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The Role of Small States in the European Union: lessons for Scotland

What is a small state?

There is no official distinction within the European Union but we can usefully see the EU as consisting of six large states – Germany, United Kingdom, France, Italy, Spain and Poland; medium-sized states such as the Netherlands, Romania and the Czech Republic; and small states with a population of around five million or less. Most of the 13 member states that have joined the EU in the last decade are smaller than Scotland - the median population size among this group is Croatia at 4.258 million.

The power of large states

In general, larger states have more influence in the EU than smaller ones:

- They have greater economic weight.
- They have more voting power in the Council of the European Union (also known as Council of Ministers) under the majority-voting provisions, which now apply to most areas of policy-making. As of November 2014 a qualified majority will consist of 55 per cent of member states covering 65 per cent of the population.
- They can more credibly exercise a veto in those cases where unanimity is required.
- Big states sometimes make side-deals outside the formal decision-making process. Small states cannot do this as easily as they have less to offer in return.

Modes of decision-making

The influence of large and small states also depends on the mode of decision-making:

- Small states prefer the ‘community method’ of decision-making as stipulated in the treaties. This means that the European Commission takes the initiative, while the Council of the European Union (representing the member states) and the European Parliament make the final decision. The involvement of the Commission and the Parliament weakens the power of big states. As a result of successive enlargements, small states are now a majority within the EU, ensuring that the community method is preserved, even if weakened.
- The weakening of the old Franco-German axis has encouraged a more pluralist politics, with shifting alliances. On the other hand, the rise of the European Council (consisting of heads of state and government) has undermined the community method and enhanced the power of large states.

- Other modes of policy-making outwith the community method include the Open Method of Coordination and Enhanced Cooperation. Small states have not always been keen on these but they do offer opportunities to participate in areas where they have an interest.

The Power of Small States

Small states can exercise real influence within the EU, but not in the same way as large states. The strategies employed by successful small states include:

- **Coalition-building:** Small states rarely use the veto in those policy fields where it still exists, as to do so would carry a high political cost and risks isolation. They form alliances with other states to achieve majorities. Some research suggests that they are more likely to end up on the winning side in votes.
- **Use of 'soft power' and negotiating skills:** Small states' lack of 'hard power' may be compensated by 'soft power'. They are more effective when they use knowledge-based arguments than when they engage in inter-state bargaining. They are effective if they promote ideas that are European-oriented rather than being perceived to just serve their national interests.
- **Constructive, pro-European approach:** Small states are more effective if they have a reputation for being constructive and pro-European. The UK has been rather effective in day-to-day policy negotiations but its reputation for Euro-scepticism has deprived it of much of the credit for this.
- **Early engagement with the policy process and networking:** It is important for small states to get into the policy process at the beginning in order to shape choices. Positive relations with the European Commission (in developing policy initiatives) and in the Committee of Permanent Representatives (COREPER) are crucial. Networking in Brussels is also crucial. This includes knowing one's way around the institutions, having nationals working there and a command of languages. In recent years, the number of UK nationals entering the institutions has seriously declined. In 2009 the UK Government (but not the Scottish Government) abolished its scholarships for the College of Europe, an important feeder for the European institutions.
- **Building capacity:** Small states need to build a capacity in Brussels and within the home-based ministries to enable them to engage with European policy matters, to identify the opportunities for informing policy in the early stages, and to see ahead to identify upcoming issues. Enhanced capacity also helps ensure national governments can work closely with delegations in Brussels and the Council of the EU to facilitate influence through networking.
- **Identifying Strategic Priorities:** Small states can overcome weaknesses resulting from limited resources by building niche expertise in key policy fields, and gaining a reputation for policy leadership, scientific and technical knowledge. For example, Denmark has taken a lead on wind energy, climate

change mitigation and 'flexicurity' in labour markets. Sweden has been able to shape norms underpinning European defence and security policies.

- **Acting as 'honest brokers'**: Small states that have a reputation for trust are better placed than larger states to act as 'honest brokers'.
- **Maximising the opportunities of the Council Presidency**: Holding the rotating six-month presidency of the Council of the EU has been an important opportunity for small states, enabling reputational gains, greater insight and skills in the EU policy process, and stronger network links that can be utilised beyond the presidency period.
- **Learning**: Older small states tend to be more effective than newer ones. They have more experience and have developed networks and institutions to deal with EU matters. In this context, Scotland might have some of the advantages of older member states, given that it has been part of the EC/EU for over forty years, but there would be a clear need to develop institutional learning and build capacity.

Would Scotland have more influence as a small member-state in the EU or a devolved part of a large state?

Determining which of these produces greater opportunities for influence is dependent upon a number factors:

- **Compatibility of interests**: If interests are aligned, then being a part of a large state may have advantages. Scottish and UK interests would often be aligned, given their economic and geographical circumstances and institutional heritage. However, were policy preferences and attitudes to Europe to continue to diverge between Scotland and the UK, we might expect more differences in their European priorities and strategies. The current UK government's proposal to radically re-negotiate the UK's membership of the EU may create further incompatibilities, risking further isolation from the rest of the EU.
- **The Desired Relationship with the EU**: There is little in the independence White Paper to suggest that an independent Scotland would have a substantially different relationship to the EU than does the UK at present. It is proposed, for example, to keep all the present opt-outs and to retain the Pound Sterling. This carries the risk of being pulled along behind whatever position the UK adopted in future. Banking union and the Treaty on Stability, Coordination and Governance (signed by all states except the UK and the Czech Republic) are examples. More broadly, an independent Scotland would have to consider carefully its role in Europe and whether it wanted to join the core or remain on the fringes. The latter could weaken its capacity for influence.
- **Europe of the Regions**: Much hope was invested in the past in the idea of a Europe of the Regions, in which devolved territories could have more access to European policy making. This has proved a disappointment. The Committee

of the Regions is not an effective way of influencing policy. Scotland, like other devolved territories in Europe, is able to participate in the Council of the EU as part of the member state delegation and to shape the UK's EU policies through domestic intergovernmental channels. The effectiveness of these arrangements is open to debate.

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