



IOB Evaluation

A strategic approach?

Dutch coalition-building and the 'multi-bi approach' in the context of EU decision-making (2008-2012)

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Summary, main findings and issues for consideration



I Introduction

The Dutch government endeavours to effectively promote the Netherlands' interests in the context of decision-making processes within the European Union (EU).¹ Two of its instruments for doing so are: forming coalitions and investing in bilateral relationships with other EU member states. In this policy review the Policy and Operations Evaluation Department (IOB) explains how these instruments were used between 2008 and 2012 and what results were achieved. Reviews such as this are a way for the ministry to render account for its policy. That being said, the focus of the present report is less on accountability than on lessons learned with regard to furthering this country's interests in the context of EU Council decision-making.

This policy review pays particular attention to the Netherlands' cooperation with its Benelux partners, since the foreign minister promised both houses of parliament during the debates on the ratification of the amended Benelux Treaty in 2009 that an evaluation of the Benelux partnership would be conducted. In late 2012 the IOB completed an evaluation of cooperation within the Benelux Union as part of this policy review.² This final report addresses political cooperation within the Benelux as it relates to EU decision-making.

Policy background

The Netherlands' ability to influence EU decision-making has been challenged by a number of more or less interrelated developments. The Union's enlargement from 15 to 27 member states has signified a corresponding decline in the relative weight of the Netherlands. In addition, negotiations have grown more complex and less predictable. In recent years, the Netherlands has had to cultivate relationships with more potential coalition partners. At the same time, for other member states, the Netherlands has simply become 'one of many'. Given that there is no longer time for lengthy discussions during plenary sessions, much of the important work of negotiations is now being done during the informal preliminary stage and in bilateral consultations in the European capitals. Consequently, coordination has become more frequent between like-minded member states and within regional partnerships of one kind or another. This need for coalition-building is further reinforced by the broader applicability of qualified majority voting.

¹ Two operational objectives of the budget of the Ministry of Foreign Affairs are relevant in this connection: 3.1, which reads, 'A democratic, decisive and transparent European Union which offers its citizens freedom, justice, security, prosperity and sustainable economic growth', and 3.4, which reads, 'A stronger position for the Netherlands in the EU27'.

² Policy and Operations Evaluation Department, *Relaties, resultaten en rendement; Een evaluatie van de Benelux Unie-samenwerking vanuit Nederlands perspectief* (Relations, results and benefits: an evaluation of cooperation within the Benelux Union from a Dutch perspective), IOB Evaluation no. 372, The Hague: Ministry of Foreign Affairs, October 2012.

The Treaty of Lisbon strengthened the intergovernmental tendency and boosted the potential for inter-institutional conflict. Under the new treaty, the European Council was formalised as an institution and given a permanent president. It also met more frequently than it had prior to 2008, due in part to the financial and economic crisis. The European Council now takes the political initiative more often and increasingly determines the margins within which the various Council configurations can make decisions. At the same time, the European Parliament (EP) has become a more important player, and the Council will now informally liaise with the EP and take account of its wishes at an increasingly early phase of its decision-making process. The European Commission, by contrast, has become less important in terms of determining the overall political thrust, but thanks to its exclusive legislative right of initiative, it remains a key institution, staying in close contact with the EP (to which it is accountable) and being actively involved in Council matters. In light of the above, it is important for the Netherlands to keep its finger on the pulse of the inter-institutional processes and to maintain contacts with the institutions at all levels.

In many policy domains, European power relations have grown more complex and dynamic, and less clear. Moreover, when it comes to big issues, the large member states have a tendency to band together. Germany, which is often one of the Netherlands' key allies, has also proved to be sensitive to the interests of the eastern member states, especially Poland. As a result of all this, the Netherlands has to work harder to be heard in Berlin, despite the often substantial degree of like-mindedness between the Netherlands and Germany. Beyond that, the eurozone which now comprises 18 member states, exhibits a different power dynamic than the EU-28. The net contributors are a small minority, and member states like Sweden, Denmark and the United Kingdom, which agree with the Netherlands on many issues, do not belong to it. In tackling the financial and economic crisis, the Netherlands has been a key ally of Germany's, a fact that has strengthened our bilateral political relationship.

During the period under review, the tone of the public and political debate in the Netherlands on European integration was often critical, at times prompting foreign observers to view this country as a eurosceptic member state. Parliament has expanded its oversight of the Netherlands' European policy by focusing more on policymaking at European level. This development is due in part to the yellow card procedure and the introduction of the scrutiny reservation procedure, whereby parliament asks the government not to agree to a legislative proposal before it can be debated. Although the House has exercised this power prudently, there is sometimes a sense that the government's margin for negotiation in Brussels is quite narrow.

Policy objectives

Substantive objectives

Despite the fact that successive governments had different emphases and struck different tones with regard to the EU, the Netherlands' substantive policy objectives for the 2008-2012 period showed a large degree of continuity. The economic importance of European integration was never at issue. Indeed, the Netherlands repeatedly stressed the need for free trade and the completion of the internal market. At the same time, the Netherlands was much more restrained when it came to the accession of new member states or the possible transfer of additional powers, placing a strong emphasis on the principle of subsidiarity. Yet it also recognised that the EU should play a greater role in some areas, such as energy and the climate. Promises made to candidate countries (and aspiring candidate countries) had to be kept; this is why the Netherlands set such great store by a careful accession process. This also ties in with the Netherlands' strong commitment to following through on agreements made at European level. This general attitude applied not only to EU enlargement and the accession of Romania and Bulgaria to the Schengen Area, but also to the Stability and Growth Pact (SGP). Besides making emergency arrangements to deal with the crisis directly, the Netherlands also pushed for stricter budgetary agreements, new rules on macroeconomic imbalances and more rigorous enforcement practices. Stricter European rules on asylum and immigration were also a key issue for the Netherlands, and the government launched an initiative to subject all member states to a rule of law monitoring system intended to enhance states' confidence in one another's legal systems.

Effectively promoting the Netherlands' interests through coalition-building and the multi-bi approach

The government tried to boost the Netherlands' position in the Union in order to safeguard Dutch interests and ensure that Dutch priorities would be addressed in the EU decision-making process. This was done by forging coalitions and strengthening bilateral relationships with other EU member states.

When eyeing potential coalitions on a particular issue the Netherlands took the position that any member state that shared its interests or views on that issue at that moment, was a potential partner. This entailed entering into shifting coalitions. It also made use of existing coalitions of like-minded parties, in areas like development cooperation or EU budgetary matters. Furthermore, the government attached great value to liaising with its Benelux partners on a diplomatic and political level. At the same time, the Netherlands emphasised the informal nature of political cooperation within the Benelux and felt free to continue to form coalitions with other member states. The Benelux countries also made a point of taking part in periodic consultations with other regional partnerships, such as the Baltic states, the Nordics and the Visegrád Group.

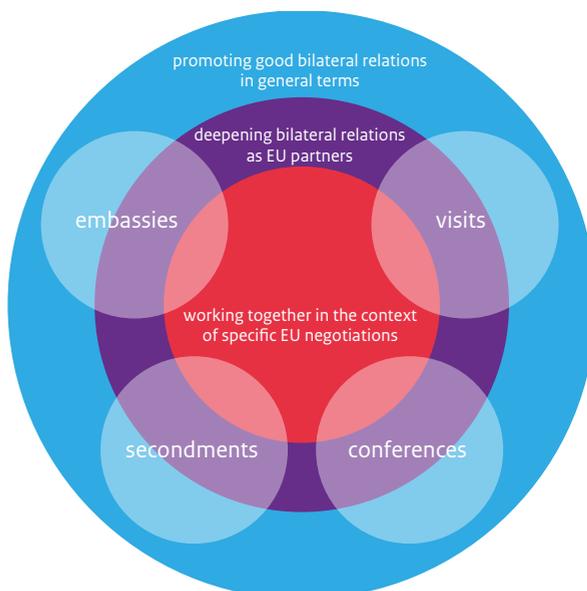
With real decisions increasingly being made by informal groups operating outside the confines of formal meetings, the Netherlands felt it was important to focus more actively on bilateral engagement, with a view to conveying Dutch positions in the various European capitals in a convincing and timely manner. The thinking was that good relations with other member states could then form a solid foundation for promoting Dutch interests in Europe. This idea of putting bilateral relations in service of multilateral cooperation, in this case at EU level, is termed the 'multi-bi approach'. One implication of shifting coalitions was the necessity of maintaining good relations with all member states. With this in mind, the Netherlands maintained an embassy in every member state. This is not to say that all member states were seen as equally important. The greatest emphasis was on relations with the largest member states (Germany, France, the United Kingdom, Spain, Italy and Poland) and with the two Benelux partners.

IOB has identified three key dimensions of the multi-bi approach:

- 1) maintaining and furthering good relations with all member states, as a prerequisite for forming shifting, issue-based coalitions;
- 2) deepening bilateral relations, especially with the large and/or like-minded smaller member states, with a view to enhancing cooperation at EU level;
- 3) amplifying the focus on bilateral channels as a means of influencing specific EU decision-making processes.

The various instruments the Netherlands used in its bilateral relations, such as embassies, visits by politicians and civil servants, periodic conferences and secondments, play a role in each of these three dimensions, as illustrated by figure 1.

Figure 1 *Bilateral instruments and the dimensions of the multi-bi approach*



Key actors

The Ministry of Foreign Affairs is in charge of coordinating the Netherlands' EU policy and its bilateral relations with other countries. The foreign ministry also functions as a line ministry for certain policy areas, such as development cooperation and the Common Foreign and Security Policy (CFSP). With a growing number of issues in Europe being designated the responsibility of the heads of government, additional duties now fall to the prime minister. Although the foreign ministry is still in charge of coordinating EU policy, when it comes to strategic issues, the prime minister now has a greater leadership role, due in part to the establishment of a Ministerial Committee on EU Affairs and a Senior Civil Service Committee on EU Affairs. With only a small staff of its own devoted to EU matters, the Ministry of General Affairs is greatly dependent on the Ministry of Foreign Affairs in this area.

The line ministries have all been entrusted with an increasingly weighty EU policy agenda, which they largely implement on their own. Each of them has a department or division for international and/or European affairs which takes care of preparing Council meetings, overseeing and addressing broad European themes. Other tasks they are charged with include strategic planning, coalition-building, travel schedules and bilateral contacts.

The Netherlands' Permanent Representation to the European Union is in charge of promoting Dutch interests within the European institutions. The Permanent Representative and his/her deputy represent the Netherlands in the Committee of Permanent Representatives (Coreper) and stand in for ministers if they are unable to attend Council meetings. As a result of cuts to the foreign service budget, staff size has been reduced at the Netherlands' embassies in the European capitals, though none have been closed. As a result of greater differentiation between large and small embassies in term of manpower and responsibilities, the smaller embassies in particular have become even smaller.

Structure of the study

This policy review was concerned with answering the following questions:

- By building strategic or other types of coalitions with fellow EU member states, was the Netherlands exerting influence on the EU decision-making process? If so, in what way?
- Has Benelux political cooperation and cooperation with other regional partnerships increased Dutch influence on the EU decision-making process? If so, in what way?
- Has the policy of intensifying bilateral relations with the other EU member states promoted the position of the Netherlands with respect to coalition-building in Europe? If so, in what way?

The study consisted of the following parts:

- an analysis of Dutch coalition-building practice and its influence on EU decision-making;
- an analysis of Benelux political cooperation, including consultations between the Benelux countries and other regional partnerships; and
- an analysis of the Netherlands' investment in bilateral relations with other member states from the perspective of the multi-bi approach and the results it has generated.

The main sources of data were existing literature, dossiers, interviews and case studies. For the last of these, IOB took a look at four specific negotiations to see how the Netherlands' engaged in coalition-building and what influence this granted the Netherlands on the decision-making process. These negotiations dealt with the following issues:

- 1) the post-Lisbon regime for comitology, specifically (a) trade policy and (b) spending on external EU aid programmes;
- 2) the third liberalisation package for energy, specifically ownership unbundling of energy production and transmission;
- 3) the multi-year policy framework for Justice and Home Affairs (Stockholm Programme), specifically (a) rule of law monitoring and (b) harmonisation of asylum policy; and
- 4) the 'six pack' for economic governance, specifically (a) making the sanctions procedure for violations of the Stability and Growth Pact more automatic and (b) symmetry/asymmetry in the macroeconomic imbalance procedure (MIP).

In analysing Benelux political cooperation the IOB examined what role joint Benelux papers played in the negotiations on the Eastern Partnership, the division of labour between the member states and the European External Action Service (EEAS), and the approach to collection costs within the Union's Multiannual Financial Framework (MFF) for 2014-2020.

Although attempts to influence the European Commission and the European Parliament are also important aspects of the Netherlands' efforts to promote its interests within the EU, this study focused solely on the Council, because of the link to the multi-bi approach. This does not alter the fact that the case studies do offer a certain degree of insight into the role of these other EU institutions and the way in which the Netherlands interacts with them.

II Main findings

Forming coalitions and influencing EU decision-making

- 1) *The Netherlands played an active role in forming, mobilising and using coalitions. Coalitions generally took shape organically, following familiar patterns. Like-mindedness and a history of cooperation were usually decisive factors in determining the choice of partners. Occasionally different partners were chosen, on the basis of a tactical assessment.*

The case studies show the Netherlands to be active in forming ad hoc coalitions, mobilising like-minded member states and promoting joint action. On two of the seven issues that were studied the Netherlands was the logical driving force behind a coalition, because it was seeking support for a specific Dutch policy preference. In one of these cases the coalition was initially formed by mobilising the traditionally like-minded states. In two of the other cases other negotiators described the Netherlands as a co-initiator of the coalition, or at least as one of its moving spirits. In one other case the Netherlands took the initiative for joint Benelux action after another coalition had fallen apart.

In most cases coalitions were formed with member states that more or less shared the Netherlands' position and that the Netherlands had accordingly worked with often in the same policy field. This was the case for example with trade policy and development cooperation (two matters that were part of the comitology dossier), the internal market (the third energy package) and financial and economic affairs (the six pack). The earlier history of cooperation encouraged member states to make contact with one another at an early stage to harmonise their positions. The Stockholm Programme dossier in the field of Justice and Home Affairs was the only one on which like-mindedness was not a central factor. In that case the Netherlands began by drawing up three position papers with its Benelux partners, due to the close operational cooperation between them in this policy area. In the case of the Dutch initiative for a rule of law mechanism, the Netherlands opted at a later stage for cooperation with France and Germany as a way of assembling a critical mass of support behind the initiative. France was like-minded, but Germany initially had reservations about the Dutch proposal. On the six pack dossier the Netherlands formed a new coalition during the negotiations: after Germany, which was initially like-minded, agreed a compromise with France that blocked efforts to make the sanctions procedure under the Stability and Growth Pact more automatic, the Netherlands sought and obtained the support of its Benelux partners for continuing to advocate more automatic sanctions.

Leaving aside the regular bilateral meetings at political and civil service level at which both sides' positions on major issues were set out, the negotiations with non-like-minded partners mainly took place at the negotiating table in Brussels. The only issues on which the Netherlands deliberately sought out a major non-like-minded member state so as to reach a compromise were the two case studies related to the Stockholm Programme.

2) On five of the seven issues studied, the negotiations resulted in the outcome that the Netherlands had aimed at. Success depended on the balance of forces, the nature of the negotiations and the cohesiveness of the coalition. The position Germany took in relation to that of France proved to be a crucial factor for the Netherlands.

Coalitions were most clearly successful when the Netherlands took the policy initiative. This was the case with the Dutch initiative for a rule of law mechanism and with the opposition organised by the Netherlands to the proposed comitology procedure for EU external aid programmes. In both cases the other member states had not yet adopted firm positions, and the positions they eventually took were not strongly tied to hard and fast national interests. The Netherlands succeeded in obtaining sufficient support for the initiative for a rule of law mechanism (which required unanimity) by lining up France and Germany behind the initiative and persuading another major member state, which had initially been opposed, to give up its opposition. The fact that the member states' positions on this issue did not flow from definite national interests created latitude for persuasion and 'reframing'. After the Netherlands had initially mobilised the countries that are traditionally like-minded on development cooperation against the comitology procedure for EU external aid programmes, the great majority of member states lined up in due course behind the Dutch position. The Dutch success in the negotiations on the two six pack issues cannot be as clearly attributed to the coalitions in which the Netherlands took part. Making sanctions under the Stability and Growth Pact (SGP) more automatic was mainly an achievement of

the European Parliament. However, the fact that the Benelux countries kept this option on the table in the Council may have facilitated this outcome. The asymmetry in the Macroeconomic Imbalance Procedure (MIP) was mainly a victory for Germany, which saw this as a non-negotiable demand. The fact that the Netherlands took the same stance as Germany did strengthen the German position, however. In the negotiations on harmonising asylum policy the Netherlands was active in building bridges, and by reaching a compromise with a large member state on this point it was able to win a victory on another issue that was a Dutch priority.

On two issues where the outcome was disappointing for the Netherlands (trade policy within the comitology dossier and ownership unbundling in the third energy package), there were clearly two blocs of member states with opposing positions based on material interests and deeply rooted ideological differences. On trade policy, the Netherlands was part of a blocking minority. The opposing coalition was somewhat larger, had a clearer position and had the active support of the Commission, so it was less willing to compromise. Once Germany's objections were accommodated by the opposing coalition, there was no longer a blocking minority. The Netherlands had not identified any bargaining chips and was arguing strongly from a sense that it was in the right, so that the opposing coalition did not see it as a likely prospect for accommodation. In negotiations on the third energy package there were two well-defined opposing blocs, each of which had a blocking minority. This time the coalition the Netherlands belonged to had the backing of the Commission, but the other coalition had the advantage of defending the status quo (so it would win out if no decision was taken). This situation led to modest progress in the direction the Netherlands advocated. In short, when countries took definite positions and the balance of forces was unfavourable to the Netherlands, coalitions as such did not yield much of an advantage.

The study confirms the great importance of Germany for the pursuit of Dutch interests. When the outcome of negotiations was advantageous for the Netherlands, a major reason was that Germany was either on its side from the beginning (as with the Macroeconomic Imbalance Procedure under the six pack) or came over to the Dutch side later on in the process (as with the comitology procedure for EU aid programmes and with the rule of law mechanism). When the outcome was disadvantageous for the Netherlands, that resulted mainly from having both Germany and France on the other side (as with the third energy package) or from the success of the opposing coalition (including France) in accommodating Germany's objections (as with trade policy). On the issue of more automatic sanctions under the SGP (part of the six pack), Germany and the Netherlands were like-minded, but Germany made a compromise that the Netherlands considered undesirable. This compromise was modified in part thanks to action by the European Parliament. Table 1 gives a summary of the main factors that affected the outcome of negotiations on the dossiers studied.

Table 1 Schematic overview of the role of coalitions							
	Comitology: trade policy	Comitology: external aid programmes	Third energy package: ownership unbundling	Stockholm Programme: rule of law mechanism	Stockholm Programme: asylum policy	Six pack: sanctions under the SGP	Six pack: symmetry/ asymmetry within MIP
Type of coalition	Existing coalition (with like-minded countries on trade policy)	Existing coalition (with like-minded countries on development cooperation)	Existing coalition (with like-minded countries on internal market)	Initially Benelux; later Germany and France (ad hoc)	Initially Benelux; ad hoc, mainly through Dutch efforts	Ad hoc; later Benelux	Ad hoc
Role of Benelux	None	None	None	Benelux paper at early stage: played no major role	Benelux paper at early stage: played no major role	Benelux paper drafted after loss of German support	None
Central factors	NL was in a blocking minority, which ceased to exist when Germany's objections were accommodated. The opposing coalition was larger, had Commission backing and was more cohesive. A few modest concessions were made to NL while it had a blocking minority.	NL mobilised like-minded partners and quickly won support of a broad Council majority; little opposition to Dutch proposal.	Two well-defined opposing blocs each had a blocking minority. NL's bloc had Commission backing, but the other bloc (including France and Germany) would have won if no decision had been taken.	Sufficient support organised for the initiative; opposition appeased through reframing.	By making concessions on asylum policy of its own accord (not as part of a coalition), NL improved position on another priority.	Benelux kept automatic sanctions on the table to the end; this may have contributed to the compromise between Council and European Parliament.	NL supported firm position taken by Germany, which saw proposal for symmetry as unacceptable.
Outcome	(-) Disappointing	(+) Satisfactory Desired outcome in Council, later watered down by European Parliament	(-) Disappointing NL disappointed at limited progress; most damaging effects averted	(+) Satisfactory Initiative taken on board in watered-down form in Programme + pilot with Germany and France	(+) Satisfactory Less than hoped for, but deliberately exchanged for another Dutch priority	(+) Satisfactory Not in Council phase, but satisfactory after dialogue thanks to compromise with European Parliament	(+) Satisfactory

Benelux political cooperation

3) The Benelux countries coordinated their political and diplomatic efforts more closely during the period under review than in earlier years. The coordination remained limited to several specific policy areas, however. The Benelux countries' periodic meetings with the Visegrád group and the Baltic states took place more regularly, but remained limited to the field of foreign policy.

The consultations at political and diplomatic level between the Benelux countries deepened. This chiefly reflected a commonly felt need for more joint action as a region in the enlarged Union: partly for practical reasons (it is no longer possible for every member state to speak at length in Council meetings), and partly to boost their joint impact. The preliminary ministerial consultations took place more often than in the preceding period, but were still restricted to the European Council, the General Affairs Council, the Foreign Affairs Council and the Justice and Home Affairs Council. There were no Benelux consultations before meetings of other Council configurations, due to a combination of factors: the lack of a tradition of Benelux coordination, major substantive differences and infrequent European meetings.

The preparations at civil service level for the preliminary ministerial consultations were most thorough in the field of foreign policy and, to a somewhat lesser degree, Justice and Home Affairs. These preparations were more limited in the case of the General Affairs Council and the European Council. The political directors and European correspondents of the three foreign ministries were in such frequent and close contact that a 'Benelux reflex' seemed to be developing. The Benelux countries' Permanent Representatives to the EU also conferred closely before meetings. Their deputies did not, however, chiefly because the items on the Coreper I agenda were less suitable for such consultations.

Only on Justice and Home Affairs was there a clear relationship between cooperation within the Benelux Union and Benelux countries' political cooperation in the EU. In other fields cooperation among civil service experts in the Benelux Union sometimes had a clear relationship to the corresponding EU Council working party (e.g. youth policy or veterinary health), but because there were no complementary consultations at political level, substantive differences were not resolved.

The foreign ministers and Directors-General for Political Affairs (DGPZs) of Benelux countries met annually with their counterparts from the Visegrád group and the Baltic states. While the emphasis in the beginning was still on building trust, after a while the meetings led to several shared positions, for example on the consular tasks of the EEAS. The regional groups did not act as cohesive blocs at these joint meetings, but rather as individual states with their own national positions. The planned periodic meetings with the Nordic countries never got off the ground, due to a lack of interest from the Nordic side.

4) The preliminary ministerial consultations before EU Council meetings were largely devoted to exchanges of positions, information and knowledge. This sometimes led to joint statements at European meetings. Several times a year the Benelux countries submitted joint written contributions to the negotiations, in the form of a paper or memorandum.

The Benelux countries' standpoints were usually too divergent to allow joint positions. Sometimes, however, frequent consultations did lead the ministers to decide to adopt joint positions, which the current holder of the Benelux Presidency presented in the Council. This happened when the substantive differences between the three countries were small and there was political will to take joint action.

During the period under review, joint papers or Benelux memorandums were adopted about twice a year on average. These mainly dealt with institutional questions, the Common Foreign and Security Policy, Justice and Home Affairs and financial and economic matters. Often the positions presented were compromises. In the cases studied, there was substantive agreement either between the Netherlands and Luxembourg or between the Netherlands and Belgium, with the third country joining the consensus in the interests of a common Benelux position. No case was found in which the Netherlands adopted a Belgian-Luxembourg position for the sake of a common Benelux position.

5) Joint Benelux positions had a subtle influence rather than a decisive impact on the outcome of negotiations. Benelux political cooperation yielded benefits for the Netherlands even when no joint position was adopted.

The joint Benelux papers and memorandums did not make any decisive mark on negotiations, but they did influence the process in a subtler way. The Benelux paper on the division of labour between the member states and the EEAS was for several months a major reference point for discussions on this topic. Smaller member states were particularly likely to support the Benelux position on giving the EEAS consular tasks. Later a paper was drafted under German leadership, with support from the Benelux countries and 11 other member states. The proposal on consular tasks met with opposition from the big member states, however. The Benelux paper on collection costs in the Multiannual Financial Framework mainly ensured that Belgium would take the lead on this question, thus allowing the Netherlands to devote more time and energy to other issues. A joint Benelux position on the Eastern Partnership (rejecting any accession prospects and stressing conditionality) was mainly inspired by the Netherlands' and Belgium's desire to avoid the isolation that the two countries had experienced earlier on the question of Serbia's moving towards the EU. In the six pack discussion, the Benelux paper on automatic sanctions kept this demand on the table despite the Franco-German compromise, thus possibly facilitating the later compromise between the Council and the European Parliament. The three Benelux papers related to the Stockholm Programme, whose drafting demanded a great deal of time and energy, had only a very modest impact on the negotiations.

Joint Benelux positions did have one major advantage: they were less likely to be perceived as prompted by narrow national interests. Benelux's constructive, pro-European image, combined with the fact that Benelux positions were themselves often the product of compromises, made them easier for other member states to accept than national positions.

In other words, the Benelux hallmark conveys a certain degree of objectivity and reasonableness. Benelux positions proved to be particularly attractive to small, new member states, and were likely to be seen as less threatening than joint proposals by the big member states. The joint Benelux position on the Eastern Partnership also made communication easier with Eastern Partnership countries.

However, the oft-heard expectation that Benelux compromises could be models for broader European compromises has not (yet) come to pass. In practice joint Benelux positions could not be reached when the Benelux countries' respective positions represented different currents within the Union, but rather only when the substantive disagreements were already small.

Even when coordination did not lead to the adoption of a joint position, Benelux political cooperation still yielded benefits for the Netherlands. The frequent, almost continuous exchange of views and knowledge ensured that the Benelux countries were more understanding of each other's positions and would rarely openly abandon or obstruct one another. They were more likely to support one another, either actively or passively. Benelux also proved to be a useful forum for assessing the degree of support for Dutch proposals, for example in the discussion on the rule of law mechanism.

The multi-bi approach

6) The multi-bi approach to promoting Dutch interests in EU decision-making was widely understood and endorsed as a notion. It was also put into practice, although there was no explicit strategy in place.

The general principles of the multi-bi approach are laid down in central policy documents, such as the explanatory memorandums accompanying the Ministry of Foreign Affairs budgets and the Europe Department annual plans. The approach was recognised and endorsed in broad terms by Ministry staff involved in European cooperation and at Dutch embassies in EU member states. It was far less familiar to the staff of other ministries. Neither the principles of the multi-bi approach nor the underlying assumptions about how its instruments work have been enshrined in any document, so that the concept is still fairly abstract. Several discussions took place at the Ministry of Foreign Affairs about the Netherlands' multi-bi options in the EU, but these did not yield any clear operational conclusions. This may have resulted from the fact that no party had been specifically assigned responsibility for the multi-bi approach.

Nonetheless the multi-bi approach was put into practice, for example in the annual plans, Multi-Annual Strategic Plans and ambassadors' introductory briefs that guided Dutch embassies' work in EU member states, in the daily practice of intra-European diplomacy (including visits), and in the way cutbacks were implemented in the European mission network. Day-to-day decisions on the use of resources were however not clearly based on any policy principles or strategy. The abstract character of the multi-bi approach raises a number of questions; for example, whether the approach applies only to the Ministry of Foreign Affairs or to the other ministries as well. It is also not clear whether the multi-bi approach should only be used for a limited number of key strategic dossiers or has a broader scope.

7) The Netherlands stepped up its bilateral ties above all with member states which it regarded as strategically important: Germany, France, the UK, Belgium and Poland. The factors of size and geographical proximity played a prominent role in setting these priorities. The role of like-mindedness was less apparent. Smaller embassies were mobilised for EU matters in an increasingly selective way.

The Netherlands was represented with an embassy in every EU member state, ensuring that structures were in place to maintain at least a basic level of bilateral relations. Multi-annual interministerial policy frameworks (MIBs) were drawn up for the member states the Netherlands regarded as strategically important: Germany, France, the UK, Belgium and Poland. These MIBs were only partly focused on intra-EU diplomacy. The embassies in these countries had the highest number of Dutch staff posted abroad, and the Netherlands had a structured partnership with each of them – except Belgium – in the form of an annual bilateral conference. Close cooperation with Belgium took place through the Benelux Union. Most of the ministerial visits that took place were also to these priority countries. In addition, the Netherlands systematically exchanged diplomats with its Belgian and German neighbours. This happened on an ad hoc basis with other member states, mainly during EU Presidencies. Relations with Italy and Spain were given considerably less priority than the partners mentioned above, despite these countries' major role in EU decision-making. This was because the level of like-mindedness with these countries was limited. The Netherlands was already working so closely on EU decision-making with the Nordic countries, which were very like-minded, that it was evidently considered unnecessary to introduce additional bilateral instruments.

The number of diplomats posted abroad was reduced during the period under review, with the smaller embassies in particular becoming even smaller. The embassies in the EU also, at the urging of The Hague, became more selective in drafting reports. The smaller embassies now reported exclusively on the key European issues. The total number of messages declined by 43% between 2006 and 2011, while the proportion of messages directly related to the EU rose from 40% to 53%. The share of EU-related reports submitted in response to specific requests from The Hague remained small: 9% in 2012.

8) Dutch embassies in the European capitals had clear added value for the multi-bi approach, although their role varied depending on the type of member state in question. The added value of bilateral instruments like political visits, bilateral conferences, secondments and technical assistance lay primarily in the realm of building relationships and creating enabling conditions. The direct impact of these instruments on specific negotiations cannot easily be empirically established.

The Dutch embassies in the European capitals played a direct, visible and significant role in the Netherlands' participation in EU decision-making, by gathering background information about the positions of other member states and by imparting the Netherlands' views in other countries. Information contributed by embassies served as a basis for analyses of the balance of forces made by ministries in The Hague. The greatest added value of this information for the ministries in The Hague and the Netherlands' Permanent Representation to the EU lay not so much in factual descriptions of countries' positions, but in conveying nuances, trends and background information related to those positions. This equipped Dutch negotiators better to assess the manoeuvring room and degree of flexibility to be expected from other member states. Their physical presence in the capitals and access

to key figures proved of great value at the height of the financial crisis, when the Dutch embassies' local networks in the most affected countries gave the Netherlands outstanding sources of information.

There were great differences between the larger and smaller embassies, magnified by the growing gap in staffing levels and in the expected volume of production. Small embassies were only able to follow a limited number of dossiers. There were even greater differences in embassies' ability to convey Dutch positions and pursue discussions with local officials who were specialists on the dossiers. At the big embassies, staff members still had enough scope to master a dossier sufficiently to discuss it with local specialist officials. The main opportunities to actually exert influence, for example through persuasion or bargaining, arose however during direct contacts in Brussels or between The Hague and the capitals of other member states. The embassies focused more on identifying possible openings and creating a favourable climate in which influence could be exerted. The case studies show that embassies played a greater role when more attention was paid to a dossier at political level.

Bilateral instruments like official and political visits, bilateral conferences, secondments and technical assistance contributed in various ways to good and sometimes close relations with other member states. The importance of such relations is very widely recognised, but their impact on specific EU negotiations cannot easily be demonstrated through empirical research.

III Issues for consideration

Building coalitions and exerting influence

Openness and flexibility

Negotiators must take care not to automatically gravitate towards traditionally like-minded countries. It is important to be open to and to keep an eye out for less obvious potential partners. Opportunities for the Netherlands to exert influence are mainly to be found in the early stages of negotiations, when not all the member states have determined their positions. When positions are the result of hard and fast interests and the distribution of member states' positions is not favourable to the Netherlands, acting *en bloc* with like-minded member states will have little effect. The Netherlands is sometimes too confident in the power of persuasion on the basis of argumentation. It is also important to be sufficiently aware of the 'horse trading' that goes on in the EU. An overly dogmatic approach could make the Netherlands a less attractive partner for negotiations. The need to give and take entails a certain degree of flexibility on one's own position, and for this to happen, it is necessary to have a clear sense of one's own core objectives and bargaining chips at the start of the game. This requires a certain degree of latitude from the politicians and a thorough grasp of the balance of forces at play. Analyses of the other member states' positions are often made for important issues, but they are not always equally detailed, and it is not clear

what role they play in determining the negotiating strategy. At a number of ministries there is scope for a greater emphasis by management on conducting and using solid analyses of the distribution of member states' positions.

Germany and the Franco-German axis

Given the great importance of Germany and (despite certain hiccups) the ongoing importance of the Franco-German axis, exerting influence on those two parties is a key challenge for the Netherlands. The fact that the Dutch position is often quite clear early on means that Germany often tends to take our like-mindedness for granted. The German position, by contrast, often remains provisional until well into the negotiating process, and it is difficult to influence on account of the many German actors involved in shaping it. Germany will often make last-minute compromises, while the Netherlands is likely to stick to its initial position. Germany's tendency to make broad European compromises is ultimately necessary for the European Union to reach decisions, and in this light, it is unrealistic to think that the Netherlands can prevent it from taking this course of action. Enlisting other partners to encourage Germany to adhere to its initial position could be an option, but the Benelux partners and Poland are often less like-minded than Germany, and the Nordic countries don't have enough pull on their own. Making creative and constructive suggestions seems to be one of the few ways to have any real influence over Germany and the Franco-German dynamic in the decision-making process. At the same time, the Netherlands has to manage expectations of the chances of altering developments favoured by both Germany and France.

Institutional learning

It can be instructive to perform a systematic, retrospective review of key negotiation processes, identifying factors for success and failure in the Dutch approach and lessons that can be applied to future negotiations. At this point, any lesson-learning is mainly occurring at an individual level. By the same token, strategic thinking seems to be too closely connected to specific individuals within the civil service – certainly not limited to those at the foreign ministry, by the way – and not sufficiently institutionalised. Experiences and lessons learned should be shared more broadly. Considering the heavy workload of many civil servants and diplomats, such a cultural change can only be brought about if it is encouraged by the organisation as a whole.

Benelux political cooperation

Strategic use of the Benelux requires investment

Benelux political cooperation has an ad hoc character, in the sense that the partners often decide to cooperate spontaneously if the opportunity presents itself. Positions are being harmonised in certain areas but not in others, without an explicit choice being made at any point. If the Netherlands is inclined to use the Benelux in a more strategic way, with a view to exerting genuine influence on the outcome of negotiations, it will need to make more thorough preparations, explore options for cooperation at an earlier stage and assess the added value that acting within the framework of the Benelux will bring vis-à-vis alternative potential coalitions. This way, there is less of a risk that a lot of energy will be wasted in

establishing a common position that has no real effect on the negotiations. A more strategic outlook could also inspire the Netherlands to occasionally back a Benelux position that is really more of a Belgian-Luxembourg position, in the interest of maintaining good relations with its partners. At the same time, it is important to keep expectations realistic. The oft-heard wish that Benelux compromises should function as a model for broader European compromises is not an example of this. The Benelux model works best when small member states have a common interest and when the Benelux countries share the same values on a given issue or have 'a lead' in their cooperation in the framework of the Benelux Union. For those reasons, the Benelux countries tend to work together on institutional issues, the Common Foreign and Security Policy, and Justice and Home Affairs. The fact that there is no coordinating function within central government with respect to Benelux political cooperation (as opposed to the Benelux Union in itself) contributes to the ad hoc character of political cooperation and the limited awareness within the government of the good practices taking place within the Union.

Expansion

Expanding the Benelux consultations into new policy areas is an option worth considering, as a way to identify new opportunities for cooperation. Such a move would make it possible to build on contacts (primarily within the civil service) that have been established within the context of the Benelux Union. The informal nature of Benelux political cooperation does not put pressure on the parties involved to achieve results.

The periodic Benelux consultations with the Baltic states and the Visegrád Group are useful and could gain importance in the future, also when it comes to policy areas other than foreign policy. This being said, these meetings should not be seen as a substitute for bilateral contacts. New member states feel strongly about the value of visible bilateral contacts, which confirm their status as fully fledged European partners. And given a growing like-mindedness, it is these countries, above others, that represent opportunities for future coalition-building.

Multi-bi approach: from idea to strategy

The meaning of 'multi-bi'

Promoting the Netherlands' interests more effectively and using scarce resources more efficiently require greater clarity about the meaning, scope, principles, instruments and the implementation of the multi-bi approach. There also needs to be more clarity about the role of line ministries within the multi-bi approach. It stands to reason that they would be involved in reflecting on and crafting this policy. A more strategic deployment of the multi-bi approach also means clearly defining what parties are responsible for coordination.

From the perspective of efficiency and monitoring and coordinating activities related to the multi-bi approach, a central database for registering incoming and outgoing political visits, memoranda of understanding and other important bilateral activities would be a quick win, especially with today's technological possibilities.

Using embassies in a more targeted way

Embassies are the basic infrastructure of bilateral relations. The current system of small (and even one-man) missions in Europe seems to be stretched as far as it can go. Any further reform of the network of European missions would require policy-related justification which also takes account of the missions' multi-bi tasks. It is good that embassies are now drawing up more reports on request, though they should feel they have the leeway to draft reports for The Hague signalling new developments on their own initiative. Missions could work more often on the basis of instructions from the head office, especially when they are accompanied with specific information. Exchanging feedback about the use and usefulness of the information provided is important for missions to be able to gauge the value of a report, since it is not always clear for the mission what role the information they provide plays in The Hague. Sending a report places demands on capacity not only at the embassy, but also in The Hague, where staff are not always available to read and respond to all reports. At the same time, it is not always clear to the line ministries what they can ask of embassies in this period of cutbacks.

Politics

The multi-bi approach is rooted in the Netherlands' position as a medium-sized member state and depends on an active and constructive stance in European policymaking, given that this country's size means that it often must solicit the attention of the large member states and the institutions. At the same time the Netherlands has sufficient capacity to maintain relations with all member states, to operate in a coordinated and well-informed way, to forge coalitions and build bridges, even though this capacity is under increasing pressure. The multi-bi approach works best when an active and constructive attitude on the part of the Netherlands in the European policymaking process is also put into practice at political level.

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