correspond to the lowest common denominator. It has been argued that QMV makes people compromise because their “awareness of their outlook of remaining in a minority position causes them to seek consensus”.⁷² An extension of QMV is necessary in an enlarged Union in order to ensure an effective system and avoid that individual national interests block the interests of the majority.

The extension of QMV troubles the small Member States because the small states have fewer votes in the Council and because QMV take away the right to veto. On the other hand, QMV strengthens the supranational dimension of the union which will contribute to a more vigorous and effective development of the Union to the advantage of all. Extension of QMV will intensify the cooperation and some small states might see this as a problem while others find it positive. In that sense it is rather difficult to distinguish between a cleavage of large versus small and a cleavage between intergovernmentalism and supranationalism.

3.5 The Institutional Challenges

The above examination shows that the institutional reform creates challenges for small Member States. Small states face a situation where the formal principle of equality and representation might be changed and where the balance between

⁷⁰ Goetschel 1998: 59-60

⁷¹ Antola & Lehtimäki 2001: 26;

⁷² Antola & Lehtimäki 2001: 24

small and large states might be altered.⁷³ It creates a dilemma between efficiency and representation because a preservation of representation within institutions might harm the efficiency of the institutions. This is especially visible in case of the Commission and the Presidency. Furthermore, the prospect of an intensified cooperation with weakened options of influence will confront the small states with the integration dilemma between autonomy and influence. Especially the re-weighting of votes and the extension of QMV represent this dilemma between autonomy and influence. The small state strategies towards the institutional reform will presumably depend on the way small states perceive and react to these dilemmas, cf. the theoretical section. The next section will provide us with some answers as to the case of Denmark.

At this point it should be noticed that the composition of the Commission and the weighting of votes in the Council might create the deepest division between large and small states because they are typically zero-sum games with winners and losers.

⁷³ Goetschel 1998: 246

4 The Case of Denmark

This section aims to analyse the Danish strategy towards the institutional reform. The analysis consists of an identification of the Danish preferences towards the institutional reform and an interpretation of the character of the Danish strategy. The theoretical framework and findings are actively used for this latter purpose.

Before proceeding to these parts it is deemed valuable to introduce some main characteristics of Denmark. Circumstances that are unique for Denmark, both domestic and external, can be useful for the understanding of the Danish strategy. Additionally it is believed valuable to compare and understand the Danish strategy towards the institutional reform in relation to general tendencies in Danish EU policy.

4.1 Characteristics of Denmark

This sections aims to provide some general characteristics of Denmark. My objective is to reveal the uniqueness of the Danish case.

4.1.1 Denmark's Policy towards Europe – General Tendencies

When Denmark joined EC/EU in 1973 it was because of the economic benefits and since then the goals of integration have been related to the economic sphere. In relation to economic politics in EU Denmark has often participated actively and has acted as an insider. In relation to the institutional development the dominating view has been that EU should remain a voluntary association of states which have decided to solve certain problems in common. In relation to that, Denmark has often prioritised the primacy of the intergovernmental Council: “the Council of Ministers is seen as the absolute center of power in the Union, while the Commission and the Parliament are given subsidiary roles.”⁷⁴ A direction towards further supranationalism and federalism has always been undesirable because the protection of national sovereignty has been given a high priority. Denmark has usually advocated for status quo in institutional issues and during the 1990's Denmark rejected all plans towards “a Union”.⁷⁵

⁷⁴ Branner & Kelstrup 2003: 90

⁷⁵ Branner & Kelstrup 2003: 89-95; 359-367; Due-Nielsen & Petersen 1995: 200-207

The Danish policy towards Europe can overall be characterised as a cautious balancing “give and take” policy, supplemented by a strategy of defence which has led to exemptions and non-commitments in some areas. Denmark has opt-outs in following areas: justice and home affairs, defence policy, Union citizenship and the third phase of the EMU. Denmark is known as a reluctant member that is very issue-specific in its strategy.⁷⁶ Denmark is also known to be a very rule-abiding member that has one of the best records when it comes to implementing EU legislation.⁷⁷ It corresponds to the degree of pragmatism that has characterised Danish EU politics: “pragmatism is reflected in the way Danish negotiators approach the day-to-day problem of the Community, in Denmark’s ability to implement common decisions, in Denmark’s insistence in concrete measures and dislike of long-range, mostly unrealistic aims.”⁷⁸ This pragmatism has also had its effect on the question of sovereignty because supranational steps and strong institutions have been accepted in areas where it is considered a pragmatic solution to a political or economic problem. Recently tendencies indicate that Denmark has moved towards a more active and constructive line in relation to both a widening and deepening of the Union.⁷⁹

4.1.2 Underlying Variable: Domestic and External Circumstances

Pedersen emphasises two unique characteristics regarding the Danish *domestic circumstances*: 1) involvement of the national Parliament (Folketing) in the decision-making procedure and 2) the institution of EU-referenda.⁸⁰

The Danish decision-making system in regard to EU-participation involves the Parliament to a greater degree than elsewhere. The Folketing exerts control over the European policy and the Government’s formal and real freedom of manoeuvre is constrained, especially in the case of minority Governments, which is usually the case. This affects the Government because the positions of the Government and of the parties in the Folketing in general differ when it comes to EU questions; the Folketing generally being more sceptics. This effect was exemplified with the Single European Act (SEA), which the parliamentary majority voted against in 1986. Although the Government and the Folketing in recent years have agreed on the main lines in Danish EU policy, the Folketing will always have an indirect effect on the EU-policy.⁸¹

⁷⁶ Branner & Kelstrup 2003: 94-95

⁷⁷ Branner & Kelstrup 2003: 361-362

⁷⁸ Branner & Kelstrup 2003: 363

⁷⁹ Branner & Kelstrup 2003: 363-367; 371-374; Due-Nielsen & Petersen 1995: 202-204

⁸⁰ Branner & Kelstrup 2003: 14-15; Due-Nielsen & Petersen 1995: 32

⁸¹ Branner & Kelstrup 2003: 14-15; Due-Nielsen & Petersen 1995: 28-29; 197-199;

The institution of EU-referenda is a well-known phenomenon in Denmark. Some referenda have been consultative while others have been required according to the Danish Constitution. These Referenda have insured a high degree of public involvement in questions related to EU membership. Especially, the question of national sovereignty has been placed high on the public agenda. The public opinion has had a great impact on the official Danish EU policy. Approximately half of the Danish population is critical towards EU which might explain why the Danish EU policy often has been reluctant. This was exemplified with the Treaty of Maastricht: “the first Maastricht referendum in 1992 ended in a disaster for the political establishment, which had underestimated the public’s fear of the slippery slope towards the Union.”⁸² In recent years the public EU debate has become more differentiated and moved from a question of membership towards a question of how to make EU better.

In relation to the *external circumstances* two aspects are considered important: 1) the dependency of the external environment and 2) the Danish reputation.

Denmark is a typical small state that is very dependent on the European cooperation, especially when it comes to economic relations. Denmark has a high foreign trade/GDP ratio and a high concentration of trade on the European market. Denmark has also been depended on the EC/EU as a major receiver of funds from the Union’s Common Agricultural Policy.⁸³ Generally, this has placed the Government in a difficult situation characterised by a strong dependence on the external environment versus domestic pressure from a critical public.

The reputation among the other Member States’ Governments is also an important external factor. Denmark is known for its reluctant attitude towards EU. Already during accession negotiations with Denmark the Six⁸⁴ and the Commission were suspicious of Denmark’s “Europeanness”. The Danish reputation of reluctance and scepticism might affect the Danish position in the EU environment: “the limited identification with Union goals and the associated “foot-dragging” image has limited Denmark’s influence on Union affairs”⁸⁵, although it of-course has been difficult to say for sure. Denmark’s reputation might also be characterised by credibility because of its norm-compliance behaviour. On the one hand, the reputation of credibility gives Denmark a good negotiation position and it may enable Denmark to apply act as a constructive mediator. On the other hand, such a position may be difficult when it comes to institutional issues where Denmark’s attitude is reluctant.

⁸² Branner & Kelstrup 2003: 90

⁸³ Branner & Kelstrup 2003: 91

⁸⁴ That is Benelux, France, Italy and Germany

⁸⁵ Branner & Kelstrup 2003: 91

In sum: the above presentation points out that these underlying variables are expected to affect the Danish Government in a way, where some strategies become more likely than others. It shows that these variables may not point in the same direction which makes it rather difficult to estimate the overall effect. The aim here is just to raise attention towards these factors as it is not in the scope of this paper to analyse this effect in-depth. Nevertheless, some of the underlying factors might help to explain the Danish Government's strategy.

4.2 The Danish Strategy

The analysis of the strategy of the Danish Government implies an identification of the Danish preferences and negotiation mandates previous to the IGCs. The main discussions regarding the institutional issues and the preferences of other small Member States will likewise be outlined.

I have chosen to structure the analysis according to the three proposed strategies. As mentioned, the strategies are not mutually exclusive and competing and should not be analysed in that way. Therefore, the analysis of the Danish strategy will examine the different strategies and theoretical hypotheses in relation to one another. The purpose is to identify and understand to what extent the Danish strategy has been offensive, defensive and "smallness-inspired".

4.2.1 Efficiency versus Representation

As mentioned earlier the institutional reform creates a dilemma between representation within institutions and efficiency of institutions. According to the theoretical model an offensive strategy will be more willing to accept efficiency over representation while a defensive strategy will defend the national representation. The section aims to analyse which strategy Denmark followed in relation to this dilemma. Focus will primarily be on the composition of the Commission and the rotating Presidency because the dilemma between efficiency and representation is especially evident in those cases.

The question of the *composition of the Commission* consisted of two parts. Firstly it was discussed whether all Member States should be represented in the Commission with a valid member, i.e. the principle of one Commissioner per Member State. Secondly, it was discussed which system could be applied if the number of Commissioners would be lower than the number of Member States. In the latter case it was suggested that smaller states could form regional or other grouping, and share a representative in the Commission. A different solution was

an equal rotation of Commissioners which would ensure the equal treatment of all Member States.⁸⁶ In relation to that a "two tier" system consisting of a College and non-voting Commissioners has been suggested; where the collection of the College would be based on a system of equal rotation.⁸⁷

The composition of the Commission is a tricky one, because efficiency and representation are strongly related. On the one hand, representation of all Member States is important for the efficiency and legitimacy while on the other hand, a high number of Commissioners will weaken the efficiency, cf. section on Institutional reform.⁸⁸ Accordingly to the theoretical hypotheses an offensive strategy will strive for strong efficient institutions which mean that the principle of one Commissioner per country is only preferable as long as it is not inefficient. A defensive strategy will defend national representation based on the assumption that national representation in the Commission is important for national interests.

What is interesting to notice is that the Danish strategy on the composition of the Commission changed several times. To begin with, the Danish Government was very firm on its demand of one Commissioner per Member States and in the Government's negotiation mandate on the Nice Treaty this was expressed very distinctly and determined, in comparison to other issues.⁸⁹ The Danish strategy has been explained by the Danish EU-ambassador, who stated why it is not durable to have a Commission where not every state is represented. His explanation was that it would cause too much criticism from the Member States that for the present did not have a Commissioner and it would be ineffective.⁹⁰ According to a report from the Danish Foreign Ministry, Denmark criticised together with other small Member States the proposal from the Presidency regarding a ceiling and refused that a large Commission could not work efficiently.⁹¹ Previous to the final negotiations in Nice the small states made it clear that they were not going to give up their Commissioner.⁹²

The Danish demand on one Commissioner per Member States changed previous to the negotiations on the Constitutional Treaty. The Danish Government abandoned their demand and stressed instead in their negotiation mandate that "It is of decisive importance that the Commission in an enlarged EU can continue to be a strong, efficient and well-functioning guardian of the common European interest. The Commission shall be strengthened in order to efficiently control that rules are carried through and respected [...] Denmark is prepared to accept a solution [two-tires of Commissioners] based on full and equal rotation among

⁸⁶ Antola & Lehtumäki 2001: 30-32;

⁸⁷ Danish Government's basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

⁸⁸ Wivel 2004: 12

⁸⁹ Danish Government's basis for negotiation, EEU-document, Bilag 537, 3 February 2000

⁹⁰ Info-note, EEU-document, Bilag I 15

⁹¹ Report from the Danish Foreign Ministry, EEU-document, Bilag 1356, 18 July 2000

⁹² Antola & Lehtumäki 2001: 33

Member States.”⁹³ This statement was worked out in the Folketing in September 2003 and finally confirmed in October 2003 and the notable thing is that, according to other observers, Denmark changed this position just before the IGC started in October 2003. As a result, Denmark again defended the principle of one Commissioner per Member State.⁹⁴

How can we understand the Danish strategy and these changes? Although, the preferences differed from one another the argumentations behind were characterised by the same considerations of efficiency. And in both cases it seems like Denmark followed an offensive strategy that prioritised a strong and efficient institution. This is especially evident in relation to the mandate of the Constitutional Treaty, where Denmark is willing to give up national representation in favour of efficiency. Both mandates are decisive and in particular the mandate of Nice clearly reflects an offensive strategy of demand. The final shift of the Danish strategy in relation to the IGC of 2003 can at best be explained by domestic circumstances.⁹⁵ A Danish poll conducted in the period September/October 2003 showed that 69 pct of the Danish public disagreed with a system where only half of the Commissioners are granted voting rights.⁹⁶ As a Danish Government always must be concerned about getting the treaty ratified by referendums back home the attitude among the public may have forced the Danish Government to change policy. Additionally, the Danish Government was also under external pressure as the other smaller states criticised Denmark for not supporting the interests of the smaller states sufficiently.⁹⁷ It seems that the Danish Government changed their rather offensive strategy, due to domestic and external pressure, towards a strategy of protecting national representation in the Commission.

The question of the *rotating Presidency* and a permanent President stayed open until the debate on the Constitutional Treaty: one solution was an appointed Presidency who would lead the cooperation for several years and act as the Union’s public image. A second solution was to rotate the Presidency in two-and-half year turns among the large states and let the other (small) Member States hold vice-presidencies in turns. Another suggestion was that some Council configurations (or all?) should have some kind of Team Presidency, e.g. two to three countries, mixing small and large states, would hold the Presidency jointly.⁹⁸

⁹³ My translation, Danish Government’s basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

⁹⁴ Carlsen & Mouritzen 2005: 110

⁹⁵ Carlsen & Mouritzen 2005: 110

⁹⁶ Gallup for Berlingske Tidende, poll was conducted 29 September 2003 – 3 October 2003

⁹⁷ Carlsen & Mouritzen 2005: 110

⁹⁸ Questionnaires from the Presidency, EEU-document, Bilag 1336, 25 September 2003; Antola & Lehtimäki 2001: 38-39; Wivel 2004: 11-12; Hix 2005: 81

As mentioned earlier, the question regarding the rotating Presidency creates a dilemma between efficiency and representation. A rotating Presidency will in an enlarged Union become very inefficient and it will be difficult to preserve long term goals and continuity in the development of EU. The suggested solution is a permanent Presidency but this will abolish the national representation in the Presidency, cf. section on Institutional reform.

The Danish Government expressed in their basis for negotiation in 2003 that an appointed Presidency is a good solution in order to insure continuity and balance in relation to the other EU institutions.⁹⁹ The Danish Government's reply to a questionnaire from the Presidency stated that Denmark also is open towards the idea of Team Presidencies, and argued in that respect that it is important to ensure efficiency and coherent decision-making and that the system must be based on full and equal rotation among Member States.¹⁰⁰ Again there were clear indications that Denmark followed an offensive strategy and was willing to accept a permanent President because of the advantages of efficiency. Other small Member States disagreed with the Danish position.¹⁰¹ The Benelux countries stated that electing a European Council president for a long period is not a satisfactory alternative to the current practice.¹⁰² Small states as Finland, Austria, Portugal and Ireland expressed the same view. They insisted on the preservation of some sort of rotation because they feared that a permanent President would strengthen the Council in relation to other EU-institutions, especially in relation to the Commission, which would change the institutional balance in favour of the larger states.¹⁰³

One might wonder if the Danish Government's strategy of a permanent President in fact was a strategy of defending and strengthen the Council at expense of the Commission, i.e. a more defensive strategy. In that respect it is important to underline that the permanent President, according to the Danish Government, only should be a "representative" with clear delimited powers.¹⁰⁴ It seems that Denmark followed an offensive strategy that attempted to insure an efficient Presidency and simultaneously avoid a powerful Presidency that would change the institutional balance in favour of the Council and the interests of the larger states. In relation to that it is interesting to notice that a poll in September/October 2003, which stated that approximately half of the Danish public was critical towards an appointed EU President, did not seem to affect the Danish strategy.¹⁰⁵

⁹⁹ Danish Government's basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

¹⁰⁰ Replies of the Danish Government to questionnaires from the Presidency, Bilag 1, 2 October 2003

¹⁰¹ Hix 2005: 81

¹⁰² Benelux Memorandum 2002

¹⁰³ Michalski & Heise 2003: 8

¹⁰⁴ Danish Government's basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

¹⁰⁵ Gallup for Berlingske Tidende, poll was conducted 29 September 2003 – 3 October 2003

4.2.2 Autonomy versus Influence

A preservation of both autonomy and influence in EU is a difficult task for small states. As stated earlier, when the cooperation intensifies and the institutional framework changes it will often create a small state dilemma between autonomy and influence, cf. section on Institutional reform. This dilemma emerged in relation to the institutional reform and the aim of this section is to discuss the Danish strategy in relation to autonomy versus influence. Focus is on the weighting of votes in the Council and the extension of QMV. Both issues relate to the voting rules in the legislative process and the dilemma between exerting influence on the process and the risk of being entrapped in the process.

The aim of a *re-weighting of votes in the Council* was to discourage the larger states' fear of a "tyranny of the small" and to create a system that stays simple when the Union consists of more than 25 Member States. Different solutions were on the table. One proposal was a moderate re-weighting of votes or unchanged votes in combination with a population criterion of e.g. 60 pct behind a qualified majority ("democratic safety net"). Another proposal was a more substantial re-weighting of votes in favour of the larger Member States combined with an additional parameter of a least a majority of Member States behind a qualified majority. Other proposals implied a radical re-weighting of votes.¹⁰⁶

In the preparations for both the Treaty of Nice and the Constitutional Treaty it was evident that the main division between Member States was between those that wanted a re-weighting of the current system and those that wanted a "dual majority".¹⁰⁷ In general the smaller states favoured the dual majority while the larger Member States favoured an actual change of voting weight.¹⁰⁸ However, some smaller states (the Netherlands and Sweden) were in favour of a general upheaval of the voting weights.¹⁰⁹

According to the Danish basis for negotiation to the Nice Treaty, the Danish Government expressed understanding for the untenable situation if the weighting of votes stays unchanged. The Government stressed further that they would work to maintain the balance between large and small member states. The best solution, according to Danish Government, was to introduce a "dual majority" where a proposal is passed when most of the Member States representing most of the population of the whole Union can accept it.¹¹⁰ This view was maintained during

¹⁰⁶ Danish Ambassador Gunnar Ortmann, in Friis & Strøbech 2001: 20-21; Note from the Presidency regarding re-weighting of votes, EEU-document, Bilag 254, 15 November 2000

¹⁰⁷ Yataganas 2001: 262-263

¹⁰⁸ Report from the Danish Foreign Ministry, EEU-document, Bilag 1221, 16 June 2000.

¹⁰⁹ Antola & Lehtumäki 2001: 25

¹¹⁰ Danish Government's basis for negotiation, EEU-document, Bilag 537, 3 February 2000

several meetings.¹¹¹ The Danish opinion was also that the threshold for a qualified majority should stay at the same level.¹¹²

The Danish strategy was to some extent defensive because the Danish Government worked for a “dual majority” that included a one-vote-one-nation principle or a least a principle where the number of Member States matter.¹¹³ Some of the other small states suggested a rather radical re-weighting that only requires a “single” majority. This might be more efficient because there is only one requirement to fulfil while a dual majority both have a “population” and “Member State” requirement.¹¹⁴ The Danish wish of maintenance of the current level of the qualified majority threshold is also a defensive element. A lower threshold would ease legislative decisions, but on the other hand increase the risk of entrapment. Other small Member States preferred a lower level of the threshold because it would maximise their relative weight in the decision-making process, but of course also the risk of entrapment.¹¹⁵

A notable thing about the Danish strategy is that the voting weights were prioritised lower than the demand of one Commissioner per country. According to the Danish Ambassador Gunnar Ortmann the voting weights was an “issue Denmark [was] prepared to consider.”¹¹⁶ In relation to the Danish statements regarding the Commission the preferences on the voting system were rather unclear and cryptic: “The current voting rules [Nice rules] in the Council are unnecessarily complicated. [...] Simultaneous must the size of population and equality between Member States be taken into consideration and be balanced.”¹¹⁷ Obviously, it was an issue where Denmark did not have strong preferences and where it was willing to negotiate. In general Denmark followed a defensive strategy towards the weighting of votes in the Council, namely a strategy of “silent acceptance”.

The discussion about the *extension of QMV* implied different solutions: qualified majority as the general rule with limited exceptions listed exhaustively, identification of the issues to be moved to QMV without an exhaustive list and a case-by-case approach.¹¹⁸

In Nice there was general support in favour of extending the use of QMV. In the process it became evident that the Member States although they favoured QMV wanted to preserve some of the national vetoes.¹¹⁹ Almost all delegations were

¹¹¹ Report from the Foreign Ministry, EUU-document, Bilag 84, 16 October 2000

¹¹² Danish Government’s basis for negotiation, EUU-document, Bilag 537, 3 February 2000

¹¹³ Antola & Lehtimäki 2001: 27

¹¹⁴ Note from the Presidency, EUU-document, Bilag 254, 15 November 2000

¹¹⁵ Yataganas 2001: 263

¹¹⁶ Gunnar Ortmann in Friis & Strøbech 2001: 21

¹¹⁷ Danish Government’s basis for negotiation, EUU-document, Bilag 1371, 2 October 2003

¹¹⁸ Yataganas 2001: 252; Michalski & Heise 2003: 13

¹¹⁹ Antola & Lehtimäki 2001: 24-26

aware that unanimity would be impracticable in an enlarged EU, but they could not agree upon which provisions in the future should be subject to QMV.¹²⁰ According to the negotiation mandate of 2000, the Danish Government was prepared to discuss an extension of QMV under the first pillar, e.g. regarding environmental taxes. Meanwhile Denmark stressed the importance of preservation of Danish autonomy in policy areas like social policy and taxation.¹²¹ During preparatory discussions an extension of QMV was discussed in relation to non-discrimination, asylum and immigration policy¹²², social and labour market policy and financial regulation. A report from the Danish Foreign Ministry reveals that Denmark could not support QMV in any of these areas and the Danish Government was generally very sceptical.¹²³ Other small states were also hesitant towards specific policy areas. Despite the range of initial differences, significant progress was made in the negotiations, with all Member States moving slowly but surely towards less rigid positions, with the exception of Denmark.¹²⁴

The extension of QMV is about transferring QMV to areas that used to be under unanimity. This means that an extension of QMV in general will limit Member States' possibilities to veto and the risk of entrapment will consequently increase. In contrast, QMV is also known to be a good way for the smaller states to bind the larger states to common decisions; cf. section on Institutional reform. In that respect Denmark leaned towards the former interpretation and chose a reluctant attitude towards the extension of QMV. The Danish strategy towards extension of QMV was defensive and there were many areas where Denmark wanted to preserve its autonomy. The Danish safeguarding of autonomy in social policy and taxation are typically examples of a defensive strategy of bastion. This defensive strategy had reinforced itself because it was becoming difficult for Denmark to convince the other states of its argumentation. In relation to the present discussions on QMV some of the other Member States feared that Denmark when opposing an extension of qualified majority first would water down the article and yet in the end, decide to opt-out of this particular issue area.¹²⁵ This is an example of how a defensive strategy can harm the reputation among the other Member States.

¹²⁰ Yataganas 2001: 248

¹²¹ Danish Government's basis for negotiation, EEU-document, Bilag 537, 3 February 2000

¹²² Denmark is exempted from asylum and immigration policy

¹²³ Report from the Foreign Ministry, EEU-document, Bilag 1540, 22 September 2000

¹²⁴ Yataganas 2001: 263

¹²⁵ Antola & Lehtimäki 2001: 25

4.2.3 Active Participation versus Low Profile

This section aims to discuss in general terms whether Denmark followed a defensive strategy of “low profile” or a more offensive strategy of “active participation” in relation to the institutional reform.

In relation to general tendencies in Danish EU policy it is notable to observe the Danish Government’s strategy towards the institutional reform. Denmark is known to be reluctant and in favour of a status quo-solutions when it comes to institutional changes. This will often imply a rather low profile. However, in relation to the present institutional reform the Danish Government made it clear that the institutional structure had to be changed and that the Danish government was ready to solve the institutional questions. The statements of the Danish Government in the negotiation mandates indicated willingness to find a constructive solution that would demand concessions from all – including Denmark.¹²⁶

An explanation of the rather offensive Danish strategy implies an understanding of the context and the framing of the institutional reform. As mentioned earlier the institutional reform is related to EU’s enlargement towards East and consequently both the Treaty of Nice and the Constitutional Treaty has been framed as enlargement treaties. The notable thing about the enlargement towards East is that it for many years has been a very high priority for Denmark: “the decision [...] about the enlargement towards East marks the fulfilment of Denmark’s biggest European political goal for more than 10 years”.¹²⁷ Consequently, Denmark could not ignore the institutional consequences of the enlargement which might explain why the Danish Government wanted to work actively and in a constructive way for an institutional solution. Several statements from the Government confirm this explanation. In the preparing discussions in Folketinget, regarding the summit of Nice, the former Prime Minister Mr. Nyrup Rasmussen stated that it is very important for Denmark to participate actively to ensure that the enlargement can be realized.¹²⁸ In relation to the Constitutional Treaty in the fall of 2003, the Prime Minister Mr. Fogh Rasmussen argued that a new constitutional treaty will be of decisive importance for Denmark’s relation to EU and it would be odd if Denmark then decided to step out. He underlines that Denmark is a part of EU and it is important that we participate actively.¹²⁹ In short, the enlargement has been an important goal in Danish EU policy and the institutional adjustments are thus accepted because they contribute to fulfilment of the larger goal.

¹²⁶ Danish Government’s basis for negotiation, EEU-document, Bilag 537, 3 February 2000; Danish Government’s basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

¹²⁷ Danish Government’s basis for negotiation, EEU-document, Bilag 1371, 2 October 2003

¹²⁸ Interpellation in Folketinget, F 7, 21 November 2000

¹²⁹ Interpellation in Folketinget, F 1, 10 October 2003

Another interesting element about the enlargement is that it has been supported by a large majority of the, usually very sceptical, Danish public.¹³⁰ This might also explain why the Danish Government framed the institutional reform as a part of the enlargement and why the Danish Government “dared” to be offensive towards the institutional reform. The offensive strategy though, might also be explained by the pragmatic character of Danish EU policy. It would be very non-pragmatic not to acknowledge the institutional consequences of the enlargement in question, which in addition was settled during Danish Presidency. It would look stupid both in relation to the other EU Governments but also in relation to the Danish public. This responsibility has been expressed by the Foreign Minister Mr. Stig Møller who said the following words regarding the ten new countries: “when you first have let them in, you need to make sure, that it will succeed”.¹³¹

This active participating profile of the Danish strategy might form part of a general tendency towards a more active and constructive line in relation to Danish EU policy. This tendency was expressed in a speech by Mr. Fogh Rasmussen: “It is my ambition that Denmark should play a more pro-active role in EU. Far too often, the standard Danish reaction has been characterised by a sceptical attitude towards changes in the EU. We have, as point of departure, wished to keep things as they were. And in this respect, we have always sought to reduce the proposals of other by 10-12 pct. This is not the way to achieve influence.”¹³²

However, it should be noticed that beneath this active and offensive strategy a hidden agenda of “low profile” emerged. The Danish strategy has been characterised by a hidden agenda where other things than institutional issues have been important. In relation to the Treaty of Nice it was important for Denmark to insure that the treaty did not intensify the cooperation or introduce “more Union”. Four months before the negotiations in Nice, the Danish public voted “no” to the third phase of the Euro and the Danish Government feared another “no” on the Treaty of Nice. Therefore it was very important for the Danish Government to ensure the Danish opt-outs in the treaty.¹³³ This priority is evident in the Danish negotiation mandate which stressed that the Danish opt-outs were not negotiable at the IGC; the Danish opt-outs are defined by a referendum and can only be changed by the Danish public in a new referendum.¹³⁴

This means that the Danish Government in relation to the institutional reform applied a defensive strategy that aimed to limit the element of “Union” and preserve the Danish opt-outs. It must be perceived as defensive when a lot of

¹³⁰ According to a poll conducted 27 November 2000 – 4 December 2000, 60 pct of the Danish public were in support of the Eastern enlargement, Gallup for Berlingske Tidende

¹³¹ First reading of the bill L 137 in Folketinget, 19 April 2005

¹³² Carlsen & Mouritzen 2005: 99-100

¹³³ Carlsen & Mouritzen 2005

¹³⁴ Danish Government’s basis for negotiation, EUU-document, Bilag 537, 3 February 2000; Danish Government’s basis for negotiation, EUU-document, Bilag 1371, 2 October 2003

strength during discussions about a new institutional structure is used to preserve and “re-introduce” old opt-outs. In relation to the Constitutional Treaty it has been argued that the government chose to accept the draft and concentrated instead all its energy internationally on retaining the Danish opt-outs in the new treaty: “This flip side of the strategy was a rather low profile in the IGC on other issues.”¹³⁵ In that aspect the Danish strategy corresponds to a defensive strategy where the Danish Government prioritised a bastion strategy on the opt-outs and then silently accepted the institutional changes; which additionally might explain some of the rather unclear and weak statements in the Danish negotiation mandate.

In sum, on the one hand, the strategy of the Danish Government was offensive and expressed a willingness to actively solve the institutional questions. This was particular evidently in relation with institutional questions like the composition of the Commission and the rotating Presidency where it seemed like strong and efficient institutions were preferred over national representation. On the other hand, it was also important for the Danish Government to defend some elements of autonomy. This defensive strategy was exemplified by the Danish preferences regarding the “dual majority” and the preservation of unanimity in several policy areas. Additionally it was a very high priority for Denmark to preserve the Danish opt-outs and as a consequence the Danish Government was compelled to apply a rather defensive and silent strategy.

4.2.4 Smallness Advantages

I will in this section, according to the theoretical hypotheses, analyse the smallness advantages of “flexibility” and “coalition-building”. The objective in this section is to emphasise the smallness aspects of the Danish strategy and to make the “smallness” visible.

Flexibility and priorities of preferences characterised the Danish strategy. One of the main priorities by the Danish Government was to preserve the Danish opt-outs. The Danish Government was then relatively willing to accept “whatever” compromise of Nice as long it did not imply “more Union”. Additionally, Denmark was very firm in its demand of one Commissioner per Member States (before they changed their strategy). The Danish preferences regarding the extension of QMV were also distinctly emphasised. Meanwhile, the other institutional issues were of lower prioritising. Observers claim that Denmark went into the IGC on the Constitutional Treaty supporting the overall framework of the proposal from the Convention and with relatively minor wishes.¹³⁶ The Danish negotiation mandate was kept in rather general terms saying that a simple and

¹³⁵ Carlsen & Mouritzen 2005: 115

¹³⁶ Carlsen & Mouritzen 2005: 91-92

better EU is needed and that the Convention draft was a good basis, also as regards to the institutional solutions.¹³⁷ Again, the Danish Government was relatively flexible when it came to the specific institutional issues. Consequently, Denmark succeeded in obtaining what seemed to be their main objectives in relation to the institutional reform, i.e. an institutional solution without to “much Union” and a preservation of Danish opt-outs. In that sense Denmark followed a smallness strategy and prioritised its objectives and stayed flexible on other issues. Denmark took advantages of the smallness ability of being “flexible”.

In relation to *coalition-building* the story is not that heartening from a small state perspective. The institutional reform created to some extent a split between large and small Member States and there was an obvious chance for the small states to join forces and coordinate their preferences. The examination of the different small states’ preferences indicates that there in relation to the rotating Presidency, the Commission and the voting rules were realistic possibilities to agree upon a “small state compromise”. However, the small Member States did not coordinate their preferences and each of them seemed to be more concerned with individual demands.¹³⁸ Denmark focused on the Danish opt-outs and differed often for the main line among small Member States, e.g. its support of the permanent Presidency and its acceptance of a “two-tier” Commission. During the negotiations the smaller states failed to adopt a common negotiation position and it weakened them.¹³⁹ The coordination of small state preferences seemed neither present in Nice nor in the Constitutional Treaty. The smaller states did not take advantages of their obvious possibility to launch joint initiatives and build a strong alliance against the larger Member States.

4.3 Offensive, Defensive and Smallness

This section aims to summarise the analysis and conclude on the different findings regarding the Danish strategy.

One of the main conclusions to draw from the analysis is that the Danish strategy is complex and consists of different elements deriving from the defensive and offensive strategies. The interesting thing about this Danish strategy is that it does not fit into the classic descriptions of small states. In the literature on small Member States, Denmark is often described as the *euro-sceptical* country that support an intergovernmental Union anticipating that the interests of small Members are observed in the best way at negotiation tables between the

¹³⁷ Danish Government’s basis for negotiation, EUU-document, Bilag 1371, 2 October 2003

¹³⁸ Yatagana 2001: 261-269; Gray and Stubb 2001: 11-14

¹³⁹ Gray and Stubb 2001: 19

Governments. Denmark appreciates national sovereignty and the value of veto in defending their vital interests. In contrast to Denmark we find the *euro-loving* small countries (e.g. Belgium, Luxembourg, Portugal and Finland) that are inclined to see the *finalité* in terms of strong institutions and through a communitarian approach. They are ready to outline a new division of labour between the institutions and the Member States, in a federalist spirit. They see that supranational institutions secure the influence of small states better than purely inter-governmental structures.¹⁴⁰

According to the analysis of this study, it is particular the Danish preferences on institutions that separates the Danish strategy from “the expected”. The Danish focus on efficiency and strong institutions is notable and the support of a permanent President that symbolises a federal aspect is surprising. The Danish preferences on these areas were more “radical” than the preferences of the euro-loving group. Meanwhile, Denmark was concerned about avoiding the “Union goal” and defending their right to veto. And the bastion strategy on the Danish opt-outs was in particular issue-specific and reluctant. So, how can we understand this strategy? The Danish strategy towards the institutional reform reflected an offensive assumption and understanding but was also dominated by defensive preferences regarding opt-outs. The Danish Government prioritised the Danish opt-out very high and consequently it lowered its profile regarding the institutional issues. Does it mean that the offensive expressions are without importance? On the contrary, I believe that the element of offensive strategy shows a cautious shift in Danish EU policy towards a more active approach that accept the supranational character and acknowledge that strong and supranational institutions can be in the interest of smaller states. This is a notable observation in relation to older versions of Danish EU policy.

An understanding of the Danish strategy implies recognition of the fact that it is not valuable to “lock” our understanding of small states to “stereotypes”. In order to understand small state strategies it is important that we include both defensive and offensive strategies. Small Member States will often be placed in a dilemma between autonomy and influence or between efficiency and autonomy and their strategies will always reflect both defensive and offensive elements. The balance between these components may change over time, over issue and over country.

As regards the smallness strategy the Danish Government prioritised between different preferences. Prioritising is an important ability and advantages small states because they can be flexible in their negotiations. The necessity of prioritising explains also why Denmark had minor institutional wishes; the Danish Government simple had to prioritise them lower, because of the opt-outs. Regarding coalition-building, the smaller states failed surprisingly to exploit that possibility, although it would have been very obviously in relation to the

¹⁴⁰ Antola 2001

institutional reform. One of the explanations might be that the comprehensive integration in EU leads to an intensifying of the dilemmas between autonomy versus influence and consequently the strategies of small Member States become even more complex. This combined with the importance of prioritising makes the small state strategies differ considerable from one another. And then is it difficult to form these alliances, which all expect and advise them to do.

The analysis showed also that underlying variables affect the strategies of the Danish Government. In short, the sceptical public affected the Danish strategy in a defensive direction, as the Government felt compelled to defend the Danish opt-outs. The Danish reputation as a reluctant partner may also have an effect on the Danish negotiation position and in the analysis there are some minor indications of how other states perceived the Danish opt-out attitude.

Finally, I will comment on the applicability of the theoretical framework. As indicated above, the theoretical model combines the offensive, the defensive and the smallness strategy in a way that makes it possible to understand the complexity of a small state strategy. It attracts attention to the fact that small states constantly find themselves in a dilemma between influence and autonomy and the fact that small states have to prioritise between its preferences. Additionally it throws light on the difficulties in launching coalitions between small states. The theoretical framework has been applicable to a unique case like Denmark and has as a theoretical “tool box” contributing to a thorough understanding of the Danish strategy.

5 Conclusion

This study consists of two main objectives.

Firstly, a theoretical model on small state strategies has been developed. The theoretical framework was derived from a small state perspective which means that focus is on specific characteristics of small states. One part of the theoretical framework was derived from the integration dilemma between influence and autonomy. The dilemma imposes a choice of strategy where small states either give up a substantial part of its autonomy with the danger of being entrapped in the integration system or insist on its autonomy with the danger of being abandoned. This choice reflects two small state strategies: the offensive strategy and the defensive strategy. Another part of the theoretical framework was derived from an actor-centred perspective claiming that small states' deficit of "greatness" can be transformed to a "smallness advantage". This smallness strategy is a strategy on how small state shall act as to exploit their advantages of smallness.

The theoretical model combines these three strategies. As discussed, the defensive and offensive strategy should not be seen in opposition to each other, but instead as two simultaneously components that together form the small state strategy. The smallness strategy differs from the other two strategies because it is not in itself a strategy towards integration; instead it is a strategy on how to act skilled in relation to the external environment.

Secondly, the objective was to apply the theoretical framework on the case of Denmark in order to explain the strategy of the Danish Government towards the institutional reform. The challenges of the institutional reform were examined according to the composition of the Commission, the rotating Presidency, the weighting of votes in the Council and the extension of QMV. In sum, these institutional issues challenge the small Member States because the formal principle of equality and representation might be changed and because the balance between small and large states might shift. The Danish Government was facing these challenges and the motivating purpose was to understand the applied strategy of the Danish Government. The theoretical framework was actively used for this purpose and was applicable on the Danish case. This means that it successfully captured some central features of the Danish strategy and contributed to an understanding of the Danish Government's strategy towards the institutional reform. A thorough understanding of the Danish strategy implied all three strategies; each of them contributed with a useful insight.

The *research findings* of this study show that the strategy of the Danish Government on the one hand was offensive and expressed a willingness to actively solve the institutional questions. This was especially evidently in relation to institutional questions such as the composition of the Commission and the rotating Presidency, where strong and efficient institutions were preferred over national representation. On the other hand, it was also important for the Danish Government to defend some elements of autonomy. This defensive strategy was exemplified by the Danish preferences regarding the “dual majority” and the preservation of unanimity and opt-outs in several policy areas. The study shows that the Danish offensive strategy regarding the institutions was prioritised lower than the defensive preferences. This necessity of prioritising explains also why Denmark had minor institutional wishes; the Danish Government simply had to prioritise them lower, because of the opt-outs. Additionally, the Danish Government, including other small Member States, failed to exploit the smallness strategy of coalition-building which weakened their negotiation positions.

The theoretical model was applicable to the Danish case and it tells us that strategies of small Member States with advantages can be understood by applying the three strategies. The model has only been tested on the Danish case but the uniqueness of Denmark indicates that the theoretical model might also be applicable to other small Member States. Especially, it will be both interesting and challenging to apply the model on the “new” small Member States because the in many ways differ from the “old” small states. However, I believe that they will follow the same strategies.

Regarding the Danish case it is interesting to notice how the Danish opt-outs hindered the Danish Government in applying an offensive strategy. The preservation of the Danish opt-out used all the international energy and it locked the Danish Government in a position where they had to silently accept the institutional solutions. In order to be an actively player, as the Danish Governments claims, the Danish Government has to abandon these opt-outs. In that respect, the Danish public and Folketing are important players as the Danish opt-outs only can “disappear” in agreement with them.

As regards *future research* it could be interesting to look deeper into the interaction between the three strategies and the underlying variables: domestic and external circumstances. This present study indicates that these underlying levels might have and will have a considerable effect on the strategies of the Danish Government. Additionally, it could, as mentioned, be interesting to apply the theoretical model on other small Member States. Another possibility is to relate the theoretical model to other EU issues than institutional issues.

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