

Online appendix for:

'Crisis bargaining in the European Union: Formal rules or market pressure?'

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This Online appendix is structured in three sections. A1 reveals the allocation of individual reform issues to our three theoretical reform dimensions. A2 discusses different ways to evaluate model predictions, before listing the point predictions for all individual issues. A3 gives model predictions for single-issue models, i.e. models which do not allow for issue-linkage.

A1. Allocation of negotiation issues

Issue abbreviation	Definition of issue	Allocation
EFSF1	Preparedness to issue loan guarantees	Transfer
EFSF2	IMF involvement	Austerity
EFSF3	Enhancement of the EFSF's effective capacity	Transfer
EFSF4	Allowing the EFSF to use additional instruments	Transfer
ESM1	Changing EU treaties	Institutionalization
ESM2	Size of ESM	Transfer
ESM3	Conditionality	Austerity
ESM4	Private sector involvement	Transfer
ESM5	Support instruments of ESM/EFSF	Transfer
ESM6	Financing of the ESM	Transfer
ESM7	Role of supra-national institutions in the ESM	Institutionalization
FC1	Adoption of the fiscal compact	Institutionalization
FC2	Fiscal compact adopted by treaty change	Institutionalization
FC3	The legal form of the debt brake	Institutionalization
FC4	The role of the ECJ in the fiscal compact	Institutionalization

FC5	The role of the EC in the fiscal compact	Institutionalization
	The participation of non-Euro members in the	
FC6	Euro summit	Institutionalization
FC7	The purpose of the fiscal compact	Austerity
FC8	Tax policy coordination	Austerity
FC9	Incorporation to EU treaties	Institutionalization
G1	Initial willingness to support Greece (Bailout I)	Transfer
	The First Greek Programme: ad hoc vs.	
G2	systematic	Institutionalization
	The IMF involvement in the First Greek	
G3	Programme	Austerity
G4	Debt relief in the Second Greek Package	Transfer
	Suspension of council voting rights for SGP	
SP1	Non-compliant member government	Institutionalization
SP2	Withholding EU funds to deficit countries	Transfers
	The blocking of SGP sanctions by reversed	
SP3	qualified majority	Institutionalization
SP5	Six-pack rules on 'good' and 'bad' debts	Austerity
	Six-pack – asymmetry of macro-economic	
SP6	imbalances	Austerity
TP1	Redemption fund in two-pack	Transfers
TP2	Pre-approving budgets by the Commission	Institutionalization
TP3	Independent macro-economic forecasts	Institutionalization

A2. Model predictions at disaggregated level

The visual inspection of the model predictions, winsets and Nash product along the three phases of bargaining over EMU reforms leads us to the following conclusions. First, procedural agenda setting rules matter, and consequently, the Commission had agenda setting power in legislative, but not in intergovernmental bargaining. Second, formal voting rules improve the predictions. Explicitly modelling the unanimity winset for intergovernmental bargaining and the QMV winset for legislative bargaining leads to systematically better predictions. Third, economic bargaining power is shown to have been particularly relevant in times of crisis, especially concerning the first negotiation package (first bailout of Greece and EFSF) and partly package 1 (ESM and Fiscal Compact).

Above, we justify two important steps in our research design, namely (1) aggregating governmental positions to three theoretically meaningful dimensions and (2) analyzing cases as reform packages instead of individual treaties or laws. Here we check the robustness of our results by analyzing the disaggregated model predictions for each of the six cases plus the negotiations over the Banking Union in Table A2 in the Online appendix.

The results in Table A2 partly confirm our above conclusions but are less unambiguous. In particular, Table A2 does not reflect the relevance of the winset of the status quo, i.e. the unconstrained models frequently outperform their constrained competitors. The reason for these inconclusive results is that for some of the individual dimensions we are only able to locate the status quo by making very crude assumptions. As discussed above, this holds for all issues that refer to the design of institutions that are yet to be founded, meaning that an actual status quo does not exist. Hence, the results in Table A2 justify our aggregation decision and, more generally,

illustrate the importance of correctly conceptualizing the reform space and identifying the location of the status quo therein. Despite these operational shortcomings, the disaggregated findings indicate the relevance of economic power (as visible in the better model predictions for the asymmetrical NBS, which integrates economic power) during the height of the crisis and, partly, the power of the Commission in legislative bargaining.

	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Initial willingness to support Greece (Bailout I)	100.00	79.19	74.40	41.36	40.10	25.50	100.0
The First Greek Program: ad hoc vs. systematic	0.00	64.07	65.40	40.13	42.60	66.98	100.0
The IMF involvement in the First Greek Program	100.00	51.43	56.30	49.01	51.70	50.00	50.00
Debt relief in the Second Greek Package	50.00	44.04	45.70	45.21	46.30	50.00	50.00
		83.26	82.83	87.59	88.03	111.9	111.8
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Preparedness to issue loan guarantees	100.00	66.20	92.40	61.80	62.20	50.10	100.0
IMF involvement	100.00	77.60	42.30	61.90	60.80	49.90	0.00
Enhancement of the EFSF's effective capacity	100.00	41.40	60.20	34.20	35.70	53.70	100.0
Allowing the EFSF to use additional instruments	100.00	62.60	67.70	46.90	48.40	53.50	100.0
		80.48	77.55	100.3	98.81	96.47	100.0
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Changing EU treaties	20.00	17.90	24.20	21.50	27.40	24.40	20.00
Size of ESM	0.00	85.20	67.20	74.10	54.10	77.80	100.0
Conditionality	100.00	100.0	100.0	100.0	100.0	100.0	100.0
Private sector involvement	20.00	33.20	35.70	31.80	33.50	30.00	30.00
Support instruments of ESM	20.00	54.30	39.50	37.10	21.90	77.80	100.0
Financing of the ESM	20.00	71.20	54.60	56.20	39.90	20.00	20.00
Role of supranational institutions in the ESM	40.00	34.60	39.40	36.00	39.00	95.70	100.0
		106.1	79.74	85.15	59.70	112.3	141.7
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Adoption of the fiscal compact	50.00	100.0	100.0	100.0	100.0	100.0	100.0
Fiscal compact adopted by treaty change	0.00	75.60	77.10	74.70	75.00	50.00	50.00
The legal form of the debt brake	50.00	37.90	38.90	30.50	33.20	50.00	50.00
The role of the ECJ in the fiscal compact	0.00	4.90	8.20	3.60	6.40	0.00	100.0
The role of the EC in the fiscal compact	0.00	48.30	57.50	46.10	55.00	0.00	100.0
The participation of non-euro members in the Euro	50.00	49.60	51.40	48.90	49.80	50.00	50.00
The purpose of the fiscal compact	0.00	57.20	49.80	57.60	51.80	50.00	50.00
Tax policy coordination	0.00	71.00	65.40	69.10	62.10	71.40	71.40
Incorporation to EU Treaties	100.00	100.0	100.0	100.0	100.0	100.0	100.0
		137.9	136.7	136.7	134.2	112.2	180.5
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Suspension of Council voting rights for SGP non-	0.00	35.60	45.90	13.50	50.10	70.70	70.80
Withholding EU Funds to deficit countries	0.00	40.50	78.80	18.00	21.90	0.90	0.00
The blocking of SGP sanctions by reversed QMV	100.00	73.40	90.20	31.30	47.20	50.50	100.0
Six-pack rules on 'good' and 'bad' debts	100.00	60.70	90.00	47.10	69.70	78.30	100.0
		71.83	92.26	89.58	81.83	89.00	70.80
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Redemption fund in two-pack	0.00	46.60	33.90	45.00	30.10	31.90	33.00
Pre-approval of budgets by the Commission	50.00	2.40	33.20	0.00	39.90	34.20	100.0
Independent macro-economic forecasts	0.00	3.70	0.00	0.00	3.10	15.00	100.0
		66.72	37.83	67.27	31.90	38.63	116.5

	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
EU cap on bank bonuses: legal vs. shareholder-approved	100.0	91.30	94.60	96.30	97.50	88.00	100.0
Capital buffers: centralization vs. flexibility	50.00	16.30	36.50	24.40	44.90	65.90	100.0
Scope of the SSM: all banks vs. some banks	70.00	75.40	42.40	51.40	31.00	80.20	100.0
Double majority for EBA's decisions	0.00	8.20	2.10	4.20	0.70	40.10	50.00
Institutional responsibility for SSM at ECB	100.0	39.30	16.60	28.10	15.00	75.10	100.0
SSM deadlines: speed vs. quality	50.00	53.00	21.40	27.00	14.50	16.70	20.00
SRM: decision making powers	70.00	45.80	8.30	19.30	3.50	61.00	100.0
SRF build-up and mutualization	80.00	62.70	15.66	35.10	8.40	53.50	80.00
SRF fiscal backstop	0.00	56.00	21.90	31.10	15.20	64.00	100.0
		94.99	131.0	110.8	140.7	93.36	133.0
	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Suspension of Council voting rights for SGP non-compliant	0.00	35.60	40.20	18.60	31.30	32.30	100.0
Withholding EU Funds to deficit countries	0.00	40.40	61.30	22.00	39.00	34.20	50.00
The blocking of SGP sanctions by reversed QMV	100.0	73.40	82.20	41.20	63.20	53.90	100.0
Six-pack rules on 'good' and 'bad' debts	100.0	60.70	79.30	49.00	63.70	53.00	20.00
Redemption fund in two-pack	0.00	46.40	42.10	44.00	48.30	63.30	100.0
Pre-approving Budgets by the Commission	50.00	2.40	7.50	2.00	5.00	51.00	80.00
Independent macro-economic forecasts	0.00	3.70	6.10	2.50	4.00	64.70	100.0
		97.90	98.67	105.5	97.71	121.4	93.40

A3. Comparing single-dimensional and three-dimensional model Predictions (Note: Upper table contains single-dimensional predictions; lower table contains three-dimensional predictions. Mean Errors are standardized to enable comparison.)

	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Phase 1							
Transfer	90	73.34	20.00	12.21	18.75	62.28	90
Fiscal Discipline	100	48.50	0	0	0	68.65	25
Institutionalization	0	55.50	0	0	0	58.88	100
<i>Stand. Mean Error</i>	0	41.23	56.66	59.26	57.08	39.31	58.33
Phase 2							
Transfer	18.8	73.70	31.75	15.63	29.30	61.96	78.20
Fiscal Discipline	50	48.98	17.25	17.25	14.02	65.12	48.20
Institutionalization	32.5	52.68	52.50	62.50	48.20	58.78	52.50
<i>Stand. Mean Error</i>	0	40	64.50	73.20	64.96	40.56	38.70
Phase 3							
Transfer	50	52.60	50	50	50	68.70	50.00
Fiscal Discipline	50	53.31	50	76.55	50	46.50	66.70
Institutionalization	57.1	31.41	35.08	27.15	27.15	35.23	100.00
<i>Stand. Mean Error</i>	0	38.5	41.69	30.2	39.05	36.67	57.76

	OUT	NBS	NBA	NBCS	NBCA	ASC	AS
Phase 1							
Transfer	90	73.30	62.30	55.20	47.20	46.60	90.00
Fiscal Discipline	100	48.50	68.60	44.80	62.80	38.70	25.00
Institutionalization	0	55.50	58.90	15.00	20.20	21.80	100.00
<i>Stand. Mean Error</i>	0	43.7	41.72	38.65	34.75	45.15	72.16
Phase 2							
Transfer	18.8	73.70	61.20	64.10	39.50	78.10	78.20
Fiscal Discipline	50	48.90	65.10	40.90	76.10	48.20	48.20
Institutionalization	32.5	52.90	58.80	52.60	66.10	52.5	52.50
<i>Stand. Mean Error</i>	0	33.82	30.09	29.09	26.73	36.14	36.19
Phase 3							
Transfer	50	52.10	68.70	50.10	52.50	43.2	50.00
Fiscal Discipline	50	56.30	46.50	57.70	55.00	60.2	66.70
Institutionalization	57.1	31.40	36.20	28.40	28.90	57.6	100.00
<i>Stand. Mean Error</i>	0	15.32	16.31	17.15	16.59	7.08	26.58