

Agents as Information Asymmetry Managers in EU Trade Policy-Making

Evelyn Coremans and Bart Kerremans

1 INTRODUCTION¹

This chapter looks into the concept of agents as managers of information asymmetry. The focus situates our analysis in the politics of discretion, as we attempt to illuminate part of the black box that is the functioning of the principal–agent relationship after delegation. Information asymmetry is defined as the surplus of knowledge about the delegated task and related preferences that is available to the agent but not to the principal. For our empirical case, EU external trade policy, it refers to situations where Commission-exclusive information trumps information that is shared between the European Commission and the Council of the EU.² This principal–agent relationship and the main theoretical focus of this chapter are presented in Fig. 1.

The level of information asymmetry determines the discretion of the agent in executing the assigned task (Delreux and Adriaensen [this volume](#)). The prevalent interpretation in principal–agent studies is that information asymmetry is beneficial for the agent: it allows the agent to deviate from his principal’s preferences, should he want to do so. As a result, it is expected that the agent tries to increase information asymmetry, whereas the principal tries to single-handedly reduce it. Yet, in EU external trade policy, the Commission organises “informal technical meetings” (ITMs) that provide the opportunity for informal and mutual

E. Coremans (✉) · B. Kerremans
KU Leuven, Leuven, Belgium

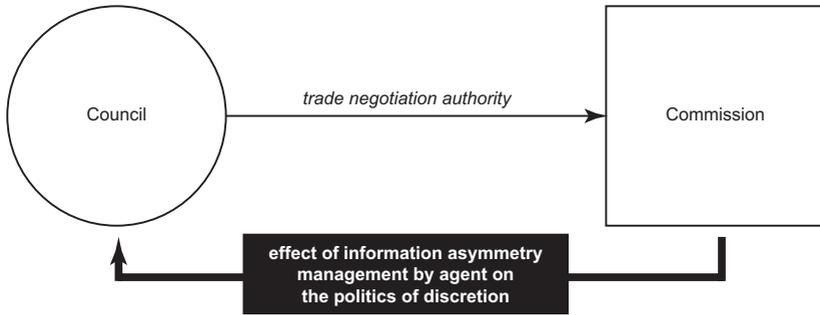


Fig. 1 Visualisation of the principal–agent relationship and the agent as information asymmetry manager

information exchange. The existence of these meetings is puzzling from a principal–agent perspective: Why would the Commission-as-agent voluntarily organise a meeting reducing the very information asymmetry that is considered favourable to its own discretion? In a context where information asymmetry is an essential strategic tool for the agent to obtain goals deviating from those of its principals, it seems rather counterintuitive that an agent proactively creates additional control mechanisms.

This chapter presents the view that the agent does not necessarily benefit from indefinite information asymmetry. To the contrary, information asymmetry may actually become detrimental for the agent under conditions of incomplete contracting and interdependence, and as a result the agent does have incentives to proactively reduce information asymmetry vis-à-vis the principal. At a certain point, the strategic advantages in terms of discretion will be exceeded by the costs of an outcome that diverges too much from the one preferred by the principal. These costs are usually referred to as “involuntary defection” or failed ratification (Putnam 1988: 438) and often entail problematic consequences for future delegation opportunities in an iterative principal–agent relationship (Damro 2007; Dür 2006; Kerremans 2006). In the case of EU external trade policy-making, very high levels information asymmetry will drastically increase the probability of rejection by the Council of the final negotiated agreement. Such a situation may arise due to (1) insufficient information available to the Council about the external negotiation context and (2) insufficient information available to the Commission

about the intensity of the Council's or its members' preferences (Delreux and Kerremans 2010). The negotiation of the Economic Partnership Agreements (EPAs) has illustrated how insufficient information exchange can cause member states in the Council to oppose ratification (Faber and Orbie 2008).

If, on the other hand, information is distributed more evenly between principal and agent, the risk of involuntary defection goes down significantly. Commission and Council need to exchange information on their preference intensities, expertise and in the case of the Commission also on the external negotiation context, to construct a strong common position and obtain an outcome (a trade agreement) that is beneficial or at least not excessively costly for either actor. By communicating information about the external context, the Commission can create a co-ownership relation with the Council, which significantly reduces the risk of member state opposition in later stages of the ratification process. Conversely, in order to ensure autonomous behaviour when desirable and avoid shirking unknowingly—i.e. overstepping the mandate—the Commission needs information about the Council's preferences and preference intensities (Conceição-Heldt [this volume](#)). It is also in the Council's interest to provide such information, as it prevents the future use of control at the extraordinary political cost of rejection by a substantial number of member states. Informal technical meetings in EU trade policy-making provide the Commission and Council with a tool to do exactly this: they create a two-way street out of the problematic principal-agent situation arising from a disproportionate level of information asymmetry.

The empirical data for explaining the existence of informal technical meetings were gathered through a combination of fieldwork and document analysis. We conducted 11 semi-structured interviews with Council and (former) national trade officials closely involved in informal technical meetings and EU trade policy in general.³ These took place in person between November 2013 and October 2015 and consisted of open-ended and follow-up questions on the origin, importance, purposes, and dynamics of informal technical meetings and other informal practices. In addition, non-participant observation took place in one informal technical meeting in April 2014 in Brussels, and document analysis was done on e-mailed agendas and invitations of meetings taking place between January 2011 and June 2014. These were obtained in the context of the

interviews. Follow-up correspondence and discussions with the respondents provided supplementary clarifications.

2 THEORETICAL PUZZLE: AN AGENT PERSPECTIVE ON INFORMATION ASYMMETRY

The classical principal–agent model in EU trade policy-making departs from the implicit assumption that there may exist preference heterogeneity between the Council as the principal and the European Commission as the agent (Damro 2007).⁴ For instance, it is often assumed that the Commission prefers more liberalising trade agreements, whereas Council preferences are motivated by sector-driven protectionism (Heron and Siles-Brügge 2012). By withholding certain information about the external negotiations (information asymmetry), the Commission may be able to obtain a more liberalist outcome than the Council would have liked.

As a result of the possible preference heterogeneity between the agent and the principals, there is a predominant focus on which actor succeeds in realising its preferred outcome (De Bièvre and Dür 2005; Dür and Zimmermann 2007).⁵ Analyses focus on which actor is more powerful than the other, departing from the idea of a hierarchical relationship (Delreux and Adriaensen *this volume*). This hierarchical perspective on the principal–agent relationship between Council and Commission has two main consequences: it overlooks possible cooperative qualities of the relationship, focussing instead on conflictive elements of the principal–agent relationship, and leads to a predominantly principal-oriented analysis.

The vast majority of principal–agent studies on EU trade policy-making has overlooked the many cooperative qualities of the Council–Commission relationship (De Bièvre and Dür 2005; Kerremans and Adriaensen 2013). Those that have shown an interest in cooperation have turned to other theoretical models for their explanatory analyses (Niemann 2004). Nonetheless, a cooperative principal–agent model is not a *contradictio in terminis* and may in fact render the analytical and explanatory usefulness of the model even more relevant: “the functional benefit of delegation does not disappear when principals and agents cooperate, and it increases the possibility for the principals to remain active players in the task that is delegated to the agent” (Delreux 2009: 205).

We take issue with the prevalent assumption that goal conflict between principal and agent is ever-present (Delreux and Adriaensen *this volume*). It is not the actual and observable presence of goal conflict that

motivates principals to control their agents but rather the *uncertainty* surrounding the real preferences and actions of agents in an incomplete contracting setting (Elsig 2010; Maskin and Tirole 1999). If goal conflict would be the dominant given, continued delegation would not take place because it would simply be too costly for the principal. In EU trade policy-making, it is exactly because the Council expects the Commission to act in a neutral manner, that it delegates the role of EU negotiator to that institution (Rimkutė and Haverland 2015).

This understanding of goal conflict as a variable rather than a given also affects the “observational equivalence” problem (Delreux and Adriaensen [this volume](#); Epstein and O’Halloran 1999; Pollack 2002; Weingast and Moran 1983). An observed absence of monitoring or conflictive situations does not necessarily mean either that principal control mechanisms are so perfect that they do not need to be used, or that there is an extreme degree of agent discretion and thus lack of effective control mechanisms. It may simply mean that there is no goal conflict to begin with: “if there is no goal conflict, the agent will behave as the principal would like, regardless of whether his or her behaviour is monitored” (Eisenhardt 1989: 62, see also Damro 2007).

In case a latent goal conflict does exist, the *quality* and *degree* of information asymmetry are pre-determinants for the principal to realise that such goal conflict is actually present or developing. The quality of the information asymmetry refers to the specific kind of information, which can vary in importance depending on who is interested in that information: On what issues or contextual elements does the agent have information that the principal does not? The degree of asymmetry denotes the difference in the actual quantifiable level of information: How much more information does the agent have about a certain issue, compared to the principal?

Information asymmetry and agency discretion are linked in a feedback loop: agency discretion inherent to the delegation allows the agent to build up information asymmetry about his own preferences and the delegated task. This asymmetry can then be used to enlarge and strategically use his discretionary power to obtain an outcome that serves his own preferences rather than those of its principal (Hawkins et al. 2006; Pollack 1997, 2003; Thatcher and Stone Sweet 2002). In EU external trade policy-making, the Commission’s extensive knowledge of the external negotiation context, policy expertise, and exclusive information regarding his own and the negotiation partner’s preferences provide the

possibility to steer the negotiations in his preferred direction—which may or may not be different from what is preferred by his principal (Delreux and Kerremans 2010; Elsig and Dupont 2012; Johnson 1998; Reichert and Jungblut 2007; Woolcock 2012; Zimmermann 2008). In this sense, “goal conflict is exacerbated by information asymmetry” (Meier et al. 1999: 295) because depending on the quality and degree of information asymmetry, principals run the risk of not even noticing the possibly evolving goal conflict.

This is the main reason why principal–agent studies of EU trade policy-making focus on the monitoring mechanisms that are installed by principals to prevent the discretion–information asymmetry loop from spiralling out of control. Yet this view emphasises a one-way, principal-induced reduction in information asymmetry—the Council demands information from the Commission—and foregoes the possibility of proactive, agent-induced managing of information asymmetry. This tendency has been referred to as the prevalent “anti-agent bias” in principal–agent research on EU trade policy-making (Elsig and Dupont 2012; see also Delreux and Adriaensen *this volume*). Moreover, it also implicitly assumes that the agent uses its discretion strategically, often without considering the option that discretion may equally likely be used in an instrumental manner (Rimkutė and Haverland, 2015). When used instrumentally, agency discretion can be considered “an instrument to solve policy problems and/or increase the problem-solving capacity” (Rimkutė and Haverland 2015: 436). By contrast, when used strategically, discretion is “rooted in the self-interests of key actors” and its use is motivated by strategic reasons of either advancing own policy positions or legitimising institutional positions (Rimkutė and Haverland 2015: 437).

An accurate principal–agent model needs to shift the theoretical focus away from a one-way flow of information (agent to principal) towards a focus on the degree and quality of information asymmetry in both directions. Such a principal–agent model allows for explaining a two-way flow of information and introduces the Commission as a proactive information asymmetry manager in EU external trade policy-making. The context of external negotiations creates a situation of interdependence between the two main actors, as the Council needs to approve and afterwards implement the negotiation outcome, which is negotiated by the Commission based on what the Council expects to be in the final agreement. Moreover, negotiating agreements with a third partner is

a dynamic process where proposals evolve throughout negotiations. This implies that the Council cannot formulate set-in-stone preferences beforehand, as it cannot predict the actions or proposals of the third partner. In addition, when these preferences are being defined during the negotiations themselves, the Commission may have (and often has) an interest in Council preferences that move these negotiations forward, not backward.

The resulting interdependence between Commission-as-agent and Council-as-principal leads us to introduce insights from resource dependence theory. The resource dependency approach is based on the idea that organisations are interdependent and enter into reciprocal transactions with each other to obtain the resources needed to maintain their existence (Aldrich and Pfeffer 1976; Bouwen 2002; Pfeffer 1982). It shares two main scope conditions with the principal-agent model: the incomplete nature of the contractual relationship and the interdependence that that incompleteness creates between the contracting actors.⁶

In EU external trade policy-making, the negotiation mandate framing the delegation is necessarily incomplete due to unknown future contingencies such as substantive uncertainty, strategic reasons, or the dynamic nature of preference intensity over time (Cooley and Spruyt 2009; Da Conceição 2010; Epstein and O'Halloran 1999). By authorising the Commission to start negotiations, the Council creates a situation of interdependence: the Council-as-principal needs the Commission to negotiate external trade agreements (the delegated task) and the Commission-as-agent needs the Council to know *what* to negotiate (discretion).⁷ Neither is internally self-sufficient: they cannot achieve the end goal—a trade agreement—without soliciting resources from one another (Aldrich and Pfeffer 1976).

Both Commission and Council gain by exchanging information about their own strategies, intentions, and preferences because it “enhances the own ability to adapt to the respective context” (Puetter 2003: 117). Incentives for the Commission are the wish to avoid involuntary defection (Putnam 1988), future delegation opportunities in an iterative principal-agent relationship—as is the case in EU trade policy-making (Damro 2007; Dür 2006; Kerremans 2006)—but also the need for efficiently transmitting pressures between the Council and the external negotiation partner (Meunier and Nicolaidis 2000; Schelling 1960). For the Council, sharing expertise and clear

information about the intensity of their preferences reduces the risk of an outcome that is not able to garner support from the necessary number of member states. It prevents the use of control at the extraordinary political cost of rejection by a substantial number of member states.⁸

Information exchange transforms the characteristic principal–agent information asymmetry into a more symmetrical information distribution in a more fundamental way than the principal’s control mechanisms can: it offers a two-way street that is mutually beneficial. Is this visible in the way in which the Commission and the Council manage their interactions in EU trade negotiations? It should be: we posit that the need for information exchange between Council and Commission is the reason informal technical meetings exist in EU external trade policy-making. These meetings are best suited to fulfil this role because the informality and flexibility of the format provide the ideal environment for such an information exchange.

We hypothesise therefore that informal technical meetings are a tool for the Commission to manage information asymmetry to prevent it from becoming detrimental to the functioning of the principal–agent relationship:

Hypothesis: under conditions of incomplete contracting and interdependency, the agent manages the degree and quality of the information exchange in order to prevent information asymmetries leading to a negotiation outcome that is unacceptable to the principals.

In order for informal technical meetings to fulfil such an information managing function, we expect that (1) the Commission is in charge of their organisation, (2) the atmosphere is conducive to free and mutual information exchange that benefits both principal and agent without necessitating a change in preferences, and (3) the outcome is one where the informational balance is more—but not necessarily completely—symmetrically distributed between principal and agent than it would have been without informal technical meetings. The following section explores these expectations empirically. We find out what informal technical meetings exactly are, how they function, what their added value is within the EU’s external trade policy structure, and finally, whether the Commission uses them to manage the information asymmetry between itself and the Council in the way we expect it to.

3 EMPIRICAL ANALYSIS: INFORMAL TECHNICAL MEETINGS IN TRADE POLICY-MAKING

EU competence in external trade policy is anchored in a two-stage delegation system (Meunier and Nicolaïdis 2000). Article 3 TFEU assigns exclusive competence of the common commercial policy to the EU—the first delegation stage—while article 207 TFEU assigns to the European Commission the exclusive role of external negotiator for trade agreements with third countries—the second stage. Article 218 TFEU then sets out the specific procedures through which this negotiating process takes place. This set-up provides the basis for applying the principal-agent model to analyses of EU trade policy: it portrays the Council as the principal and the Commission as the agent and sets the stage for the politics of discretion (“macro-delegation”, see Delreux and Adriaensen [this volume](#)). The Treaties also set out the basis for an extensive coordination structure under the umbrella of the Council and the Permanent Representatives Committee (COREPER). At the level below the COREPER, the Trade Policy Committee (TPC) is the main format for facilitating formal dialogue between the Council and Commission on external trade negotiations.

But in how far does this formal system allow for the frank and open communication necessary to construct a common EU position? Domestic political reasons may prevent member states from openly revealing the intensity of their preferences on certain sensitive issues—e.g. the principal’s informational advantages.⁹ The Commission may want to guard the confidentiality of the EU negotiation position or refrain from making certain statements when they can become public at a later stage. Moreover, over time the TPC meetings have become more of a statement forum as opposed to an open discussion forum: national representatives come to the table with a position prepared and ready to defend it, leaving little scope for crucial functions like policy learning and problem solving (Elsig 2010). In short, the formalisation of formats like the TPC has made them prone to the strategic use of information from both sides (Baldwin 2006; Lempp and Altenschmidt 2008; Van Gestel and Crombez 2011).

Yet informality in negotiations has been found conducive to open discussion, development of trust, and policy learning by avoiding problems of hierarchy and representation. At the point where strategic bargaining becomes counterproductive, informality becomes essential for problem

solving through information exchange (Elgström and Jönsson 2000; Puetter 2003). And indeed, in EU external trade policy-making, this is visible. The formal TPC has to a great extent lost its function of open discussion format and has been replaced by informal technical meetings or ITMs.

ITMs are organised and chaired by the Commission's Directorate General for Trade (DG Trade) to discuss technicalities of ongoing trade negotiations in a detailed, sector-by-sector manner with the Council. This differentiates them institutionally from the TPC, which is a Council body. They were first introduced during negotiations on the EU–Korea free trade agreement (mid-2000s) and have since become one of the main contact points between Council and Commission for international trade negotiations (Interview K). ITMs have no legal basis or register, nor are there formal invitations, agendas, minutes, attendance lists, collectively written reports or press briefings afterwards (Interviews A, K). This makes them the only truly collective informal forum in the EU's external trade policy system.¹⁰ Based on accepted definitions from existing literature and in order to determine a universal and stand-alone demarcation between formal and informal procedures, we define a process or procedure as informal when (1) there is no *collective* codification of the exchanges between the participants and (2) exchanges are *not publicly enforceable or sanctioned* (Christiansen et al. 2003; Héri-tier 2012; Mak and van Tatenhove 2006; Reh et al. 2011). The informal nature of ITMs implies that they are organised on an ad hoc basis, without a particular pattern. The dates are communicated on short notice—at best one week beforehand—and may be changed depending on the progress of the external negotiations (Interview A).¹¹ Different Commission units and (groups of) member states can ask the Commission's Directorate General for Trade that is responsible for conducting negotiations to organise a meeting on a particular topic, a request that is rarely refused (Interviews A, D, J).

ITMs have three main functions. They are often *follow-up or preparation* meetings for the TPC, discussing issues transferred from a previous TPC meeting or issues that will not be possible to discuss in a future one (Interviews A, C, D, K). ITMs are also organised to gather *input from the Council*, for example when the Commission is planning to propose a new tariff offer to the negotiation partner or when a position on a new issue needs to be constructed (Interviews A, E, K, J). And finally, ITMs are organised when there is a need for *explanation and clarification*

of (1) actions of and decisions taken by the Commission in the external negotiations, (2) technicalities and substance of new matters under negotiation, or (3) a concluded agreement (Interviews B, C, D, E, F, K). Such debriefing occurs after a negotiation round or conclusion of a draft agreement with the third country, or on demand from member states.

These purposes are not very different from those of the TPC (Adriaensen 2016; Johnson 1998). ITMs have indeed taken over several functions from the TPC, an evolution that has coincided with two big changes in the EU (trade policy) system. First, the 2004 big bang of EU enlargement added another 10 member states, bringing the total to 25 representatives that are all entitled to have their say in the TPC: “you could just about have a tour de table with 15 people if they didn’t speak for too long, and that was already difficult enough” (Interview I). Secondly, the implementation of the 2006 *Global Europe* policy changed the scope and increased the amount of free trade agreements simultaneously being negotiated (Interviews C, K).¹² Negotiations have become more complex, and the agreements are more comprehensive in scope and are reaching uncharted territories of EU trade policy. The highly technical nature of the new regulatory trade issues and the need for more extensive communication between Council and Commission have pushed the existing formal coordination framework to the limit (Damro 2007; De Bièvre and Dür 2005; Young and Peterson 2006; Young 2007).

Both evolutions caused capacity issues in the already jam-packed TPC in terms of time shortage and limited scope for dialogue (Interviews A, C, E, H, I, J, K). In addition, TPC members often do not possess the necessary technical expertise to discuss the new and highly complex trade issues (Interviews C, J).¹³ As a result, the number of ITMs and topics they cover has increased significantly over the last five to ten years (Interviews A, C). Nowadays, around four to six ITMs are organised per month, depending on the frequency of the ongoing external negotiations (Interviews A, J, K). It is expected that this number will continue to increase, as experience with the Transatlantic Trade and Investment Partnership negotiations on regulatory cooperation, government procurement and intellectual property rights has already shown (Interviews A, C, K).

The higher frequency of ITMs coincides with a similar evolution in member state attendance, which today “comes close to 28 for all meetings” (Interview K). Member states consider ITMs crucial for having a

better overview of what is going on in the policy process and assuring that their voice is heard (Interview D, E, J): “a few years ago, it was sufficient to attend only the TPC. Now you cannot afford to do this anymore” (Interview C). Member states send either experts from the capital or Brussels-based officials from the TPC and permanent representation (Interviews C, E, J, K). The seniority and expertise of the representatives varies with country and agenda topics (Interviews C, E). Member states will send specialists from the capital when the discussions cover a sector of particular interest to them, regardless of practical constraints such as budgets and travel distance (Interview C).¹⁴ Expertise is considered crucial for influencing the highly technical debates: “when we go to ITMs with no particular expertise, we cannot react on the spot or ask the right questions” (Interview E; also B, J). In addition, early influence means a higher chance that their position is taken into account in later stages: “once experts have spoken, it is harder to change the position later on” (Interview G; also D, J).¹⁵ But even when no special interests are at stake, member states will try to have an official in the room, if only to take note of what is said and to report back to the capital (Interviews C, D, E).

The high frequency and attendance rate of ITMs indicate their increasing importance in the trade policy-making machinery. As mentioned before, this is partly a result of time shortages and overbooked TPC agendas: the TPC has become a forum where formal national statements are repeated over and over, rather than genuine exchange of views and expertise (Interviews B, C, J, K). As the continuous re-stating of national positions in the TPC is becoming a major problem for efficiency, ITMs are nowadays “the only way to deal with the complex issues we are faced with in trade policy” (Interview C).

The above suggests that a functionalist explanation of ITMs would be quite fitting: the meetings cope with deficiencies of the formal options (Christiansen et al. 2003; Peters 2007). They take care of topics that used to be discussed in the TPC and they sort out new ones that were not on the table before 2006, thereby facilitating the policy process.¹⁶ However, it is not only time shortage and overbooked agendas that pushed Commission officials to start organising ITMs. If this would be the case, why have the leftover TPC topics not been transferred to already existing Council committees and Commission expert groups? Why did the Commission decide to create a new, informal meeting to discuss these issues?

For one, the Council does not have the time nor the budget to organise additional meetings. Therefore, they would not have taken the initiative themselves (Interview K).¹⁷ Secondly, the Commission deliberately wanted to show engagement: “we had to find out ways to prepare and report more effectively, and at the same time deal with growing criticism that we weren’t being transparent enough about negotiations and not allowing the Council to play its full consultation role it has under the Treaty” (Interview K; also A, J).

As the ITMs developed into a common practice, they started to take on a very specific niche function. First of all, the informal atmosphere allows member states to ask “stupid” questions about technicalities and details of the EU common position, something they would never do in a formal environment (Interviews A, C). This allows for a *common understanding* by both parties, avoiding misunderstandings and thereby possible rejection of the Commission’s position for the wrong reasons, as well as smoothening further discussions (Interviews D, K). In addition, exchanging expertise may provide an opportunity for truth seeking and ironing out any skewered positions resulting from lobbying by vested interest groups (Interview F).

Secondly, the informal context gives the Commission a chance to “*explain the Brussels’ way of thinking*” (Interview C). Here, the element of non-codification comes into play (Interviews G, H).¹⁸ ITMs can start from a written document that is distributed by the Commission to the attendees a few days before the meeting takes place. However, often there is no such preparatory paper when the Commission “does not want anything written down because it is too confidential” (Interview C). This indicates that certain issues can be discussed only in ITMs because of their complete informal character: there is no obligation to provide a collectively codified and consented output. Informality allows for future negotiation proposals to be discussed without the risk of compromising the confidentiality of the common EU position. The Commission can clarify in more detail what is happening in the external negotiations and provide the necessary information to convince and reassure member states that their interests are taken into account (Interviews A, J, K). Alternatively, when the Commission acted against the interests of a certain member state in the external negotiations, it can more freely explain its motives and thereby pre-empt problems in the TPC (Interviews D, J). Because member states get a sense of the pressure in external negotiations or because the expertise of the Commission is so overwhelmingly

large, they may be more willing to give in on certain demands. Evidently, if this were to happen in a formal forum, where exchanges are codified and thus traceable, this would affect their domestic reputation (Interview I). At the same time, member states “get the feeling that they have been thoroughly consulted, which helps us to be accountable and transparent in a meaningful way and to maintain a strong degree of confidence in the Commission as a negotiator” (Interview K).

Thirdly, ITMs provide an arena where member states and Commission can *freely exchange the intensity of their preferences* on a certain issue and observe where each other’s sensitivities lie (Interviews D, K). The more direct but less truculent interaction makes for a better understanding of each other’s positions: “having ITMs on sensitive files to work out the fine-tuning has been extremely helpful for us to reach a point where we think we can go ahead with the external negotiations. For instance, when we want to send out our revised tariff offer to the negotiating partner, we don’t wait for all member states to give us the green light because it would never come. There would always be one or two member states opposing. We use an ITM to judge whether or not we are close enough to something that can be accepted by a large majority and then we table it” (Interview K).

However, informality for the above three reasons is not a new phenomenon in EU external trade policy-making. Before ITMs existed, the bulk of informal meetings tended to be smaller—bilateral or trilateral—and they happened in offices, restaurants, and margins of meetings (Interview H). Commenting on the pre-ITM days, a former TPC member indicated: “there always was a large amount of informal activity going on. It was essential for the process. The informal consultations with member states enable the Commission to judge what was likely to be acceptable and what was not” (Interview G). While those bilateral informal instances have not disappeared, successive enlargements and more complex issues in EU trade policy have forced the Commission to develop more “institutionalised” informal settings (Interview G, H, K).¹⁹ ITMs therefore also provide an opportunity for coalition and alliance building, the influence of which can extend to the TPC: “ITMs will never fundamentally change a member state’s position but little by little it can evolve. And this, you cannot achieve in the TPC because it is too formal” (Interview C; also B, D, J). This idea of *gradualism* is key in any negotiation context: “if you want someone to do something, don’t show them the thick end of the wedge first” (Interview H). In other

words, negotiation is about gradually persuading people that the deal is worth having. The coalition building in ITMs is of a completely different nature compared to the TPC, precisely because it is happening without record taking. Positions are in a formative stage and because of the high technicality of the issues, expertise-based arguments are very influential (Interviews D, E, J; Rimkutė and Haverland 2015).

4 THEORETICAL ARGUMENT

This chapter started out from the puzzling observation of informal technical meetings in EU external trade policy-making. We argued that the existence of ITMs was problematic from a hierarchical principal–agent perspective: Why would the Commission-as-agent voluntarily organise a meeting that reduces the information asymmetry normally considered favourable to its own discretion? In a context where information asymmetry is an essential strategic tool for the agent to obtain goals deviating from those of its principals, creating additional control mechanisms is rather counterintuitive.

As elaborated by Delreux and Adriaensen ([this volume](#)), the principal–agent model starts from a hierarchical and dyadic principal–agent relationship: Which actor is more powerful vis-à-vis the other? Is it the actor who controls (the principal) or the actor who enjoys delegated authority (the agent)? Hierarchy refers to the power imbalance between the two actors—the dyad—between whom the hierarchy exists. Yet, having power is never a preference as such but rather a strategic means to an end (Frieden 1999). In the case of policy-making, having power is a *means* for an actor to achieve his preferred policy outcome, not a final policy preference on its own. Both control and discretion serve as pre-determinants for the exercise of power: before an actor can exercise power he needs to have the knowledge that he has to undertake action (control), and he needs to realise he has the room to do so (discretion).

The need to use power only becomes observable to the principal if he has sufficient information about a possibly developing goal conflict. Initially, principal control serves to monitor the agent’s actions and preferences and thus to reduce information asymmetry in a unidirectional way: information flows from agent to principal, based on principal initiative. If an actual goal conflict is observed, control serves the additional purpose of using hierarchical power to sanction the agency slack (Tallberg 2002). If there is no goal conflict observed, principal control

continues as a monitoring mechanism in view of uncertainty surrounding future preferences and actions of the agent.

Agency discretion also has two functions. If there is no goal conflict, discretion simply facilitates the ability of the agent to effectively and efficiently execute the delegated task (Conceição 2010; Epstein and O'Halloran 1999). If there is goal conflict, discretion enables and facilitates agent action that diverges from the principal's interests (agency slack). In this way, discretion enhances the agent's power over the principal because he can use it to make the principal accept an outcome that is different from the principal's initial preferences. Such a dualistic interpretation of agency discretion coincides with what Rimkutė and Haverland (2015) have characterised as instrumental and strategic use of knowledge, respectively. While principal-agent models of EU trade policy-making tend to emphasise the latter form of agency discretion, the use of ITMs demonstrates that the instrumental use of agency discretion may be more important than it looks at face value.

So control and discretion appear on two levels, with hierarchical expressions of power only materialising at the second one: having power only becomes a strategic advantage in case there is goal conflict. But this hierarchical power only comes into play when the principal *knows* that the agent is acting against its interests (information symmetry). And an agent can only use his power through discretion if the principal *lacks information* about its actions (information asymmetry). Information symmetry or asymmetry about the actions of the agent is the key factor determining which actor can actually use his power.

We have thus argued in favour of focussing on the element of managing information asymmetry, rather than that of goal conflict. From a power-based and hierarchical perspective, it is expected that information asymmetry is beneficial for the agent because it enables him to enlarge and strategically use his discretionary power. But because agent and principal are stuck in an interdependent relationship, the benefits related to information asymmetry and discretionary power for the agent are limited: the agent needs to solicit resources from the principal in order to complete the delegated task, and in exchange he needs to provide information to the principal (i.e. reduce his information surplus).

A one-sided approach to information asymmetry therefore misses out on an important but all too often overlooked aspect of any principal-agent relationship: the fact that *both* principal and agent may benefit from limiting unbalanced information surpluses. If the feedback loop

between discretion and information asymmetry is left to spiral out of control in case of a goal conflict, the principal risks not acknowledging the outcome because it is too far removed from his fallback position. The agent therefore has incentives to solicit information from his principals. If—due to information asymmetry being too large—the outcome of the assigned task diverges too much from the one envisaged by the principal, it faces the risk of being rejected by the principal. This puts the agent in a situation of “involuntary defection”: he suffers a loss of face because he cannot deliver on promises made (Putnam 1988). In a setting of iterative delegations, the rejection and mistrust that go along with this may cause problems for future delegations (Damro 2007; Dür 2006; Kerremans 2006). In addition, this rejection is not only costly in reputational terms: the material resources invested by both actors are also lost.

However, as resource dependency theory prescribes: resource exchange needs to be *mutual* in nature for the exchange relationship to continue (Aldrich and Pfeffer 1976; Bouwen 2002; Pfeffer 1982). This situation is captured by the concept of *controlled indiscretion*, where “indiscretion” refers to the exchange of private information between principal and agent and where “controlled” refers to indiscretion that is conditioned upon reciprocal dynamics. The reason for controlled indiscretion is twofold. It is functional, as the dynamic nature of the external negotiation context results in incomplete contracting and dynamic preferences (and preference intensity). In addition, it also has a strategic role because of a *quid pro quo* assumption: “you don’t get anything unless you give something away” (Interview G). The principal will not unconditionally provide information about his final fallback position, as there are certain advantages related to keeping this information private for as long as possible: extensive issue-specific and exclusive preference information can also be used strategically by the principal to influence the agent. While sharing expertise and clear information about the intensity of his preferences is also endogenously beneficial for the principal (in terms of reducing costs of future control), he will only provide information to the agent in return for a reduction in the information surplus the agent has about the delegated task. And in exchange for receiving information about the principal’s fallback position, the agent needs to judge that what he gives away is interesting enough for the principal to give valuable information in return but not so interesting that it undermines his own position in executing the delegated task.

Discretion should therefore not be seen as an exclusively quantitative concept. Instead, the qualitative nature needs to be taken into account as well: What kind of discretion does the agent possess, in what areas, and at what stage of the decision-making process? Even more importantly, what kind of discretion does the agent *want* to possess, in what areas, and at what stage of the decision-making process? The agent will try to manage the information asymmetry in such a way that it obtains the maximum level of discretion in areas where it wants to pursue its own agenda in case of goal conflict (strategic), or in areas where it simply needs room for manoeuvre in order to successfully execute the delegated task in case of goal convergence (instrumental). The agent will act as a manager of information asymmetry because of the interdependency created by the incomplete contracting nature of the principal–agent relationship, and he will do so by proactively initiating a mutually beneficial exchange relationship based on controlled indiscretion.

The conceptualisation of the agent as a manager of information asymmetry allows us to adapt the principal–agent model as a tool for studying political processes in the EU that are of an increasingly non-exclusively hierarchical nature. Shifting the focus to a principal–agent relationship with a varying goal conflict accommodates a renewed focus on the question of information asymmetry and its consequences for the cooperative dynamics between principal and agent. Often omitted from principal–agent analyses, this cooperative nature is a crucial prerequisite for creating an environment that is conducive to controlled indiscretion because it ensures a two-way flow of information exchange. Cooperative dynamics underpin the agent’s role as a manager of information asymmetry.

5 CONCLUSION

At the beginning of our empirical research, we set out to test whether under conditions of incomplete contracting and interdependency, the Commission as the agent in EU external trade policy-making acts as a manager of the degree and quality of information asymmetry in order to prevent information asymmetries leading to a negotiation outcome that is unacceptable to the Council as the principal. We expected that this was the reason for the existence of informal technical meetings, where (1) the Commission is in charge of the organisation and agenda-setting, (2) the atmosphere is conducive to free and mutual information exchange that benefits both principal and agent without necessitating a change in

preferences, and (3) the outcome is one where the informational balance is more—but not necessarily fully—symmetrically distributed between principal and agent.

Our findings revealed that informal technical meetings were created as a Commission-led format to cope with the expansion of member state numbers and scope of what falls under the nominator of trade policy. But along the way, their informality revealed another purpose: flexibility and freely communicating about preference intensity. The observed characteristics of informal technical meetings have developed over time through trial and error and the ad hoc manner in which they are organised. But this freedom also allows informal technical meetings to fulfil one function they are particularly suited for: confidential information exchange. At the point where formal control mechanisms cannot cope anymore with the costs of a too intense information asymmetry, informal technical meetings offer a way out.

The reason for informal technical meetings growing importance therefore is the specific negotiation context they provide and the gaps they fill. Compared to the formal options in the EU trade policy-making machinery, the informality of the meetings enables the more direct interaction that is necessary in a situation of incomplete contracting and interdependency. They allow for the exchange of confidential information about both Council and Commission preferences, reservations, expertise, and knowledge. Both look to informal technical meetings for solving joint problems that arise during the policy-making process by exchanging information resources. And indeed, it is the informal nature that allows for hard bargaining to be transformed into joint problem solving through rational arguing. They are preferred over other alternatives because they provide the perfect environment for the Commission to manage the degree and quality of information asymmetry in such a way that it can prevent unintended shirking but still maintain enough autonomy to bring the negotiations to a good end.

Both actors can exchange policy expertise and specialised knowledge needed to convince others of the quality of their arguments and the reasoning behind their position. They provide information about their preferences that they would not have revealed at the formal level—where codification takes place—due to political, reputational, or electoral reasons. The informal nature provides a climate particularly suitable and essential for testing out sensitivities, without any official record or without having to take into account—too much—the political aspects of the

negotiations (Puetter 2003). At the end of an informal technical meeting, there are no winners and losers to be labelled, and both agent and principal are better off in terms of informational balance.

Informal technical meetings in EU external trade policy-making illustrate that there is a need in the principal-agent model for a two-way form of control next to the traditional one-way control mechanisms and discretion. The chapter also shows that actors voluntarily choose to engage in such informal information exchange when they feel that benefits from information asymmetry are not worth the cost. But where to go from here? The element of non-codification in informality seems worthy of further pursuit: In how far do informal exchange formats like informal technical meetings provide a possibility for invoking a strategy of reversed Schelling-conjecture (Grodsky 2011)? Do member states turn to informal technical meetings to invoke external pressure in order to push through unpopular decisions with their domestic audiences, possibly in return for acceptance by other member states and the Commission of one of their other crucial demands (log-rolling)?

In terms of generalisation, the specific context of external negotiations creates particular conditions that make informal information exchange necessary. The interdependence and dynamic character resulting from the incomplete contract between the principal and agent render the formal communication lines insufficient. As a result, the argument of controlled indiscretion may not apply to situations that do not fulfil these scope conditions.

Future research should also go further on the question of quantification. Instead of asking under which conditions informal information exchange occurs, we could ask under which conditions informal information exchange is higher or lower, more prominent or less prominent? We need more precise indications of when information exchange is chosen over maintaining a situation of asymmetry. How does the institutionalisation of informal forums impact member states' sincere willingness to participate? The fact that nothing about the exchange is codified, and thus no written guarantee or contract is available, implies that there has to be a certain level of trust between participants. But in how far are reluctant participants willing to observe this trust?

Thirdly, on a qualitative level we can ask what type of information the agent provides and what type the principal is willing to give in return? What determines whether formats like informal technical meetings mainly serve as vehicles for exchanging technical information or whether they also

transmit political messages about preference strength (Brandsma 2013)? And lastly, we have not addressed the second element of the definition of informality: exchanges are not publicly enforceable or sanctioned. This normative aspect brings up questions about legitimacy and accountability (Brandsma and Adriaensen [this volume](#)). Do highly technical issues not deserve the same amount of transparency as politicised items? Is it even feasible to do this, or does parliamentary ratification in the end suffice? Could the policy process function as efficiently if we compromised the exact element that maybe responsible for keeping it on track?

NOTES

1. The research was funded by a PhD Fellowship of the Research Foundation Flanders. We would like to thank the editors of this book, as well as the participants to the workshops in Louvain-La-Neuve and Trento, for their invaluable remarks and suggestions that helped shape the chapter as it currently stands. In the course of carrying out this research, we conducted several interviews with officials from the EU institutions, as well as former trade officials from several member states. While their identity will remain anonymous, we extend our gratitude to them for sharing their valuable time and insights. Any errors remain the sole responsibility of the authors.
2. While principals also have exclusive information about their final fallback position and often sector expertise, such instances will be referred to as *informational advantages* when appropriate.
3. National interviews were held with Luxemburgish, Belgian, French and British officials. The location of some interviews is not disclosed for privacy reasons. Parts of this text were sent to the respondents to obtain feedback and factual corrections.
4. We treat the Council as a collective principal.
5. This schism ties in with the broader intergovernmentalist–supranationalist debate in broader EU studies, as well as the debate between the Congressional dominance and runaway bureaucracy schools of agency theory in American politics (Pollack 2002; Delreux and Adriaensen [this volume](#)).
6. In a complete contracting situation, control and information exchange during the execution of the delegated task are redundant because there is neither uncertainty regarding preferences nor scope for interpretation.
7. This relationship is laid down in articles 207 and 218 TFEU.
8. We assume that, because the Council authorised the start of the negotiations, it does not prefer failure of the negotiations (maintaining the status

- quo) to success. A strong common position, regardless of its content, is a prerequisite for this.
9. We refer here to the final fallback position or the most extreme position an actor is able or willing to accept (Delreux 2008). In EU external trade policy-making, this information can be used by the Council to strategically influence the Commission (Conceição 2010; Delreux 2011; Maskin and Tirole 1990). For instance, member states can claim to have a strong interest for keeping tariff barriers in place in a certain sensitive sector while in reality there is room for manoeuvre.
 10. The informal nature distinguishes ITMs from any other coordination format in EU trade policy-making, including the Commission's "expert groups", which do have a register and to which also the EP needs to be invited (Interviews A, K).
 11. There are some more standardised ITMs that take place before meetings in multilateral forums, like the Organisation for Economic Co-operation and Development or the World Trade Organisation (Interviews A, C, D).
 12. Launched in 2006, the *Global Europe* agenda aims at creating new, competitiveness-driven bilateral DCFTAs that are "comprehensive and ambitious in coverage, aiming at the highest possible degree of trade liberalisation" (European Commission 2006: 11).
 13. This type of capacity issue also extends to national trade administrations more generally as the EU exclusive trade competency developed and the Commission built up a solid institutional memory along the way (Baldwin 2006; Interviews G, H, I).
 14. Member states are not reimbursed for any expenses (Interview A).
 15. However, an unwritten rule says that "in the end, policy always trumps expertise, and politics always trumps policy" (Interview J).
 16. One high-level Brussels official is frequently quoted in this regard: "if you were to stick to the formal procedures, it would take ten years every time [...] the more there is disagreement, the more the informal is necessary" (Middlemas 1995, cited in Jonsson et al. 1998: 326–327; see also Elgström and Smith 2000).
 17. Member states get reimbursements for attending Council working groups, whereas for ITMs this is not the case (Interview A, K). In addition, if ITMs would be Council bodies, all member states would need to agree on organising one, which would severely impact the flexibility (Interview J).
 18. This refers to the diplomatic term of *document martyr*, based on the idea that "part of the art of trade policy is to never write down the whole text until very close to the end, when you think you've got a consensus behind a certain direction" (Interview H).
 19. In addition, bilateral meetings do not aim to seek agreement. Their main purpose is to provide assurance about the content of negotiations and that member states' concerns are being heard (Interview J).

CITED INTERVIEWS

A	Commission official	November 2013	Brussels
B	Member state official	February 2014	Brussels
C	Member state official	February 2014	Brussels
D	Member state official	February 2014	Brussels
E	Member state official	November 2014	Brussels
F	Independent	August 2015	Brussels
G	Former member state official	September 2015	National capital
H	Former member state official	September 2015	National capital
I	Former member state official	October 2015	National capital
J	Member state official	October 2015	National capital
K	Commission official	October 2015	Brussels

REFERENCES

- Adriaensen, J. (2016). *National administrations in EU trade policy*. Basingstoke: Palgrave Macmillan.
- Aldrich, H., & Pfeffer, J. (1976). Environments of organizations. *Annual Review of Sociology*, 2, 79–105.
- Baldwin, M. (2006). EU trade politics—Heaven or hell? *Journal of European Public Policy*, 13(6), 926–942.
- Bouwen, P. (2002). Corporate lobbying in the European Union: The logic of access. *Journal of European Public Policy*, 9(3), 365–390.
- Brandsma, G. (2013). Bending the rules: Arrangements for sharing technical and political information between the EU institutions. *European Integration Online Papers*, 17(8).
- Brandsma, G., & Adriaensen, J. (2017). The principal–agent model, accountability and democratic legitimacy. In T. Delreux & J. Adriaensen (Eds.), *The principal–agent model and the European Union* (pp. 35–54). London: Palgrave MacMillan.
- Christiansen, T., Føllesdal, A., & Piattoni, S. (2003). Informal governance in the European Union: An introduction. In T. Christiansen & S. Piattoni (Eds.), *Informal governance in the European Union* (pp. 1–21). Cheltenham: Edward Elgar.
- Conceição, E. (2010). ‘Who Controls Whom? Dynamics of power delegation and agency losses in EU Trade Politics. *Journal of Common Market Studies*, 48(4), 1107–1126.
- Conceição-Heldt, E. (2017). Multiple principals’ preferences, types of control mechanisms, and agent’s discretion in trade negotiations. In T. Delreux & J. Adriaensen (Eds.), *The principal–agent model and the European Union* (pp. 203–226). London: Palgrave MacMillan.

- Cooley, A., & Spruyt, H. (2009). *Contracting states: Sovereign transfers in international relations*. Princeton: Princeton University Press.
- Damro, C. (2007). EU delegation and agency in international trade negotiations: A cautionary comparison. *Journal of Common Market Studies*, 45(4), 883–903.
- De Bièvre, D., & Dür, A. (2005). Constituency interests and delegation in European and American trade policy. *Comparative Political Studies*, 38(10), 1271–1296.
- Delreux, T. (2008). The EU as a negotiator in multilateral chemicals negotiations: Multiple principals, different agents. *Journal of European Public Policy*, 15(7), 1069–1086.
- Delreux, T. (2009). Cooperation and control in the European Union: The case of the European Union as international environmental negotiator. *Cooperation and Conflict*, 44(2), 189–208.
- Delreux, T. (2011). *The EU as international environmental negotiator*. Farnham: Ashgate.
- Delreux, T., & Kerremans, B. (2010). ‘How agents weaken their principals’ Incentives to control: The case of EU negotiators and EU member states in multilateral negotiations. *Journal of European Integration*, 32(4), 357–374.
- Delreux, T., & Adriaensen, J. (2017). Introduction. Use and limitations of the principal–agent model in studying the European Union. In T. Delreux & J. Adriaensen (Eds.), *The principal–agent model and the European Union* (pp. 1–34). London: Palgrave MacMillan.
- Dür, A. (2006). Assessing the EU’s role in international trade negotiations. *European Political Science*, 5, 362–376.
- Dür, A., & Zimmermann, H. (2007). Introduction: The EU in international trade negotiations. *Journal of Common Market Studies*, 45(4), 771–787.
- Eisenhardt, M. (1989). Agency theory: An assessment and Review. *The Academy of Management Review*, 14(1), 57–74.
- Elgström, O., & Jönsson, C. (2000). Negotiation in the European Union: Bargaining or problem-solving? *Journal of European Public Policy*, 7(5), 684–704.
- Elgström, O., & Smith, M. (2000). Introduction: Negotiation and policy-making in the European Union—Processes, system and order. *Journal of European Public Policy*, 7(5), 673–683.
- Elsig, M. (2010). European Union trade policy after enlargement: Larger crowds, shifting priorities and informal decision-making. *Journal of European Public Policy*, 17(6), 781–798.
- Elsig, M., & Dupont, C. (2012). European Union meets South Korea: Bureaucratic interests, exporter discrimination and the negotiations of trade agreements. *Journal of Common Market Studies*, 50(3), 492–507.

- Epstein, D., & O'Halloran, S. (1999). *Delegating powers. A transaction cost politics approach to policy making under separate powers*. Cambridge: Cambridge University Press.
- European Commission. (2006). *Global Europe: Competing in the world*. Retrieved from http://trade.ec.europa.eu/doclib/docs/2006/October/tradoc_130376.pdf.
- Faber, G., & Orbie, J. (2008). The new trade and development agenda of the European Union. *Perspectives on European Politics and Society*, 9(2), 192–207.
- Frieden, J. (1999). Actors and preferences in international relations. In D. Lake & R. Powell (Eds.), *Strategic choice in international relations* (pp. 39–76). Princeton: Princeton University Press.
- Grodsky, B. (2011). Exploring the schelling conjecture in reverse: “International constraints” and cooperation with the International Criminal Tribunal for the former Yugoslavia. *European Journal of International Relations*, 17(1), 121–143.
- Hawkins, D., Lake, D., Nielson, D., & Tierney, M. (2006). Delegation under anarchy: States, international organizations, and principal–agent theory. In D. Hawkins, D. Lake, D. Nielson, & M. Tierney (Eds.), *Delegation and agency in international organizations* (pp. 3–38). Cambridge: Cambridge University Press.
- Héritier, A. (2012). Formal and informal institutions in the EU’s legislative process. In T. Christiansen & C. Neuhold (Eds.), *International handbook on informal governance* (pp. 335–353). Cheltenham: Edward Elgar.
- Heron, T., & Siles-Brügge, G. (2012). Competitive liberalization and the “Global Europe” services and investment agenda: Locating the commercial drivers of the EU-ACP economic partnership agreements. *Journal of Common Market Studies*, 50(2), 250–266.
- Johnson, M. (1998). *European community trade policy and The Article 113 Committee*. London: Royal Institute of International Affairs, Chatham House.
- Jönsson, C., Bjurulf, B., Elgström, O., Sannerstedt, A., & Strömvik, M. (1998). Negotiations in networks in the European Union. *International Negotiation*, 3, 319–344.
- Kerremans, B. (2006). Proactive policy entrepreneur or risk minimizer? A principal–agent Interpretation of the EU’s role in the WTO. In O. Egström & M. Smith (Eds.), *The European Union’s roles in international politics: Concepts and analysis* (pp. 172–188). Abingdon: Routledge.
- Kerremans, B., & Adriaensen, J. (2013). *Tariff elimination in EU-negotiated free trade agreements*. Paper presented at 20th International Conference of Europeanists, Council of European Studies, Amsterdam.
- Lempp, J., & Altenschmidt, J. (2008). The prevention of deadlock through informal processes of “Supranationalization”: The case of Coreper. *Journal of European Integration*, 30(4), 511–526.

- Mak, J., & van Tatenhove, J. (2006). Introduction: Informality in a future EU. *Perspectives on European Politics and Society*, 7(1), 1–7.
- Maskin, E., & Tirole, J. (1990). The principal–agent relationship with an informed principal: The case of private values. *Econometrica*, 58(2), 379–409.
- Maskin, E., & Tirole, J. (1999). Unforeseen contingencies and incomplete contracts. *Review of Economic Studies*, 66, 83–114.
- Meier, K., Polinard, J., & Wrinkle, R. (1999). Politics, bureaucracy, and farm credit. *Public Administration Review*, 59(4), 293–302.
- Meunier, S., & Nicolaïdis, K. (2000). Who speaks for Europe? The delegation of trade authority in the EU. *Journal of Common Market Studies*, 37(3), 477–501.
- Middlemas, K. (1995). *Orchestrating Europe: The informal politics of the European Union 1973–1995*. London: Fontana Press.
- Niemann, A. (2004). Between communicative action and strategic action: The Article 113 Committee and the negotiations on the WTO Basic Telecommunications Services Agreement. *Journal of European Public Policy*, 11(3), 379–407.
- Peters, B. (2007). Forms of informal governance: Searching for efficiency and democracy. In T. Christiansen & T. Larsson (Eds.), *The role of committees in the policy-process of the European Union. Legislation, implementation and Deliberation* (pp. 39–63). Cheltenham: Edward Elgar.
- Pfeffer, J. (1982). *Organizations and organization theory*. Marshfield: Pitman.
- Pollack, M. (1997). Delegation, agency, and agenda setting in the European community. *International Organization*, 51(1), 99–134.
- Pollack, M. (2002). Learning from the Americanists (Again): Theory and method in the study of delegation. *West European Politics*, 25(1), 200–219.
- Pollack, M. (2003). *The engines of European integration: Delegation, agency, and agenda setting in the EU*. Oxford: Oxford University Press.
- Puetter, U. (2003). Informal circles of ministers: A way out of the EU's Institutional Dilemmas? *European Law Journal*, 9(1), 109–124.
- Putnam, R. (1988). Diplomacy and domestic politics: The logic of two-level games. *International Organization*, 43(3), 427–460.
- Reh, C., Héritier, A., Bressanelli, E., & Koop, C. (2011). The informal politics of legislation: Explaining secluded decision making in the European Union. *Comparative Political Studies*, 46(9), 1112–1142.
- Reichert, M., & Jungblut, B. (2007). European Union external trade policy: Multilevel principal–agent relationships. *The Policy Studies Journal*, 35(3), 395–419.
- Rimkutė, D., & Haverland, M. (2015). How does the European Commission use scientific expertise? Results from a survey of scientific members of the commission's expert committees. *Comparative European Politics*, 13(4), 430–449.
- Schelling, T. (1960). *The strategy of conflict*. Cambridge: Harvard University Press.

- Tallberg, J. (2002). Delegation to supranational institutions: Why, how, and with what consequences? *West European Politics*, 25(1), 23–46.
- Thatcher, M., & Stone, Sweet A. (2002). Theory and practice of delegation to non-majoritarian institutions. *West European Politics*, 25(1), 1–22.
- Van Gestel, W., & Crombez, C. (2011). *The role of the trade policy committee in EU trade policy: A political-economic analysis*. Paper presented on Conference on the Political Economy of International Organizations, Zürich.
- Waterman, R., & Meier, K. (1998). principal-agent models: An expansion? *Journal of Public Administration Research and Theory*, 8(2), 173–202.
- Weingast, B., & Moran, M. (1983). Bureaucratic discretion or congressional control? Regulatory policymaking by the federal trade commission. *Journal of Political Economy*, 91(5), 765–800.
- Woolcock, S. (2012). *European Union economic diplomacy: The role of the EU in external economic relations*. Farnham: Ashgate.
- Young, A. (2007). Trade politics ain't what it used to be: The European Union in the Doha Round. *Journal of Common Market Studies*, 45(4), 789–811.
- Young, A., & Peterson, J. (2006). The EU and the new trade politics. *Journal of European Public Policy*, 13(6), 37–41.
- Zimmermann, H. (2008). How the EU negotiates trade and democracy: The cases of China's accession to the WTO and the Doha Round. *European Foreign Affairs Review*, 13(2), 255–280.

AUTHORS' BIOGRAPHY

Evelyn Coremans is a PhD researcher at the Leuven Institute for International and European Studies (LINES) of the KU Leuven. Her research is funded by the Research Foundation Flanders (FWO) and is centred around informal decision-making procedures in EU policy-making with a particular focus on trade policy.

Bart Kerremans is currently Dean of the Faculty of Social Sciences and Professor of International Political Economy and American Politics at the Leuven Institute for International and European Studies (LINES) of the KU Leuven. He got his PhD of Political Science at the University of Antwerp in 1994 and is since 1996 institutionally affiliated with the KU Leuven. His research focuses on the political economy of trade policy-making, particularly in the context of the World Trade Organisation and with a focus on the European Union and the United States.