

Fiscal Redistribution in the European Union and the Enlargement

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Abstract

In this article fiscal redistribution in the current EU of 15 member states and the future enlarged EU is analyzed. Specifically, net fiscal transfers between EU Member States are analyzed, i.e. which countries are net beneficiaries, which are net contributors and what factors affect countries' net fiscal balances. The results show that, at present, fiscal transfers among EU member states are partly explained by differences in countries' relative economic prosperity and partly by institutional features that systematically favor smaller EU Member States. Small Member States can use their overrepresentation in the Council votes to obtain more benefits than their level of economic development alone would justify. If the current level of redistribution is extended to include the new Member States, the net costs could amount to 60 billion euros. This means that the net fiscal balance of the current Member States would decrease significantly. Furthermore, the Treaty of Nice does not change the malapportionment of Council votes and European Parliament seats, which gives an advantage to small Member States in bargaining for transfers.

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Introduction

In this article I analyze fiscal redistribution in the current EU of 15 Member States and, based on these results, assess how much the forthcoming EU enlargement will cost if the current level of redistribution is extended to include the new Member States. Specifically, the net fiscal transfers between EU Member States are explored, i.e. which countries are net beneficiaries, which are net contributors and what factors affect countries' net fiscal balances. Three main theories have been advanced to explain why some countries are contributors to the EU budget and some are beneficiaries. The results of empirical tests of these theories show that the current fiscal flows among EU Member States are partly explained by differences in countries' relative economic prosperity and partly by EU's institutional features that systematically favor smaller Member States.

The current redistribution mechanism can be analyzed from either a normative or a positive perspective. Normative analysis asks questions such as what constitutes a good system of redistribution or whether a system of redistribution is fair. Positive analysis tries to explain observable redistribution outcomes without making any normative assessments of the system. In this article both of these perspectives are used. In the normative part I analyze the level of redistribution in the EU during the period 1995-2000 and, based on these results, make projections of how much the new member countries will benefit from the EU budget if they are treated "fairly", i.e. in the same way as the current Member States. Using this method it is possible to make some provisional estimates of what the final costs of the enlargement would be if no adjustments to the current redistribution policies were made. In addition, positive analysis is used to explore why some Member States enjoy significantly greater financial benefits from the EU budget than others. With these results it is

possible to make some empirically based speculations concerning future fiscal redistribution in the EU with 25 or 27 Member States.

This article is organized as follows. In the next section three theories of EU redistribution are discussed. Then the empirical data are introduced and a descriptive analysis is presented. Thereafter the three theories are tested with regression analysis to evaluate their validity. The rest of the article deals with the subject from the perspective of enlargement. The empirical results derived in the previous sections are used to discuss the possible implications of the enlargement for the EU budget and future fiscal redistribution policies.

Theories of fiscal redistribution in the EU

The usual way to think about fiscal transfers in the EU is to see them as motivated by economic needs. According to this view, the EU acts as a benevolent policymaker who takes money from the rich member countries and redistributes it to the economically less prosperous regions and countries in the interest of common good. This is the publicly stated reason for unequal net fiscal flows in the EU. For example, Article 158 of the Treaty Establishing the European Community declares that “[i]n order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion. In particular, the Community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favored regions or islands, including rural areas.”

The theoretical starting point of this article is that fiscal transfers are indeed a function of economic wealth, i.e., the poorer the country is, the more it benefits from

the EU budget. Accordingly, this theory later will be referred as the *theory of economic needs*. However, as will be later shown, there are major deviations from this basic rule. Some countries clearly benefit more from fiscal transfers than their levels of economic affluence would justify. In his thorough analysis of net transfers in the EU, Carruba (1997, 484) goes so far as to claim that “net transfer patterns are not a product of policies designed to compensate those in economic need”. However, the validity of his results is questionable because he excludes the three poorest EU countries (Greece, Portugal and Spain) from his data set (ibid., 483).

The second theory of EU fiscal redistribution is called, following Hix (1999, 269), the *national costs/benefits theory*. This theory emphasizes the role of the EU’s single market in the redistribution process. According to this view the EU budget is an equilibrium outcome of intergovernmental bargains. Opening the EU markets to free competition results in expenses to some Member States while other, more export oriented, countries can reap the benefits. Carruba (1997) sees fiscal transfers between EU member states as side payments that are used to “buy” acceptance of the market liberalizing policies from countries that are losers in the process.

According to this theory, EU budget bargaining is a game in which “each government is willing to pay into/take out of the EU budget exactly how much they believe they are gaining/losing from the non-fiscal policies of the EU (such as the single market)” (Hix 1999, 269). Thus, the redistributive bargain is not about member states’ relative wealth, but whether a country is a likely gainer or loser from trade liberalization policies. As Hix (ibid., 270) notes, this theory leads to the hypothesis that the export-based countries are the main net contributors, while the main net beneficiaries are the states where production is primarily directed to the national market.

The third theory of redistribution is also based on bargaining, but here the focus is on the unequal distribution of votes among the member states. The *vote trading theory* predicts that overrepresented member states will be systematically favored in the distribution of EU net transfers (Baldwin et al. 2001, 29-31; Rodden 2002).¹ The main legislative body of the EU – the Council of Ministers – is an institution in which all the theoretical preconditions of vote trading are present (Mattila & Lane 2001). There are no stable coalitions in the Council, the number of players is small, Council members are well informed of other members' policy positions and the salience of each issue varies greatly from one state to another. Thus, it is very plausible that at least some vote trading occurs in the Council decision making.

In vote trading models, the players are not necessarily assumed to vote sincerely, that is, according to their true preferences. Insincere voting means voting for one's less preferred, as opposed to one's more preferred, choice when there is enough incentive to do so. Incentives for vote trading arise from the fact that the intensities of preferences (that is, salience) may vary between voters. When the issue on the Council agenda is largely unimportant to Member State A, this state may "sell" its vote to another state B provided that B then promises to support A in a future roll call. For example, B may promise to support more fiscal transfers to A in return for its support in the first roll call.

When the vote trading model is applied to the EU redistribution, the unequal vote distribution in the Council becomes a crucial feature of the theory. The distribution of votes in the Council favors smaller member states. For example, the smallest EU

¹ Studies from the USA have shown that the unequal distribution of seats in the Senate has led to similar consequences: small states are favored in the distribution of federal funds (Atlas et al. 1995; Lee 1998).

Member State, Luxembourg, has two votes, while the largest, Germany, has ten. This means that Luxembourg has approximately 4.5 votes per one million inhabitants but Germany only 0.1 votes. Small overrepresented states may be very attractive targets of vote buying bids. “Since they are in effect endowed with more votes per capita than larger states, they can offer a good value – more votes can be purchased in exchange for fewer benefits” (Rodden 2002, 159). This reasoning leads to the hypothesis that small member states benefit more from the EU fiscal transfers than larger states. This theory can also explain the observed fact that smaller member countries vote against the majority in the Council significantly more rarely than the large countries (Mattila & Lane 2001).

Data

The net beneficiary and contributor data used here come from a Commission report analyzing the fiscal flows between the EU and its Member States (Commission 2001). This report includes a table (Table 6, statistical annex) which shows Member States’ annual budgetary balances during the six-year period 1995-2000. In this context budgetary balance is defined simply as the difference between national contributions to the EU budget and the nationally allocated EU expenditure. When measured as a percentage of GDP, these figures range from -0.66% (Germany 1995) to 4.56% (Ireland 1996). The rest of the data (relative GDP per capita, export data and population figures) are from Eurostat’s (2002) statistical yearbook. The data used in the empirical analysis consist of annual average figures that are calculated for the six-year period 1995-2000.

Empirical analysis

I start with a simple bivariate analysis of Member States' relative prosperity and their net fiscal position. Figure 1 shows the relationship between the prosperity of an EU Member State in terms of GDP (x-axis) and the amount of net transfers it receives annually measured in per capita terms (y-axis). Ireland was by far the greatest net recipient country. On the average, each Irish citizen received annually almost 600 euros during the period 1995-2000. Greece, Portugal and Spain follow Ireland in the list of greatest net recipients. The three countries that are the greatest net contributors to the EU budget were Luxembourg (169 euros per capita annually), Germany (128 euros) and Sweden (108 euros).

[FIGURE 1 APPROXIMATELY HERE]

Figure 1 also shows a regression line that describes the overall level of redistribution in the current EU.² The negative slope of the line reflects the redistributive nature of fiscal transfers: poorer member states receive more transfers than wealthier states. As de la Fuente and Doménech (2001, 308) note, it can be assumed that this line “reflects the consensus on the desirable degree of redistribution implicit in the *status quo*”.

² The line is calculated with weighted least squares (WLS) regression, where countries' population sizes are used as weights (de la Fuente & Doménech 2001, 311). The actual regression equation is

$$\text{NET} = 896.7 - 9.06\text{GDP},$$

where NET refers to average net annual transfers per capita in euros, and GDP refers to a country's relative prosperity level (EU15=100).

The regression line in Figure 1 can also be used to assess the fairness of current fiscal transfers. Deviations from the line indicate that some member states benefit more from the EU budget than their relative wealth would lead one to expect, while some countries are contributing to the EU budget more than they should. I shall call the redistribution levels implied by the regression line “fair”.³ Thus, the states that are above the line received too much EU expenditure or they contributed too little to the budget and, conversely, the states under the line contributed too much or received too little.

The levels of current net transfers measured as a percentage of the GDP and in per capita figures are shown in Table 1. The last column of the table shows also the “fair” level of net transfers calculated from the regression line in Figure 1. As can be seen from Figure 1, most member states are located rather close to the line, indicating that their net fiscal balance is approximately same as would be under the “fair” redistribution. However, there are some exceptions, in particular, Ireland and Luxembourg. On the average, each Irish citizen benefited from EU transfer in the 1995-2000 period annually 598 euros, while given the level of per capita GDP each Irish citizen should have been contributing 49 euros to the EU budget. During the same period Luxembourg was a net contributor to the budget, but because Luxembourg is by far the richest EU country in terms of GDP it should have been paying much more. Also Denmark, the second wealthiest country in the EU, is a net recipient while it should be net contributor. Sweden and Germany are the two countries that are contributing too much to the budget.

³ In the rest of the article I will refer to this solution as “fair” redistribution with quotation marks because, obviously, there are numerous other ways to redistribute EU money which can also be justifiably called fair.

[TABLE 1 APPROXIMATELY HERE]

Test of the three theories

In the previous section the bivariate relationship between Member States' relative wealth and the amount of net fiscal transfers they receive was tentatively analyzed. However, as mentioned before, EU transfers are not necessarily simply motivated by economic needs alone. Two other theories offer competing, or at least complementary, explanations of the fiscal transfers: the vote trading theory predicts that small member countries can use their "extra" votes to buy fiscal benefits, and the national costs/benefits theory predicts that export oriented states are the major net contributors to the EU budget.

I use regression analysis to test these theories. The small number of observations (15) limits the number of possible explanatory variables that can be used in the analysis. Fortunately, the theories are simple enough to operationalize using only one variable per theory. As in the previous section, the relative wealth of a country is given as per capita GDP, which is standardized so that the EU average is set at 100. To test the vote trading theory one has to measure the voting power of the Council members. One possibility would be to use the number of votes as such as a variable, but here a more appropriate way is chosen. Council members' voting power is measured with the normalized Banzhaf index, which is then divided by each state's population and multiplied by one million to make the scale of these values easier to handle. This calculation produces a variable which measures a Council member's voting power per one million citizens. This variable ranges from 1.4 (Germany) to 54.6 (Luxembourg). The Banzhaf values are taken from Baldwin et al. (2001, 27).

The national costs/benefits theory is somewhat more difficult to operationalize. The central claim of the theory is that Member States who benefit from the single market compensate those countries whose economy suffer from the increased competition. I assume that that more export-oriented countries are the winners in trade liberalization process and, consequently, they are more likely to be net contributors to the EU budget. In particular, it is the amount of exports to other EU countries that counts. Thus, I measure export orientation as the share of intra-EU exports of the country's GDP. On this measure Belgium is the most export-oriented EU state with intra-EU exports accounting on the average for 54 percent of GDP during the period 1995-2000. The other extreme on this variable is occupied by Greece whose intra-EU exports accounted for only 5 percent of the national GDP.

The regression results are shown in Table 2. In the first three models each explanatory variable is added individually. These results show that neither the voting power per capita nor the country's export orientation explains net fiscal transfers. However, the GDP per capita level variable is statistically significant, although this could already be seen in Figure 1. The main conclusion from these first three models is that fiscal transfers are a function of economic need, and that the national costs/benefits theory or the vote trading theory cannot alone explain states' net beneficiary or contributory positions.

[TABLE 2 APPROXIMATELY HERE]

In models 4 and 5 the voting power and export orientation variables are included simultaneously with the GDP variable in the analysis. Now, the voting power variable is statistically significant, indicating that when Member States' relative prosperity is controlled for, the over- or underrepresentation in the Council votes starts to matter.

In practice this means that although the votes cannot explain transfers as such, they can explain the deviations from the line of “fair” redistribution in Figure 1. This means that small Member States are more likely to be located above the line in Figure 1 and large member states under it. To put it another way, smaller countries can use their overrepresentation in Council votes to their advantage: the smaller the country the more net fiscal transfers. As is shown by Model 5, the export variable remains statistically insignificant when added to the model together with the GDP variable.

Finally, in Model 6 all variables are included simultaneously. The vote and GDP variables remain statistically significant, while the export variable still fails to reach significance.⁴ Therefore, it is clear that the national costs/benefits theory is not supported by the empirical observations. On the other hand, the empirical analyses strongly support both the economic needs and vote trading theories. EU’s net fiscal transfers can be to a large extent explained by Member States’ level of economic development and their degree of overrepresentation of Council votes.

⁴ Because the number of observations is so small, one has to be careful that the results are not biased by single influential cases. As was seen previously, the two most “deviant” countries were Luxembourg and Ireland. I tested the influence of these two cases by adding two dummy variables individually to the Model 6 in Table 2. When a Luxembourg dummy variable is included, it fails clearly to reach statistical significance. When an Ireland dummy is included, it turns out to be highly significant ($p < 0.01$). Nevertheless, the GDP and vote variables retain their significance. In fact, when the Ireland dummy is added, the statistical significance of the vote variable improves considerably. Additionally, I used the jackknife procedure to ensure the reliability of the results. The jackknife estimate of the voting power coefficient was 134.5, and its jackknife standard error 50.5, which is statistically a highly significant result ($p < 0.01$).

Enlargement

According to current plans, the first stage of the EU's enlargement should take place in 2004 with ten new member states joining the union (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia). Later (probably in 2007) these countries will be joined by Bulgaria and Romania. The EU has prepared for the enlargement by including the estimated costs of the process into its multi-annual financial framework for years 2000-2006, which was decided in the Berlin European Council meeting in 1999. For the year 2006 the framework allocates about 15 billion euros to cover the costs of the enlargement. However, one should remember that this figure is based on the assumption that only six new member countries would join EU before 2006 (Galloway 1999, 19-23). Subsequent to the Berlin agreement, enlargement plans were changed to take ten or twelve new member states into account.

Of course, the final costs of enlargement will not be known for years. In this section, results derived earlier in this article are used to estimate the costs of enlargement under some very restrictive assumptions. In particular, the calculations show how much the new member states would receive in terms of net fiscal transfers if they were treated similarly as the current members. It is important to bear in mind that the intention here is not to make predictions concerning the future EU budget. The following calculations should be seen as a thought experiment, i.e. as a "what if" scenario. The real impact of the enlargement on the EU finances will be determined in complex negotiations between the current member states, the EU institutions and the candidate countries, and the outcome of these bargains is almost impossible to forecast.

The level of “fair” net fiscal transfers for the new member states can be calculated using the regression line in Figure 1 or, more precisely, using the regression equation in footnote 2. The results are shown in Table 3. The second column in the table shows the per capita level of GDP in candidate countries in 2000 relative to the current EU states. When this figure is inserted to the regression equation, the outcome is the amount of “fair” net transfers, which are shown in the third column. Finally, the last column shows the total costs of net transfers. These are calculated simply by multiplying the per capita transfers by the number of inhabitants in each country.

[TABLE 3 APPROXIMATELY HERE]

The figures in Table 3 indicate that, on the average, each citizen in the candidate countries would receive net transfers between 100-700 euros annually. The total costs of these transfers would amount to almost 60 billion euros, assuming that all twelve candidate countries joined EU. If Romania and Bulgaria were not included in the first enlargement round, the costs would still be almost 40 billion euros. From the table it is easy to see that two countries would account for the major part of the costs. Poland’s and Romania’s share of the total costs would be two thirds.

There is one major flaw with this calculation. The fact that someone has to pay for the increased costs is omitted from the figures. If it is assumed that the EU wants to maintain the current level of redistribution, that is, keep the slope of the regression line in Figure 1 unchanged, the extra costs would have to be distributed evenly across all EU citizens, both in the old and new Member States. An EU with 27 Member States would have approximately 482 million inhabitants, which means that to cover the increased costs each EU citizen’s net position would decrease by about 120 euros annually. Interestingly, while all current members would have to contribute

considerably more to the EU budget (or conversely give up some of the subsidies they receive), the three poorest current member states (Greece, Portugal and Spain) would still be net beneficiaries.

The previous calculations were based solely on candidate countries' economic wealth. The earlier regression analyses indicated that the unequal distribution of votes affects the redistribution as well. Historically, most of the previous enlargements have led to increased disproportionality in EU decision making. The distribution of Council votes and European Parliament's seats in the enlarged union was decided in the 2000 intergovernmental conference in Nice. In the negotiations the current large member states demanded that the disproportionality of Council votes should be diminished. Most of the candidate countries are relatively small, and the heads of the large member states feared that the increasing number of small member states would paralyze EU decision making. After difficult negotiations the large states succeeded at least partly in their demands. The vote share of the most populous members countries increased while smaller countries saw their share of the votes decrease. However, at the same time the qualified majority voting threshold was raised, which increased the relative voting power of the small countries. As a result the final outcome does not make EU decision making significantly more efficient. In fact, the new rules may even decrease EU's decision-making capability (Baldwin et al. 2001; Felsenthal & Machover 2001).

The results of the Nice negotiations can be analyzed empirically. One useful measure of disproportionality is an index developed by Loosemore and Hanby, which is calculated as follows:

$$MAL = (\frac{1}{2}) \sum |s_i - v_i| ,$$

where MAL is the index of malapportionment, s_i is the percentage of votes or seats allocated to state i , and v_i is the percentage of overall population residing in state i (Rodden 2002, 154). The smaller the value of the index the more proportionally the votes or seats are distributed in relation to population.

[TABLE 4 APPROXIMATELY HERE]

Table 4 shows the effect of successive EU enlargements on malapportionment in the Council vote distribution and European Parliament's seat distribution. The figures indicate that, apart from the joining of Portugal and Spain in the 1980s, each enlargement so far has been accompanied by growing disproportionality in EU decision making. The changes introduced in the Nice treaty will only slightly decrease the disproportionality in the Council when qualified majority voting is used. The seat distribution in the European Parliament will be even more malapportioned than before the Eastern enlargement. Consequently, there is no reason to believe that Small Member states could not use the disproportionality to their advantage also in the future. Furthermore, in the enlarged union most of the new member states are both small and relatively poor, which places them in a good position to succeed in their demands for more transfers.

Conclusions

In this article fiscal redistribution in the current EU was analyzed on the basis of three theories. Based on these results it was possible to make some estimates on how much it would cost to extend the current level redistribution to the new candidate countries set to join the EU in 2004. The results show that the current system of redistribution is based partially on economic needs and partially on "power politics",

in which smaller Member States can use the disproportional allocation of Council votes to their advantage. All other things being equal, small Member States, such as Denmark, Ireland and Luxembourg, receive significantly more net transfers from the EU budget than their levels of economic prosperity would justify.

The forthcoming EU enlargement with ten or twelve new Member States will be a great financial burden for most of the current member states. One of the main cleavages in the Berlin 1999 financial negotiations was between the net contributors and net beneficiaries of the current transfers. The 'net contributors' club', formed by Germany, the Netherlands, Sweden and Austria, demanded vocally that their share of the costs should be decreased (Laffan & Schackleton 2000, 232-234). At this point the scale of the enlargement was not yet fully known. The calculations presented in this article show that the net fiscal position of the current member states will decrease significantly in the future because all of the new members can justifiably demand major net transfers from the Union.

In the accession negotiations the current Member States will demand for long transition periods for the newcomers, during which they would be entitled only to partial subsidies. The candidate countries will, of course, oppose any transition periods or require that that they are as short as possible. The outcome of these negotiations remains to be seen. In the end, however, the main question for the future is how much the current Member States are willing to pay for the enlargement. After the transition period, new Member States must be treated equally with the old members. There are two possible solutions. Either the rich countries will be willing to pay more or EU's main redistribution policies, the CAP and the structural funds, must be subjected to major reforms. The final outcome probably lies somewhere between these two solutions.

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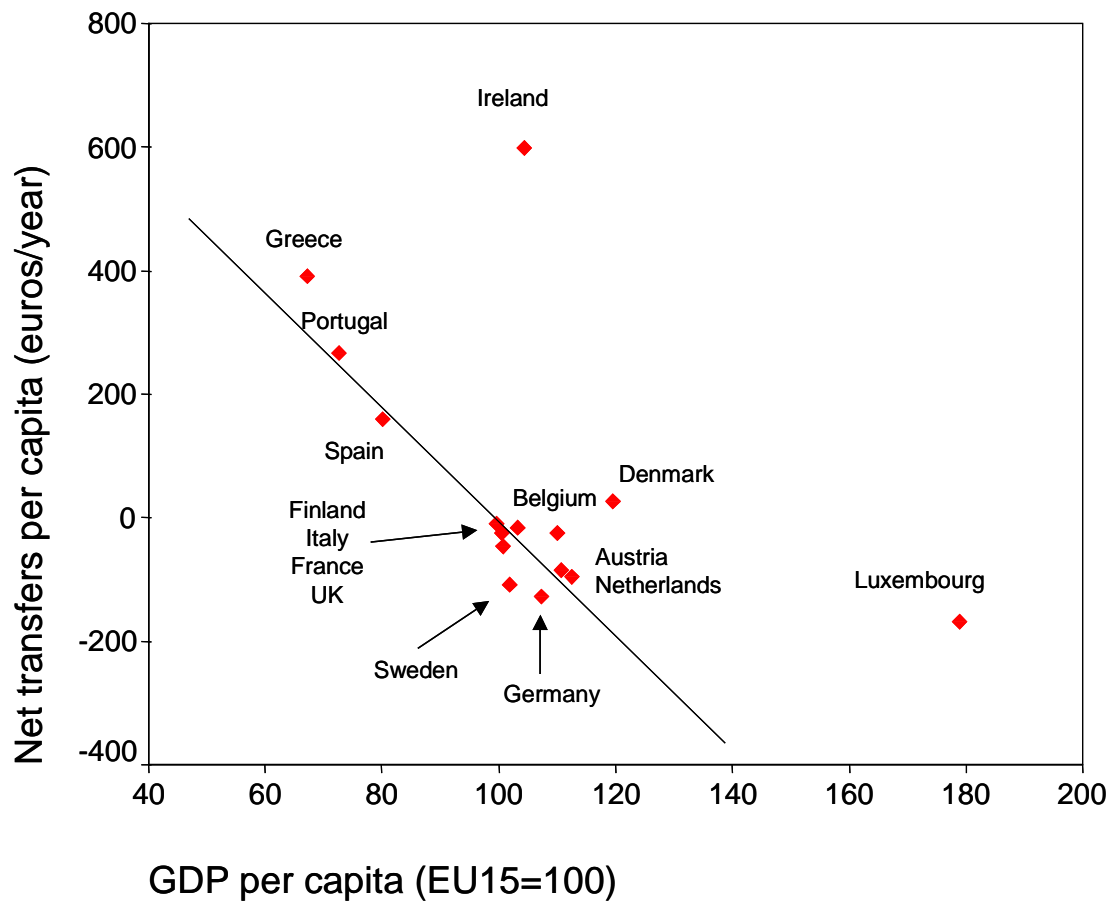


Figure 1. Average annual net transfers in the EU and relative per capita GDP, 1995-2000.

Table 1. GDP per capita and average annual net transfers in the EU, 1995-2000.

| Country | GDP per capita (EU15=100) | Net transfers (% of GDP) | Net transfers (euros/capita) | “Fair” net transfers (euros/capita) |
|----------------|--------------------------------------|-------------------------------------|---|--|
| Greece | 67 | 3.88 | 391 | 288 |
| Portugal | 73 | 2.83 | 266 | 238 |
| Spain | 80 | 1.27 | 160 | 170 |
| Finland | 100 | -0.05 | -10 | -7 |
| France | 101 | -0.12 | -24 | -15 |
| UK | 101 | -0.23 | -46 | -17 |
| Sweden | 102 | -0.46 | -108 | -27 |
| Italy | 103 | -0.10 | -16 | -38 |
| Ireland | 104 | 3.51 | 598 | -49 |
| Germany | 107 | -0.56 | -128 | -75 |
| Belgium | 110 | -0.11 | -24 | -100 |
| Austria | 111 | -0.37 | -85 | -107 |
| Netherlands | 113 | -0.43 | -95 | -124 |
| Denmark | 120 | 0.10 | 27 | -187 |
| Luxembourg | 179 | -0.44 | -169 | -725 |

Table 2. Regression analysis of net fiscal transfers in the EU (OLS regression, annual average data from 1995-2000, N=15, standard errors in parentheses, *p<0.01, **p<0.05, ***p<0.01).

| | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 | Model 6 |
|-------------------------------|----------------------|------------------|--------------------|-----------------------|----------------------|-----------------------|
| Constant | 521.20** (214.69) | 13.91 (67.15) | 25.45 (107.71) | 631.52*** (180.65) | 549.75** (204.36) | 636.20*** (179.20) |
| GDP per capita | -4.51** (2.00) | - | - | -7.88*** (2.06) | -6.02** (2.12) | -8.42*** (2.10) |
| Voting power per capita (log) | - | 22.65 (65.48) | - | 155.40** (57.35) | - | 136.86** (5.23) |
| Exports | - | - | 103.21 (396.88) | - | 562.37 (358.46) | 351.49 (320.68) |
| Adjusted R ² | 0.23 | 0.00 | 0.00 | 0.48 | 0.31 | 0.49 |

Table 3. GDP per capita in 2000 and estimates of “fair” annual net transfers from the EU to the candidate countries.

| Country | GDP per capita (EU15=100) | “Fair” net transfers (euros/capita) | Total costs (billion euros) |
|----------------|--------------------------------------|--|--|
| Romania | 24 | 679 | 15.24 |
| Bulgaria | 27 | 652 | 5.33 |
| Lithuania | 29 | 634 | 2.34 |
| Latvia | 33 | 598 | 1.44 |
| Estonia | 37 | 561 | 0.81 |
| Poland | 39 | 543 | 21.00 |
| Slovakia | 48 | 462 | 2.49 |
| Hungary | 50 | 444 | 4.45 |
| Malta | 55 | 398 | 0.16 |
| Czech | 59 | 362 | 3.72 |
| Slovenia | 69 | 271 | 0.54 |
| Cyprus | 85 | 126 | 0.08 |
| Total | | | 57.60 |

Table 4. The effect of successive enlargements on malapportionment in the Council of Ministers and European Parliament.

| Period | Years | Council of Ministers | | European Parliament |
|--------|---------|----------------------|-----------|---------------------|
| | | QMV | Unanimity | |
| EU9 | 1973-80 | 0.185 | 0.430 | 0.084 |
| EU10 | 1981-85 | 0.207 | 0.442 | 0.095 |
| EU12 | 1986-94 | 0.206 | 0.421 | 0.100 |
| EU15 | 1995-? | 0.241 | 0.459 | 0.115 |
| EU27 | ?- | 0.212 | 0.486 | 0.133 |

Source: Rodden (2002, 156) and author's calculations.