the new institutions of the Communities were mainly located in small member states (Belgium and Luxembourg) further strengthened their position. Thus, the original institutional arrangement gave the small member states a flying start within the Communities. They not only gained a considerably voice within the new institutions but also influenced their powerful neighbours in the creation of a supranational institutional framework where the interests of small states would be taken account of. Powers were transferred from member states to the new institutions set to govern policy areas mentioned in the Treaties. This framework gave the small states the possibility to influence policy at European level to an extent never seen before.

However, it would have been unrealistic not to expect the large states to have a greater say in the Communities than their smaller partners. The large states had more resources<sup>2</sup> and were therefore bound to try to guarantee their interests and exercise their influence within the Communities. France and Germany soon took the lead and became the vehicle for steps towards further European integration. The creation of an informal European Council and later a formal one gave national leaders an increased possibility to influence the scope of the integration process. The European Commission, which was supposed to be at the heart of the Communities and lead the way towards greater integration, had gained a challenger for this role, the European Council. The three initial larger members of the Communities, joined by Britain in the 1973 and Spain in 1986, increasingly took the lead either by advocating closer integration or halting its development.

Between 1986 and 1994, the European Union (EU) consisted of five large states (Germany, France, Italy, Britain and Spain) and seven small ones (the Benelux, Ireland, Denmark, Greece and Portugal). The small states were able to guarantee their interests within the framework of individual policy sectors, largely created by the large states and the Commission.<sup>3</sup> Thus the two groups of member states were at ease with each other. Alliance formations in EU policy-making were built on political and economic interests in individual policy sectors irrespective of the size of the member states. The small states only formed a stable al-

<sup>2</sup> E.g., financial and administrative capacity at home and abroad.

<sup>3</sup> Thorhallsson, The Role of Small States in the European Union, 2000.