NATIONAL PARLIAMENTS, SURVEILLANCE MECHANISMS AND OWNERSHIP IN THE EURO AREA

Valentin Kreilinger
NATIONAL PARLIAMENTS, SURVEILLANCE MECHANISMS AND OWNERSHIP IN THE EURO AREA

Valentin Kreilinger
# TABLE OF CONTENTS

**EXECUTIVE SUMMARY**  \(\rightarrow\) 6

**INTRODUCTION**  \(\rightarrow\) 11

**1. The European Semester: coordination and surveillance**  \(\rightarrow\) 13

1.1. Fiscal surveillance: Stability and Growth Pact  \(\rightarrow\) 13

1.2. Economic surveillance: Macroeconomic Imbalances Procedure  \(\rightarrow\) 16

**2. Ownership from national decision-makers to the public**  \(\rightarrow\) 20

2.1. National decision-makers and political processes  \(\rightarrow\) 20

2.2. Public opinion on economic coordination  \(\rightarrow\) 23

**3. Participation of national parliaments in the European Semester**  \(\rightarrow\) 29

3.1. Parliamentary prerogatives in the European Semester  \(\rightarrow\) 30

3.2. Scrutiny of Stability and Convergence Programmes and National Reform Programmes  \(\rightarrow\) 32

3.3. Direct engagement with the European Commission  \(\rightarrow\) 38

**4. The interplay between the EU level and the national level**  \(\rightarrow\) 40

4.1. Scrutiny of Country-Specific Recommendations  \(\rightarrow\) 41

4.2. Progress on the implementation of Country-Specific Recommendations  \(\rightarrow\) 44

4.3. Formal and informal inter-parliamentary cooperation  \(\rightarrow\) 47

**CONCLUSION**  \(\rightarrow\) 52
I would like to thank Henrik Enderlein, Diane Fromage and Jörg Haas for very helpful comments on earlier versions of this study.
European coordination mechanisms play an increasingly important role in EU Economic Governance. However, there is still too little acceptance of the common rules and too little compliance in member states. This study asks to what extent the role of national parliaments and national political ownership can help to explain the lack of compliance and how recent reforms, in particular the creation and the strengthening of the European Semester, have contributed to improving the situation. The main results of the study can be summarised as follows:

**Member states’ ownership and the role of national parliaments matter**

- The *degree of parliamentary strength in the domestic annual budget process* has been lower among crisis-hit countries Cyprus, Greece, Ireland, Italy, Portugal and Spain (average 1.5 on a 0-to-6 scale) than in the rest of the EU (average 2.8).

- Through well-developed parliamentary scrutiny in the European Semester, *national parliaments can exercise influence and develop ownership* before national governments submit the Stability and Convergence Programme and the National Reform Programme to the European Commission and before the Council adopts the Country-Specific Recommendations.

**National implementation of EU recommendations is poor and the participation of national parliaments has only improved asymmetrically**

- *Country-Specific Recommendations* are a key channel for the coordination of fiscal and economic policies, but many countries show a poor implementation record and there is also room to improve the (asymmetric) participation of national parliaments in the European Semester cycle.
- Only about one third of national parliaments obtained **new prerogatives** for control within the context of the European Semester – the other parliaments did not need or did not see the need for new rules.

- The study combines the assessment of new parliamentary prerogatives with the implementation record of Country-Specific Recommendations and develops **three categories of adaptation to fiscal and economic policy coordination**:
  - a **frontrunner group** (green) with some/far-reaching new parliamentary prerogatives and medium/highest implementation record
  - a **laggard group** (red) with low implementation and without new parliamentary prerogatives
  - an **intermediate group** (yellow) in-between (see Figure 1)

**Public opinion supports a preliminary consultation between EU institutions and national political institutions in the drafting process of national budgets**

- There seems to be high demand by citizens for a greater involvement of national parliaments, if they have not obtained new prerogatives and if the implementation record is low: Citizens in the **laggard group** are more in favour (72.3%) of preliminary consultations between EU institutions and national political institutions in the drafting process of national budgets than the **frontrunner group** (62.3%). This is an indication that citizens want more coordination and are ready to assume ownership.
FIGURE 1  ➔ Summary Representation

Figure 1: National adaptation to the Economic and Monetary Union

**FORMAL STRENGTH OF NATIONAL PARLIAMENTS**
in the annual budget process

---

**NEW PARLIAMENTARY PREROGATIVES**

- None
  - Belgium
  - Czech Republic
  - Hungary
  - Luxembourg
  - Slovakia
  - Slovenia

- Some
  - Bulgaria
  - Italy

- Far-reaching
  - Austria
  - Latvia
  - France
  - Lithuania
  - Spain
  - Denmark
  - Estonia
  - Finland
  - Netherlands

**IMPLEMENTATION RECORD OF COUNTRY-SPECIFIC RECOMMENDATIONS**

- Low
  - Germany
  - Malta
  - Poland
  - Romania
  - Sweden
  - United Kingdom

- Medium
  - Kenya
  - Latvia
  - Portugal
  - Slovakia
  - Slovenia

- High
  - Cyprus
  - Ireland
  - Greece

**PUBLIC OPINION**
in favour of a preliminary consultation between EU institutions and national political institutions in the drafting process of national budgets (by country groups)

- Austria: 62.3%
- Greece: 65.0%
- Portugal: 72.3%

Formal vs. informal involvement - many parliaments have been active

- Many national parliaments have been more active than one would have expected from their formal prerogatives: In 2013 more than three quarters of national parliaments in all 28 member states undertook scrutiny activities related to the European Semester.

- This study examines six country cases1 more closely in order to gain a better understanding of scrutiny activities: Ex-post scrutiny by national parliaments in Austria and Spain has been less effective to exert influence than ex-ante scrutiny, like in Belgium, France (if the prerogatives were used), Germany and Ireland.

National parliamentary control should be enhanced further

- National parliaments are key bodies for ensuring ownership and input legitimacy in these coordination mechanisms and in particular in the European Semester. This study suggests that national parliaments should exert a more direct control over the activities of national governments in the context of the European Semester. Taking into account the relatively high popular demand for such reforms in particular in the laggard group, such reforms seem politically feasible.

- In addition, cross-level scrutiny could also be strengthened: National parliaments could and should more regularly convene Members of the European Commission to engage in a direct exchange over recommendations from the EU level, in particular in the context of the assessment of draft budgetary plans and the Excessive Deficit Procedure, but also more broadly on the Country-Specific Recommendations.

- Joint inter-parliamentary scrutiny has not been exploited to its full potential either. Cooperation between national parliaments and the European Parliament can help to reduce asymmetries and provide a platform for scrutinising the executives. Also, new joint national parliamentary initiatives could be envisaged, but a greater involvement of national

---

1. The six country cases are Austria, Belgium, France, Germany, Ireland and Spain. See Appendix 1.
parliaments should not come at the expense of the European Parliament which could use its powers to hold an “exchange of views” with individual national governments more often.

Overall, the process of deepening the Economic and Monetary Union should involve an in-depth focus on a renewed and more integrated European Semester, as stated by the Five Presidents’ Report, and strengthen the role of national parliaments while fully recognizing the key role of the European Parliament in the coordination and surveillance mechanisms.
INTRODUCTION

As a reaction to the financial and economic crisis, the so-called European Semester has created a framework in which the powers of coordination of, and surveillance over, national economic policies at the European level have increased. Areas such as tax policies or the welfare system are now subject to recommendations from the European level and to reporting from national governments to the EU institutions. But there is a general concern that more could be done. The Five Presidents’ Report and its part on “democratic accountability, legitimacy and institutional strengthening” specifically propose a “renewed” and “more integrated” European Semester in order to address this issue.

In the context of the overarching problem that “the costs of preserving different levels of economic decision-making in EMU have to be weighted against the benefits of preserving political ownership of decision-making at the lowest possible level”

this study examines the extent of the transfer, sharing or pooling of sovereignty that has taken place since 2010/2011 and then turns to an in-depth analysis of the asymmetric national adaptation to the European Semester.

On the basis of the surveillance procedures in the EMU that is described in chapter 1, the study asks how domestic politics in the national political arena is affected and what role it plays. It then looks at political ownership in the European Semester – both from national decision-makers and public opinion (chapter 2) –, examines whether and how debates in national parliaments are organised (chapter 3) and how the

2. Juncker Jean-Claude et al., Completing Europe’s Economic and Monetary Union, Five Presidents’ Report, Brussels: European Commission, 2015, p. 17, 22.

Country-Specific Recommendations by the European Commission are treated in the national political arena (chapter 4). There are significant asymmetries between member states, which have adapted quite differently to the European Semester, both in terms of parliamentary scrutiny procedures and progress on the implementation of their Country-Specific Recommendations. Finally, the study concludes with a series of proposals to improve ownership.
1. The European Semester: coordination and surveillance

In the late 1990s and early 2000s, surveillance of debt and deficit levels of member states (the “Maastricht criteria”) was the central element of the rule-and-stick-based Stability and Growth Pact. In 2011, the introduction of the European Semester created a new framework for the coordination and surveillance of fiscal and economic policies in the EU. In reaction to the financial and economic crisis, two legislative packages, the Six-Pack and the Two-Pack, adopted respectively in 2011 and 2013, further increased coordination and surveillance in the Stability and Growth Pact and created the so-called Macroeconomic Imbalances Procedure.4

Each cycle of the European Semester starts with the Annual Growth Survey (EU-wide economic policy priorities) and the Alert Mechanism Report (macroeconomic imbalances) in November and is followed by the European Council in March (focused on economic policy) when the European Semester moves into the national political arena.

The two sections of this chapter explain the Stability and Growth Pact (1.1) and the Macroeconomic Imbalances Procedure (1.2) and provide data about the frequency of the warnings triggered by these surveillance procedures for selected indicators. Chapters 2, 3 and 4 then analyse how these procedures shape domestic politics.

1.1. Fiscal surveillance: Stability and Growth Pact

The Stability and Growth Pact sets numerical targets and contains and set negatively formulated limits to fiscal behaviour. It has preventive arm for member

---

states that are not subject to an Excessive Deficit Procedure and a corrective arm that governs this procedure.\(^5\)

In addition to the 3% nominal debt ceiling prescribed by the Stability and Growth Pact for the public deficit, member states must also meet a second requirement: a medium-term fiscal objective (MTO) defined in terms of structural balance. This rule was introduced in order to ensure that deficits are linked to the economic cycle and are therefore temporary. For the Contracting Parties of the Treaty on Stability, Coordination and Governance (TSCG) this “balanced budget rule” or “golden rule” restricts the annual deficit to 0.5% of GDP\(^6\). The different legal frameworks for fiscal policy surveillance that exist alongside the Stability and Growth Pact (i.e. the Maastricht Treaty itself, the TSCG and also the MIP) created different possibilities for enforcement and sanctions which have yet to be used.

### Table 1 ➤ Fiscal surveillance: Sanctions and maximum enforcement

<table>
<thead>
<tr>
<th>Types of convergence</th>
<th>Indicators</th>
<th>Max. enforcement</th>
<th>Legal framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation rates</td>
<td>Inflation rate within 1.5% of the three EU countries with the lowest rates</td>
<td>Condition for accession to euro area</td>
<td>Maastricht</td>
</tr>
<tr>
<td></td>
<td>Long-term interest rate within 2% of the three EU countries with the lowest rates</td>
<td>Condition for accession to euro area</td>
<td>Maastricht</td>
</tr>
<tr>
<td></td>
<td>Deflated house price index not more than 6% y-o-y change</td>
<td>Excessive Imbalance Procedure (deposit of 0.1% of GDP)</td>
<td>MIP</td>
</tr>
<tr>
<td>Public sector balance</td>
<td>Government deficit less than 3% of GDP</td>
<td>Condition for accession to euro area</td>
<td>Maastricht</td>
</tr>
<tr>
<td></td>
<td>Government deficit less than 3% of GDP</td>
<td>Excessive Deficit Procedure (fine plus non-interest-bearing deposit of 0.2% of GDP)</td>
<td>SGP</td>
</tr>
<tr>
<td></td>
<td>Government debt less than 60% of GDP</td>
<td>Condition for accession to euro area</td>
<td>Maastricht</td>
</tr>
<tr>
<td></td>
<td>Government debt less than 60% of GDP</td>
<td>Excessive Deficit Procedure (fine plus non-interest-bearing deposit of 0.2% of GDP)</td>
<td>SGP</td>
</tr>
<tr>
<td></td>
<td>Government debt less than 60% of GDP</td>
<td>Excessive Imbalance Procedure (deposit of 0.1% of GDP)</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Medium Term Objectives: close to balance</td>
<td>Interest-bearing deposit of 0.2% of GDP</td>
<td>SGP</td>
</tr>
<tr>
<td></td>
<td>Balanced budget rule: government deficit less than 0.5% of GDP</td>
<td>Integration into national legal system, in case of non-compliance European Court of Justice</td>
<td>TSCG</td>
</tr>
</tbody>
</table>

Source: Jacques Delors Institute Berlin (auf dem Brinke et al. (2015: 26))

---


At the same time, member states have often exceeded the 3% deficit criterion: Greece and Portugal, for instance, have never had a deficit below 3% of GDP (see Table 2).

**TABLE 2** | Deficit (in % of GDP) in Euro Area member states since 1999

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>-2.3</td>
<td>-1.7</td>
<td>0.0</td>
<td>-0.7</td>
<td>-1.5</td>
<td>-4.4</td>
<td>-1.7</td>
<td>-1.5</td>
<td>-0.9</td>
<td>-0.9</td>
<td>-4.1</td>
<td>-4.5</td>
<td>-2.5</td>
<td>-2.6</td>
<td>-1.3</td>
<td>-2.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>-0.6</td>
<td>0.0</td>
<td>0.4</td>
<td>-0.1</td>
<td>-0.1</td>
<td>-0.1</td>
<td>-2.5</td>
<td>0.4</td>
<td>-0.1</td>
<td>-1.0</td>
<td>-5.6</td>
<td>-3.8</td>
<td>-3.8</td>
<td>-4.1</td>
<td>-2.9</td>
<td>-3.1</td>
</tr>
<tr>
<td>Cyprus</td>
<td>-4.3</td>
<td>-2.3</td>
<td>-2.2</td>
<td>-4.4</td>
<td>-6.6</td>
<td>-4.1</td>
<td>-2.4</td>
<td>-1.2</td>
<td>3.5</td>
<td>0.9</td>
<td>-6.1</td>
<td>-5.3</td>
<td>-6.3</td>
<td>-6.4</td>
<td>-8.9</td>
<td>-8.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>-3.5</td>
<td>-0.2</td>
<td>-0.1</td>
<td>0.3</td>
<td>1.7</td>
<td>1.6</td>
<td>1.6</td>
<td>2.5</td>
<td>2.4</td>
<td>-3.0</td>
<td>-2.0</td>
<td>0.2</td>
<td>1.1</td>
<td>-0.2</td>
<td>-0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Finland</td>
<td>1.7</td>
<td>7.0</td>
<td>6.1</td>
<td>4.2</td>
<td>2.6</td>
<td>2.5</td>
<td>2.9</td>
<td>4.2</td>
<td>5.3</td>
<td>4.4</td>
<td>-2.5</td>
<td>-2.5</td>
<td>-0.7</td>
<td>-1.8</td>
<td>-2.5</td>
<td>-3.3</td>
</tr>
<tr>
<td>France</td>
<td>-1.8</td>
<td>-1.5</td>
<td>-1.5</td>
<td>-3.1</td>
<td>-4.1</td>
<td>-3.6</td>
<td>-2.9</td>
<td>-2.3</td>
<td>-2.7</td>
<td>-3.3</td>
<td>-7.5</td>
<td>-7.0</td>
<td>-5.2</td>
<td>-4.9</td>
<td>-4.1</td>
<td>-3.9</td>
</tr>
<tr>
<td>Germany</td>
<td>-1.6</td>
<td>1.1</td>
<td>-3.1</td>
<td>-3.8</td>
<td>-4.2</td>
<td>-3.8</td>
<td>-3.3</td>
<td>-1.6</td>
<td>0.2</td>
<td>-0.1</td>
<td>-3.1</td>
<td>-4.2</td>
<td>-0.8</td>
<td>0.1</td>
<td>-0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Greece</td>
<td>-3.2</td>
<td>-3.9</td>
<td>-4.6</td>
<td>-5.1</td>
<td>-6.0</td>
<td>-7.8</td>
<td>-5.6</td>
<td>-6.2</td>
<td>-6.8</td>
<td>-9.9</td>
<td>-15.6</td>
<td>-11.0</td>
<td>-9.6</td>
<td>-8.9</td>
<td>-12.4</td>
<td>-3.6</td>
</tr>
<tr>
<td>Ireland</td>
<td>2.6</td>
<td>4.9</td>
<td>0.9</td>
<td>-0.4</td>
<td>0.4</td>
<td>1.4</td>
<td>1.6</td>
<td>2.9</td>
<td>0.2</td>
<td>-7.4</td>
<td>-13.7</td>
<td>-30.6</td>
<td>-13.1</td>
<td>-8.2</td>
<td>-5.7</td>
<td>-3.9</td>
</tr>
<tr>
<td>Italy</td>
<td>-1.9</td>
<td>-0.8</td>
<td>-3.1</td>
<td>-3.1</td>
<td>-3.6</td>
<td>-3.5</td>
<td>-4.4</td>
<td>-3.4</td>
<td>-1.6</td>
<td>-2.7</td>
<td>-5.5</td>
<td>-4.5</td>
<td>-3.7</td>
<td>-3.0</td>
<td>-2.9</td>
<td>-3.0</td>
</tr>
<tr>
<td>Latvia</td>
<td>-3.8</td>
<td>-2.8</td>
<td>-2.0</td>
<td>-2.3</td>
<td>-1.6</td>
<td>-1.1</td>
<td>-0.4</td>
<td>-0.6</td>
<td>-0.7</td>
<td>-4.4</td>
<td>-9.2</td>
<td>-8.2</td>
<td>-3.5</td>
<td>-1.3</td>
<td>-0.9</td>
<td>-1.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>3.4</td>
<td>6.0</td>
<td>6.1</td>
<td>2.1</td>
<td>0.5</td>
<td>-1.1</td>
<td>0.0</td>
<td>1.4</td>
<td>3.7</td>
<td>3.2</td>
<td>-0.7</td>
<td>-0.8</td>
<td>0.2</td>
<td>0.0</td>
<td>0.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Malta</td>
<td>-6.9</td>
<td>-5.7</td>
<td>-6.3</td>
<td>-5.7</td>
<td>-9.0</td>
<td>-4.6</td>
<td>-2.9</td>
<td>-2.7</td>
<td>-2.3</td>
<td>-4.6</td>
<td>-3.7</td>
<td>-3.5</td>
<td>-2.7</td>
<td>-3.3</td>
<td>-2.6</td>
<td>-2.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.4</td>
<td>2.0</td>
<td>-0.2</td>
<td>-2.1</td>
<td>-3.1</td>
<td>-1.7</td>
<td>-0.3</td>
<td>0.5</td>
<td>0.2</td>
<td>0.5</td>
<td>-5.6</td>
<td>-5.1</td>
<td>-4.3</td>
<td>-4.1</td>
<td>-2.4</td>
<td>-2.4</td>
</tr>
<tr>
<td>Portugal</td>
<td>-3.1</td>
<td>-3.3</td>
<td>-4.8</td>
<td>-3.4</td>
<td>-3.7</td>
<td>-4.0</td>
<td>-6.5</td>
<td>-4.6</td>
<td>-3.1</td>
<td>-3.6</td>
<td>-10.2</td>
<td>-9.8</td>
<td>-4.3</td>
<td>-6.4</td>
<td>-4.8</td>
<td>-7.2</td>
</tr>
<tr>
<td>Slovakia</td>
<td>-7.4</td>
<td>-12.3</td>
<td>-6.5</td>
<td>-8.2</td>
<td>-2.8</td>
<td>-2.4</td>
<td>-2.8</td>
<td>-3.2</td>
<td>-1.8</td>
<td>-2.1</td>
<td>-8.0</td>
<td>-7.5</td>
<td>-4.8</td>
<td>-4.5</td>
<td>-2.6</td>
<td>-2.8</td>
</tr>
<tr>
<td>Slovenia</td>
<td>-3.0</td>
<td>-3.7</td>
<td>-4.0</td>
<td>-2.4</td>
<td>-2.7</td>
<td>-2.3</td>
<td>-1.5</td>
<td>-1.4</td>
<td>0.0</td>
<td>-1.9</td>
<td>-6.3</td>
<td>-5.9</td>
<td>-6.4</td>
<td>-4.0</td>
<td>-15.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>Spain</td>
<td>-1.3</td>
<td>-0.9</td>
<td>-0.5</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.1</td>
<td>1.3</td>
<td>2.4</td>
<td>2.0</td>
<td>-4.5</td>
<td>-11.1</td>
<td>-9.6</td>
<td>-9.6</td>
<td>-10.6</td>
<td>-6.9</td>
<td>-5.9</td>
</tr>
</tbody>
</table>

1.2. Economic surveillance: Macroeconomic Imbalances Procedure

Similar to the fiscal surveillance (see 1.1), two regulations of the Six-Pack established a preventive and a corrective branch of economic policy coordination in order to detect and avoid macroeconomic imbalances. This follows from the insight that not only irresponsible fiscal policy of some member states led to the crisis, but also poor competitiveness, current account deficits and high private sector debt.\(^7\) Again, economic surveillance offers the possibility of sanctions (see Table 3) which are more painful than one would assume under the mere coordination of economic policies according to Article 121 TFEU\(^8\), but they have yet to be used.

**Table 3** Economic surveillance: Sanctions and maximum enforcement

<table>
<thead>
<tr>
<th>Types of convergence</th>
<th>Indicators</th>
<th>Max. enforcement</th>
<th>Legal framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External balance</strong></td>
<td>Current account balances less than 6% and more than -4% of GDP (3-year average)</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Net international investment position not more than -35% of GDP</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Export market shares not more than 5% change over 5 years</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
<tr>
<td><strong>Competitiveness</strong></td>
<td>Nominal ULC not more than 9% change over 3 years</td>
<td>Excessive Imbalance Procedure (deposit of 0.1% of GDP)</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Real effective exchange rate not more than -5 and +5% change over 3-year average</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
<tr>
<td><strong>Internal balance</strong></td>
<td>Private sector credit flow not more than 14% of GDP</td>
<td>Excessive Imbalance Procedure (deposit of 0.1% of GDP)</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Private sector debt not more than 133% of GDP</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
<tr>
<td></td>
<td>Unemployment rate not more than 10% over 3-year average</td>
<td>Excessive Imbalance Procedure</td>
<td>MIP</td>
</tr>
</tbody>
</table>

Source: Jacques Delors Institut – Berlin (auf dem Brinke et al. (2015: 27))

Before the creation of the Macroeconomic Imbalances Procedure, only Broad Economic Policy Guidelines were adopted annually. The case of Ireland in 2001 is an example of how the European Commission used them in the early days of economic policy surveillance – and for their ineffectiveness: In a

---


recommendation to the Council on Ireland’s budget it stated that the draft was “in line with the requirements of the Stability and Growth Pact but that Irish budgetary plans for 2001 are inconsistent with the 2000 Broad Economic Policy Guidelines” (European Commission 2001). But the Irish government apparently did not deem it necessary to reply or react. According to the Treaties, economic policies and promoting employment are a matter of common concern and shall be coordinated within the Council (Articles 121 and 148 TFEU). The Broad Economic Policy Guidelines have been adopted together with the employment guidelines as an integrated package in the context of the Europe 2020 strategy since 2010. They still define a framework for policy coordination and also provide a legal basis for Country-Specific Recommendations.

Since 2011, the European Commission has assessed Macroeconomic Imbalances on an annual “scoreboard” as part of the Alert Mechanism Report. It claims that the Macroeconomic Imbalances Procedures “has been effective in supporting effective policy adjustment in some countries (for example in Spain and Slovenia)”. Member states have most often been diagnosed with imbalances in their current account balance, private sector debt and public debt (for more details on these indicators see Appendix 2). If we look into the data for the period from 2011 to 2014, we see that member states were seldom able to rebalance: Most often, if they were outside the threshold of the indicator (see Table 3), they stayed outside (see Figure 2). In the case of the current account balance, at least in two cases (Greece and Portugal) the rebalancing was due to the crisis and a drop domestic consumption and hence imports. The number of countries with excessive private sector debt remained unchanged, and the number of countries in breach of the public debt stock threshold even increased because Slovenia has exceeded it since 2013 as a result of its banking crisis.

---

After member states had initially retained macroeconomic autonomy within constraints, the new surveillance mechanisms impose constraints on the financial and economic policies that can be adopted at the national level. The question is whether better-defined rules are enough: As the previous two sections have shown, the reforms to policy coordination and surveillance have had little impact. Despite missed targets and continuing imbalances on some indicators, stronger procedures (like the Excessive Imbalances Procedure) or the possibilities of sanctions and enforcement have not been employed, even though a special voting rule, the “reversed qualified majority vote” had been especially designed to facilitate this.

---

KEY FINDINGS

- Macro-economic rebalancing of member states has remained the exception.
- The new rules introduced since 2011 have only addressed some of the problems of the early days of the Economic and Monetary Union, e.g. when the European Commission tried to address the inconsistency of Irish budgetary plans for 2001 with the Broad Economic Policy Guidelines.
- The toolbox of mechanisms and indicators for fiscal and economic policy surveillance contains a range of unused possibilities for sanctions until the maximum level of enforcement.
2. Ownership from national decision-makers to the public

Even though the European Semester “has become an important vehicle for delivering reforms at national and EU level”\(^\text{12}\), in the relationship between the fiscal and economic surveillance from the EU level and national political arenas, the diagnosis of a lack of ownership is often made. The first section of this chapter examines the (traditional) strength of member states’ parliaments in the budget process as a starting point for briefly describing reactions of national decision-makers to fiscal and economic surveillance (2.1). Some ideas behind the European Semester had been around for a long time, but only the economic and financial crisis made this kind of coordination appealing to member states because they wanted to have fiscal surveillance over (some of) their partners.\(^\text{13}\) Then section 2.2 examines the mindset of the population in EU and euro area countries on the basis of different waves of Eurobarometer surveys.

2.1. National decision-makers and political processes

In order to be able to assess the consequences of these European surveillance procedures on national political processes, normal parliamentary strength in the domestic annual budget process must be taken into account.\(^\text{14}\) The constraints on national governments when they draft their budget may limit their policy options, but some national parliaments may have already had limited powers in the budget process before surveillance procedures were introduced. Thus when parliaments are merely obliged to approve the budget – after it had been validated at the European level – their role might not have changed. The fiscal autonomy of national governments might have been limited even further.\(^\text{15}\)

\(^{12}\) European Commission, 2015, \textit{op. cit.}, p. 3.


\(^{15}\) See e.g. Fasone Cristina, \textit{Taking budgetary powers away from national parliaments? On parliamentary prerogatives in the Eurozone crisis}, EUI Working Papers LAW 2015/37, p. 11.
While member states have indeed become “subject to the intrusive supervision and potential punishment imposed by supranational authorities – which are not democratically accountable and have no reason to be politically responsive to the citizens affected by their policies”\textsuperscript{16}, the reporting requirements under the European Semester could also lead to more discussions on budgets in historically weak national parliaments.\textsuperscript{17} The traditional role of a parliament in the national budget process has to be taken into consideration. In many parliamentary democracies, the executive clearly dominates the budget process, if it commands a majority in parliament. Recent examples of minority governments losing a vote on their proposed budget in Portugal (2015) and Sweden (2014) illustrate this point.

Hallerberg et al. measure the formal strength of parliament in the domestic annual budget process on a scale from 0 to 6. They show that parliamentary strength differs widely: Austria, Finland and Romania have the strongest parliaments (with a score of 5) in the budget process, while national parliaments in twelve Member States, including Ireland, France and Spain, only achieve a score of 1 (see Figure 3). The average parliamentary strength in the budget process is 2.5 (dotted line) while the four member states that later became countries “under programme” (Cyprus, Greece, Ireland and Portugal) plus Italy and Spain which were subsequently part of the ECB’s Securities Markets programme only achieve an average of 1.5 (the average of the remaining EU member states is 2.8).

\textsuperscript{17} Hallerberg et al. 2012, op. cit., p. 70.
FIGURE 3 – Parliamentary strength in the annual budget process

Source: own elaboration, based on data by Hallerberg et al. (2012: 70). No data for Bulgaria and Croatia.

To what extent have national decision-makers embraced and accepted the system in which a supranational institution can issue recommendations? They have often criticised the European Commission for interfering in national fiscal or economic policies. Some examples from recent years illustrate how national governments complained about the surveillance exercised in the context of the European Semester:

- In January 2012, Paul Magnette, member of Belgium’s federal government, ironically asked about the responsible Commissioner: “Who knows Olli Rehn?”18 Such attacks on the unelected character of the European Commission often feature prominently in national reactions.19

- In May 2013, French President François Hollande insisted that the “European Commission cannot dictate what we should do; it can only say that France must balance its public finances”.20

20. *Le Monde*, Pour Hollande, Bruxelles “n’a pas à nous dicter ce que nous avons à faire”, 29 May 2013: “La commission européenne n’a pas à dicter ce que nous avons à faire, elle a simplement à dire que la France doit rétablir ses comptes publics, c’est qui est la vérité.”
- And in October 2015, Italy’s Prime Minister Matteo Renzi said that “Brussels is not a teacher giving exams, it’s not qualified to intervene”, the EU “can advise us, but it can’t tell us which tax to cut.” Insisting on national sovereignty, although member states had agreed to exercise these powers jointly and transfer, share or pool their sovereignty over these issues, is another frame for criticising the surveillance procedures.

2.2. Public opinion on economic coordination

Despite these examples of national decision-makers’ reactions, economic policies are a “matter of common concern” (Article 121 TFEU, formerly Article 99 TEC). Very little is known about how the public perceives (national) ownership of fiscal and economic surveillance and recommendations from the EU level. According to Eurobarometer data, citizens are generally in favour of coordinating fiscal and economic policies. For the assessment of public opinion this study uses different waves of Eurobarometer surveys between 2012 and 2015.

In the following, three questions are examined in greater detail:

- On the consultation on draft budget plans: “Are you in favour of or opposed to include a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets?” (2012)

- On economic policy coordination: “Do you think that the degree to which economic policy, including budgetary policies, is coordinated in the euro area, is appropriate? Should there be more or less coordination among euro area governments?” (2012, 2013, 2014, 2015; see Figure 5)

- On the coordination of economic reforms: “Economic reforms would be more effective if they are carried out in a coordinated way at EU level” (2014, 2015)

---

21. ANSA English, Brussels not a teacher giving exams says Renzi, 16 October 2015.
From the questions, their context and the results, it is, however, not clear what “coordination” actually means. Do citizens associate “intrusion” into national decision-making with coordination or do they associate creating “solidarity” mechanisms between member states with coordination? And are such associations stable across all 19 or 28 member states?

When asked about whether they were in favour of or opposed to include a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (see Table 4), a relative majority of EU citizens is “somewhat in favour” (44% in 2011, 45% in 2012). Between 20 and 23% are “totally in favour”, around 13% “somewhat opposed” and 6-7% “totally opposed” (European Parliament 2012: 16). One can argue that the mechanism described in the survey question has become reality when the Two-Pack entered into force in March 2013.

**TABLE 4 ➤ Public opinion about a preliminary consultation on draft budget plans**

<table>
<thead>
<tr>
<th>Year</th>
<th>Totally In Favour</th>
<th>Somewhat In Favour</th>
<th>Somewhat Opposed</th>
<th>Totally Opposed</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>23%</td>
<td>44%</td>
<td>12%</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>2012</td>
<td>20%</td>
<td>45%</td>
<td>14%</td>
<td>7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by European Parliament (2012: 16). For data on individual member states, see Appendix 3.

In the case of economic policy coordination, the phenomenon described above is visible: citizens in member states that are generally seen as opposed to creating solidarity mechanisms without strict conditionality, are more reluctant to say that “there should be more coordination” than member states that have long advocated in favour of more solidarity in the Euro Area (see Figure 4). On the one hand, in 2014, citizens from Finland, the Netherlands, Estonia, Germany and Slovakia are among the most likely to say that the degree of coordination is appropriate and the least likely to say that “there should be more coordination” (42% to 56%). On the other hand, in Portugal, Spain, Greece and Italy, populations are much more in favour of “more coordination”: values reach
80% or more. In the Euro Area as a whole, in 2014, 69% want more economic policy coordination among Euro Area governments, only 9% think that the current degree of coordination is appropriate and another 9% want “less coordination” (Eurobarometer 2014: 48).

The overall preferences have been relatively stable since 2012 (see Figure 5): around 70% of the population of Euro Area member states is in favour of more economic policy coordination, between 7 and 9% want less coordination and 8-10% think that the current degree of coordination is appropriate.
FIGURE 5 ➤ Public opinion about economic policy coordination (2012-2015)

Q: Do you think that the degree to which economic policy, including budgetary policies, is coordinated in the euro area, is appropriate? Should there be more or less coordination among euro area governments?


We see a similar picture for public opinion about whether economic reforms would be more effective if carried out in a coordinated way at EU level (see Figure 6): Again, Estonia (47%) and Finland (46%) are the least likely to agree (with almost as many respondents disagreeing: 43%) and other “northern” Member States also more reluctant. Italy, France, Luxembourg, Portugal, Spain and Cyprus agree more than the Euro Area as a whole (71%). Thus, the coordination of economic reforms does not seem to be primarily associated with intrusion from the EU level and if it was, “southern” member states’ citizens seem to see the merits of economic reform coordination.

In all but two countries, a majority of respondents agree that economic reforms would be more effective if carried out in a coordinated way at EU level. The exceptions are Finland (where 46% agree and 43% disagree) and Estonia (47% agree and 31% disagree).

Respondents in Italy (77%), France (76%), Luxembourg and Portugal (both 75%) are the most likely to agree that economic reforms would be more effective if carried out in a coordinated way at EU level.

According to the socio-demographic data, men are more inclined than women (74% vs. 69%) to agree that economic reforms would be more effective if carried out in a coordinated way at EU level. Manual workers are less likely to agree than other occupational groups (66% vs. 70-72%).

Respondents who feel that the euro is a good thing for the EU are, as seen previously, more likely to agree that economic reforms would be more effective if carried out in a coordinated way at EU level (76% vs. 60% of those who think it is a bad thing).

There is thus a discrepancy or mismatch between national decision-makers that have sometimes reacted negatively to advice from “Brussels” (even though governments had previously agreed to share or transfer these responsibilities and – as a consequence – their sovereignty) and citizens who are generally in favour of coordination of fiscal and economic policies: About two thirds of the Euro Area population are totally or somewhat in favour of a consultation on draft budget plans, about 70% think that there should be more economic policy coordination and 71% agree that economic reforms would be more effective if carried out in a coordinated way at the EU level. Public opinion could hence provide a solid basis for sound surveillance procedures in EU economic governance and for national ownership because citizens are generally supporting different elements of fiscal and economic policy coordination and surveillance.
KEY FINDINGS

- Even though national governments have sometimes publicly criticised the European Commission for exercising its powers of fiscal and economic policy surveillance, member states have conferred these powers to the European Commission in primary and secondary law.

- The domestic strength of national parliaments in the annual budget procedure and shows that – prior to the strengthening of fiscal and economic policy coordination and prior to the crisis – some parliaments enjoyed significant powers.

- Parliaments of member states that have been hit hardest by the crisis (Cyprus, Greece, Ireland, Italy, Portugal and Spain) were among the weakest in terms of budgetary strength: Their average is 1.5 on a 0-to-6 scale, compared to 2.8 for the rest of the EU.

- Despite a lack of ownership by national governments and national parliaments, public opinion is in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (65% in 2012).
3. Participation of national parliaments in the European Semester

The European Semester provides a framework for the coordination and surveillance of fiscal and economic policies: Before starting their national budget procedures, national governments submit their draft budgetary plans to the European Commission by 15 October. All member states are obliged to send so-called Stability and Convergence Programmes and National Reform Programmes to the European Commission by 30 April. The parliamentary scrutiny of these documents is an important element of member states’ adaptation to European Semester, because it has become more difficult for parliaments to review decisions in EU Economic Governance. Executive dominance in fiscal and economic policies has led to decisions which only get pro forma-legitimised in parliamentary procedures; in reaction to the Euro crisis national parliaments have taken some ownership, but adapted in an asymmetric way.

Subsequently (to be examined in chapter 4), the European Commission drafts individual Country-Specific Recommendations and provides guidance for reform. Member states are expected to take into account these recommendations for their national fiscal and economic policies and the European Commission pushes the publication of its Country Reports forward to February in order to allow “more space for genuine political dialogue” with member states (European Commission 2015, op. cit., p. 3).


Commission has the responsibility to monitor the implementation of the Country-Specific Recommendations.

For the following sections, we extracted data on the activities of national parliaments related to the European Semester from COSAC bi-annual reports and – in order to identify individual replies – from the questionnaires submitted by national parliaments that constitute the basis for these reports. The Five Presidents’ report states that “[a]s a rule, national parliaments should be closely involved in the adoption of National Reform and Stability Programmes”; this chapter shows that it is not always the case.

Before we turn to the analysis of the newly created dataset (3.2), we present existing research on parliamentary prerogatives (3.1). Alongside the debates within national parliaments, the direct interaction between national parliaments and the European Commission (3.3) is another important element of the participation of national parliaments.

### 3.1. Parliamentary prerogatives in the European Semester

In order to measure parliamentary prerogatives, Rittberger and Winzen (2015) developed a 0-to-2 scale for reforms related to parliamentary prerogatives in the European Semester. In absence of new prerogatives or procedures for parliamentary participation in the conduct of the European Semester, they assign the value 0; if parliamentary participation in some important steps of the European Semester had been codified (in such cases parliament typically receives Stability and Convergence Programmes and National Reform Programmes at least at the same time as the EU institutions), they assign the value 1; and if a parliament obtained prerogatives that go far beyond acknowledging certain phases of the European Semester, e.g. additional duties for the government to report or participation in drafting important documents, they...
assign value 2. According to their data, only one third of national parliaments adopted new prerogatives in order to scrutinise the European Semester.

**FIGURE 7** Prerogatives of national parliaments in the European Semester

However, these data on prerogatives only include new practices that have been codified in rules or laws on parliamentary participation, but not informal parliamentary behaviour or prerogatives that follow from existing rules and laws. It is possible that parliaments did not see the need to adopt new rules, either because their old rules have been suitable for the scrutiny of the European Semester or because they could establish new practices without writing them down. The Finnish Eduskunta, for instance, reports that its existing rules for the parliamentary scrutiny of the annual budget process fitted “nicely” and did not need to be adapted to the European Semester.

In our analysis, we therefore follow the approach of Hallerberg et al. (2012) and measure parliamentary scrutiny activities related to the European Semester, regardless whether they have been prescribed by national rules or not.

3.2. Scrutiny of Stability and Convergence Programmes and National Reform Programmes

The actual activities of national parliaments in the European Semester and their individual contribution to the input legitimacy of the European Semester cycle depend on their scrutiny of the two documents submitted by national governments to the European Commission: the Stability and Convergence Programme and the National Reform Programme. In its recent Communication “On steps towards completing Economic and Monetary Union” the European Commission stresses that National Reform Programmes “should become an instrument for Member States to respond to the Commission analysis by presenting forward-looking policy initiatives”. 34

Statistics prepared by the COSAC secretariat on the parliamentary scrutiny of European Semester documents in 2013 show that 59% (SCPs) and 56% (NRPs) of all parliamentary chambers in the EU exercised ex-ante scrutiny on Stability and Convergence Programs and National Reform Programmes. 25% respectively 31% did so ex-post, after these documents have been submitted to the European Commission. Only 16%/13% did not scrutinise these documents at all. 35 For our in-depth analysis we created our own dataset based on national parliaments’ questionnaires submitted to the COSAC secretariat 36 and are therefore able to name the lower chambers that were hidden behind those overall statistics.

These data (see Table 5) show that in 2013 lower chambers generally scrutinised Stability and Convergence Programmes and National Reform Programmes in the same way. Only the House of Commons had different scrutiny practices. A relatively large group of 16 parliaments (SCPs) and 15 parliaments (NRPs) scrutinised these European Semester documents before governments sent them to the European Commission. In Austria, the Czech Republic, Hungary and Spain, parliaments were only able to scrutinise Stability and Convergence Programmes and National Reform Programmes after they had been sent to Brussels. Both the Polish and the Maltese parliament did not scrutinise either

34. European Commission, 2015, op. cit., p. 3.
35. COSAC, 2013, op. cit., p. 15.
of the programmes and the UK parliament did not scrutinise the National Reform Programme (see Table 5).

**TABLE 5** — Parliamentary scrutiny of Stability and Convergence Programmes and National Reform Programmes (in 2013)

<table>
<thead>
<tr>
<th>2013</th>
<th>EX-ANTE SCRUTINY</th>
<th>EX-POST SCRUTINY</th>
<th>NO SCRUTINY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stability and Convergence Programmes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>National Reform Programmes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Memoranda of Understanding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As “programme countries”, Cyprus, Greece, Ireland and Portugal were not obliged to submit these documents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own elaboration, based on COSAC questionnaires.

Remarks:
1) In case of bicameral systems: Lower chambers.
2) Data collected from the questionnaires to the 19th biannual report of COSAC (2013): “2.4 Will your Parliament/Chamber debate/scrutinise the following documents in 2013 with your Government? Draft Stability and Convergence Programme; National Reform Programme: Yes (ex ante)/ Yes (ex post)/ No” and from the questionnaires to the 21st biannual report of COSAC (2014): “Q42. Does your Parliament/Chamber hold a debate, either in sectoral Committees or in the Plenary, on the Stability or Convergence Program and National Reform Program before they are submitted? If yes, please give details.”
3) No data for Bulgaria. Croatia not included: accession on 1 July 2013.
The questionnaires to the COSAC reports contain only incomplete evidence about whether the scrutiny processes took place in plenary or committee and which committee(s) was/were involved in the latter case. We therefore highlight examples of scrutiny processes from a sample of member states with different reform records and different political systems.\footnote{37. For details on the selection of the sample, see Appendix 1.}

**BOX 1  Examples for the parliamentary scrutiny of Stability and Convergence Programmes and National Reform Programmes in the six-country sample**

- **Austria:** The Budget Committee of the National Council dealt with both programmes after they were submitted to the European Commission. In their government programme for 2013-2018, the majority parties included the promise to conduct an assessment of the parliamentary procedures for the European Semester. The Green party (opposition) demands to discuss and decide the National Reform Programme in parliament before submitting it.\footnote{38. COSAC, Annex, 2014, op. cit., pp. 18-19.}

- **Belgium:** Before the submission of both programmes in 2013 a debate was organised by the European Affairs Committee of the Chamber in a joint meeting with the Budget Committee and the Social Affairs Committee.\footnote{39. Ibid., p. 41.}

- **France:** The Stability and Convergence Programme is subject to a debate and a vote in plenary; the government is obliged to transmit the draft Stability and Convergence Programme two weeks before its submission to the European Commission; they took place in the National Assembly on 23 April 2013.\footnote{40. Ibid., pp. 262, 285-286.}

- **Germany:** The Bundestag debates the National Reform Programme in the Committee for Economic Affairs (other committees, including the European Affairs Committee, are also involved) before submission (e.g. 22 April 2015 and 3 April 2014; 12 June 2013 is the exception) and a plenary debate has usually taken place in June after the document was submitted. Committees also receive the Stability and Convergence Programme for consideration before it is submitted to the European Commission.

- **Ireland:** In 2013, for the first time, the Joint Committee on European Union Affairs held a debate on the draft National Reform Programme before it was finalised and submitted; the Joint Committee on Finance, Public Expenditure and Reform held a debate on the Stability and Convergence Programme on the day it was submitted.\footnote{41. Ibid., p. 398.}
Spain: Prime Minister Rajoy appeared before the plenary of the Congress of Deputies on 8 May 2013, for the first time and at his own request, to inform about the Stability and Convergence Programme and the National Reform Programme, after the Council of Ministers had approved both documents on 26 April 2013 and after they had been sent to the European Commission. However, “procedures and the level of control [...] may vary from one year to another [...] in 2014, there was no plenary debate concerning the Stability and Convergence Programme.”

The practices described above give some evidence for a general assessment of the different models of parliamentary scrutiny that national parliaments have followed in the European Semester so far. In addition to that, the European Centre for Parliamentary Research and Documentation analysed the scrutiny practices over Stability and Convergence Programmes for the parliaments of Euro Area members (see Box 2).

**BOX 2 VOTING AND AMENDING POWERS OF NATIONAL PARLIAMENTS OF EURO AREA MEMBERS ON THE STABILITY AND CONVERGENCE PROGRAMME**

National parliaments may have the following powers:
- to hold a debate in plenary or committee, but not to amend or to vote on the Stability and Convergence Programme (Belgium, Luxembourg and the Netherlands);
- to hold a debate and to vote on a declaration of the government on the Stability and Convergence Programme, but not to amend the content of the programme (France);
- to hold a vote on the document – either directly on the Stability and Convergence Programme itself (Portugal) or in the context of the broader examination of national budgetary documents (Estonia, Italy);
- to adopt an opinion on the Stability and Convergence Programme which can be binding for the government (Finland) or not (Germany, Slovenia);
- to vote on and amend the Stability and Convergence Programme (Latvia).  

---

42. Ibid., p. 731.
Parliamentary scrutiny can either involve the plenary and holding a debate, as it happened in France and Spain, or involve parliamentary committees as the examples of Belgium and Ireland show. In the first case, the role that parliament plays in the scrutiny of the European Semester resembles a “public forum”, while in the second case, work in committee allows for “expert scrutiny” over the content of the programmes to be submitted to the European Commission; in addition to that, ex-ante scrutiny shows that parliament acts as a “policy shaper” – parliaments that exercise ex-post scrutiny are a “traditional controller”.

Closed sessions of Budget or Finance Committees are especially prominent in parliaments that have a strong role in the annual budget process. If a committee scrutinises ex-ante, MPs have the genuine opportunity to ask whether the underlying economic or budgetary assumptions that government makes are realistic and – even as members of the parliamentary majority – the possibility to discretely influence or even try to amend the draft document(s). Such things would not happen in plenary. However, a closed session cannot stimulate a public debate. Interestingly, the overall strength of a European Affairs Committee or a Budget Committee does not explain prerogatives or activities related to the European Semester.

The introduction of a “National Semester” by the Danish Folketing in 2013, however, seems to be the exception from this rule. This framework provides for three annual joint consultations (of the European Affairs Committee and the Finance Committee) with the government. The first joint consultation is on the Annual Growth Survey (in December). The report of the Danish Parliament describes the second session “as an overall briefing [by the government] on how it generally expects to reflect the broad economic policy orientations set by the Spring European Council and the European Semester.”

---

45. Plenary debates on the SGPs also take place in Austria and Belgium (both ex-post), Greece, Luxembourg, the Netherlands and Portugal (European Parliament, 2014, p. 2).
46. The Budget Committee in the Italian Camera; European Affairs Committees in Finland, Estonia and Slovenia; besides Belgium and Ireland, Latvia and Slovakia have joint sessions of both Committees (European Parliament 2014: 2).
48. Hallerberg et al., 2012, op. cit., p. 72
49. Ibid., p. 75; see also Rittberger and Winzen 2015, op. cit.
the Convergence Programme\(^{50}\), criticised by a minority in the parliament as insufficient, because the “the Government will merely need to discuss its general ideas regarding the economic situation with the Danish Parliament on a non-binding basis”\(^{51}\) before it starts drafting the Stability and Convergence Programme and the National Reform Programme. Finally, the third session concerns the Commission’s draft Country-Specific Recommendations (see section 4.1) that are discussed in a joint consultation at the end of May, before they are subject of Council meetings.

### KEY FINDINGS

- **The European Semester has arrived in the political arenas of most EU member states:** Parliaments have been a lot more active in scrutinising Stability and Convergence Programmes and National Reform Programmes than one would have expected from their formal prerogatives.
- **Although only one third of national parliaments** adopted new rules and laws for the scrutiny of the European Semester, **more than three quarters** of national parliaments **undertook scrutiny activities in 2013.**
- **In practice, however, the adaptation of national parliaments has been unequal** and these **asymmetries might create tensions** in the future: Citizens in member states, in which national parliaments do not scrutinise (or only to a limited extent), lack the “public forum” for debates, their governments’ reports are not under “expert scrutiny” and MPs do not even try to shape fiscal and economic policy coordination.
- **We find a tendency towards ex-ante scrutiny (2/3 of national parliaments),** especially among Euro Area members, but although we are able to highlight different scrutiny practices across our sample of 6 member states, we do not have data that allow an overview of the involvement of (sectoral) committees and/or the plenary in all 28 member states.
- **Finally, even a well-adapted national parliament like the Danish Folketing faces problems with its scrutiny and with holding the government to account** over its reporting requirements in the European Semester.

---

3.3. Direct engagement with the European Commission

National parliaments have the possibility to directly engage with the European Commission at all stages of the difference surveillance procedures and at every point in time during the European Semester cycle. In addition to that, the Two-Pack\textsuperscript{52} enshrined the right of national parliaments to convene a Commissioner in the context of the assessment of draft budgetary plans and the Excessive Deficit Procedure.\textsuperscript{53}

However, statistics prepared by the COSAC secretariat on hearings with the European Commission in the context of the European Semester in 2013 show that 71\% of all parliamentary chambers had not held such hearings.\textsuperscript{54} According to the Five Presidents’ report, the right to convene a Commissioner “should be exercised more systematically than at present.”\textsuperscript{55} In order to be able to identify individual parliaments, the dataset for this study is based on their questionnaires submitted to the COSAC secretariat\textsuperscript{56} and is therefore able to name the lower chambers behind the overall statistics as well as who represented the European Commission in case of a hearing.

About one third of lower chambers had invited a representative of the European Commission during the European Semester cycle in 2013 (see Table 6). In six cases the name and/or affiliation were specified: Three times the respective Head of the Delegation of the European Commission Representation appeared before a parliamentary committee, the Vice-President of the European Commission in charge of Economic and Monetary Affairs, Olli Rehn, appeared twice before the lower chamber of a national parliament in 2013 and the Director-General of the European Commission’s DG ECFIN (Marco Buti, an Italian) appeared before a committee of the Italian Camera.

The new Juncker Commission has repeatedly announced that dialogue with national parliaments is one of its priorities and during its first year, “[t]he

\textsuperscript{52} Reg. (EU) no. 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

\textsuperscript{53} Ibid., § 7, § 11.

\textsuperscript{54} COSAC, 2014, op. cit., p. 45.

\textsuperscript{55} Juncker, op. cit., p. 17.

\textsuperscript{56} COSAC, 2014, Annex.
President and his team exchanged with national parliaments 200 times. The consequences of this pledge and how many of these exchanges were related to the European Semester and direct in-person engagement with national parliaments remain to be seen when data are available.

**TABLE 6** | National parliaments’ direct engagement with the European Commission

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria**</td>
<td>Belgium</td>
</tr>
<tr>
<td>France*</td>
<td>Croatia</td>
</tr>
<tr>
<td>Hungary**</td>
<td>Cyprus</td>
</tr>
<tr>
<td>Italy***</td>
<td>Denmark</td>
</tr>
<tr>
<td>Latvia**</td>
<td>Estonia</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Finland</td>
</tr>
<tr>
<td>Netherlands*</td>
<td>Germany</td>
</tr>
<tr>
<td>Poland</td>
<td>Greece</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Ireland</td>
</tr>
<tr>
<td>9 (35%)</td>
<td>17 (65%)</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on COSAC questionnaires.

Remarks:
1) Data are for 2013. Due to the European Parliament elections, data for 2014 would be less reliable. We will examine 2015 when the year is over. Prima facie evidence suggests that Commission representatives were invited/convened more often in 2015.
2) In case of bicameral systems: Lower chambers.
3) * Vice-President of the European Commission in charge of Economic and Monetary Affairs
4) ** Head of the Delegation of the European Commission Representation
5) *** Director-General of DG ECFIN
6) Data collected from questionnaires to the 21st biannual report of COSAC (2014): “Q44. Has your Parliament/Cabinet held any hearings with the European Commission regarding the aforementioned Programs/Plans?”
7) No COSAC data available for Bulgaria and the Czech Republic.

4. The interplay between the EU level and the national level

This chapter considers three dimensions of the interplay between the EU level and the national level: the recommendations from the EU level itself, their impact on the national level, and the role of inter-parliamentary cooperation.

Besides ownership from national decision-makers to public opinion (chapter 2) and participation of national parliaments in the European Semester (chapter 3), how recommendations from the European Commission are treated and what impact these recommendations have on the national level – to be analysed in this chapter – is of crucial importance for the interplay between the EU level and the national political arena. Even the implications of the early EMU on domestic politics were seen as “considerable” and led to the conclusion that “macro-economic policy debates can no longer be resolved at the national level”. 58 This is even more true if we look at today’s channels for recommendations from the European Commission and their impact on domestic politics. Active engagement with member states “to tackle their specific challenges and ensure domestic ownership of reforms” 59 is indispensable: Decisions taken at the EU level and recommendations in the European Semester increasingly affect the core of national political process – taxing, spending and the welfare state. 60

Since a certain part of the reforms that have been undertaken in member states has not been triggered directly by the European Semester and its surveillance procedures, but by exceptional factors – by Memoranda of Understanding in programme countries and by market pressure in member states that had reason to fear that they would be cut off from the financial markets –, the

parliamentary scrutiny process for Country-Specific Recommendations (4.1) and their implementation (4.2) are important factors to assess the interplay between the two levels. Member states need to make sure that their policy-making is in line with the rules that were agreed and have to be able to trust that their European partners also follow these rules. Finally, we also examine inter-parliamentary cooperation in the context of the European Semester (4.3): attendance patterns at the Inter-parliamentary Conference on Stability, Economic Coordination and Governance as well as its relationship to the level of (national) adaptation to the European Semester.

4.1. Scrutiny of Country-Specific Recommendations

Once again, national parliaments are the principal channel for the discussion of Country-Specific Recommendations in the national political arena. It has been claimed that member states “hardly ever” conducted a political debate about Country-Specific Recommendations. Our data show that all lower chambers of national parliaments scrutinise Country-Specific Recommendations, but there is a lot of room for improvement. This echoes the Five Presidents’ report according to which the European Commission “should work out model arrangements to make interaction with national parliaments more efficient” with respect to Country-Specific Recommendations and within the annual budgetary procedure.

In 2013, a large group of 14 lower chambers scrutinised before the Council endorsed the recommendations; five lower chambers (including Poland that did not scrutinise the Stability and Convergence Programme or National Reform Programme) scrutinised ex-post (see Table 7). Euro Area members are more likely to conduct ex-ante scrutiny.

61. See e.g. Gabriel Sigmar and Schäuble Wolfgang, Deliberations to improve the European Semester, Berlin, Federal Ministry of Economic Affairs and Energy/Federal Ministry of Finance, 2014. See also Le Monde, L’Allemagne réclame un contrôle plus strict des budgets nationaux, 4 November 2014.
62. Gabriel and Schäuble, op. cit.
63. Juncker et al., op. cit., p. 17.
TABLE 7 ➤ Parliamentary scrutiny of Country-Specific Recommendations (in 2013)

<table>
<thead>
<tr>
<th>2013</th>
<th>EX-ANTE SCRUTINY</th>
<th>EX-POST SCRUTINY</th>
<th>NO SCRUTINY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country-Specific Recommendations</td>
<td>Austria</td>
<td>Latvia</td>
<td>Belgium</td>
</tr>
<tr>
<td></td>
<td>Denmark</td>
<td>Lithuania</td>
<td>Czech Republic</td>
</tr>
<tr>
<td></td>
<td>Estonia</td>
<td>Luxembourg</td>
<td>Hungary</td>
</tr>
<tr>
<td></td>
<td>Finland</td>
<td>Netherlands</td>
<td>Poland</td>
</tr>
<tr>
<td></td>
<td>France</td>
<td>Romania</td>
<td>United Kingdom</td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td>Slovakia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Italy</td>
<td>Sweden</td>
<td></td>
</tr>
<tr>
<td>Memoranda of Understanding</td>
<td>As “programme countries”, Cyprus, Greece, Ireland and Portugal did not receive Country-Specific Recommendations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own elaboration, based on COSAC questionnaires.

Remarks:
1) In case of bicameral systems: Lower chambers.
2) Data collected from the questionnaires to the 19th biannual report of COSAC (2013): “2.4 Will your Parliament/Chamber debate/scrutinise the following documents in 2013 with your Government? Draft Stability and Convergence Programme; National Reform Programme: Yes (ex ante)/ Yes (ex post)/ No”
3) No data for Bulgaria, Croatia, Malta, Slovenia and Spain. Croatia did not receive Country-Specific Recommendation: accession on 1 July 2013.

The data distinguishes between early (ex-ante) scrutiny and late (ex-post) scrutiny, but not where the scrutiny takes place (in plenary or committee). The national parliaments of the sample allow highlighting some examples of how parliaments scrutinise these recommendations:

BOX 3 ➤ Examples for the parliamentary scrutiny of Country-Specific Recommendations

- **Austria**: Discussion of Country-Specific Recommendations in the permanent subcommittee on EU affairs and the plenary of the National Council, parliamentary scrutiny is embedded in existing scrutiny/budgetary procedures. ⁶⁴
- **Belgium**: Parliamentary scrutiny is embedded in existing scrutiny/budgetary procedures. ⁶⁵
- **France**: no specific information available.
- **Germany**: Regular information reports from the government (COSAC 2014b: 44).

---

Ireland: did not receive Country-Specific Recommendations, as a country “under programme”.  

Spain: “Country-Specific Recommendations were debated in the framework on the different parliamentary initiatives that dealt with the issues mentioned in the Country-Specific Recommendations, both at plenary and committee level”.  

A broader assessment of scrutiny practices for Country-Specific Recommendations leads to the following insights: On the one hand, plenary debates on Country-Specific Recommendations help to draw attention to a wider public, mobilise support and create acceptance for these recommendations and, possibly, for the reforms that should follow. This would allow for a better connection with the electorate on a key issue of EU affairs. On the other hand, committee meetings allow questioning both the Commission (to explain the recommendations itself) and the government (to explain its implementation record).

Besides the lower chambers that this study has focused on, upper chambers seem to play an important role in scrutinising Country-Specific Recommendations: Asked about parliaments’ actions to address non-compliance after the Commission’s assessment of the implementation of Country-Specific Recommendations, 26 out of 36 respondents (lower chambers and upper chambers) said that no action was taken. Among those that have taken action, upper chambers (Czech Senate, German Bundesrat, Italian Senato, Polish Senat) are at least as active as lower chambers (Belgian Chamber, Estonia, Hungary, Ireland, Italian Camera, Latvia). It may well be that in bicameral systems these activities come from the fact that the governing parties with a majority in the lower chamber do not necessarily command a majority in the upper chambers.

67. Ibid., p. 732.
68. Gabriel and Schäuble, op. cit., p. 3.
70. COSAC, 2014, op. cit., p. 36.
71. This reasoning applies to the Opinion adopted by the German Bundesrat in 2013, a few months before the general elections. See second example.
Two examples of addressing non-compliance in 2013 are worth mentioning:

- “The European Union Affairs Committee of the Polish Senat held a hearing with the representative of the Polish Government regarding Council’s Decision establishing that no effective action has been taken by Poland in response to the Council Recommendation of 21 June 2013 and accepted the Government’s explanations.”

- In an opinion on the Country-Specific Recommendations, the German Bundesrat e.g. supported “the recommendation that a minimum wage should be introduced, which would also help to attain the goal of achieving wage growth to support domestic demand.”

4.2. Progress on the implementation of Country-Specific Recommendations

In order to examine the impact of Country-Specific Recommendations on national policies, the progress of member states in their implementation must be reviewed. The European Commission undertakes assessments of each Member State’s implementation progress, but the cross-country comparability of these results has only improved slowly. The implementation of Country-Specific Recommendations is generally bad (it was poor at the beginning of the European Semester in 2011 and has deteriorated since), but variation between Member States exists and the rate of implementation is typically higher for recommendations that have their legal basis in the Stability and Growth Pact (44% on average in 2012-14) than in the Macroeconomic Imbalances Procedure (32% in 2012-14) or elsewhere (29% in 2012-14).

---

74. Derose Servaas and Griesse Jörn, Implementing economic reforms – are EU Member States responding to European Semester recommendations? ECFIN Economic Briefs n°37, Brussels, 2014, pp. 2-3; Deutscher Bundestag, Das Europäische Semester stärken, besser umsetzen und weiterentwickeln, Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen Union, Berlin, 2015; Gabriel and Schäuble, op. cit., p. 3)
This study relies on data by Deroose and Griesse (2014) for measuring progress on the implementation of Country-Specific Recommendations. Their synthetic indicator based on Staff Working Documents of the European Commission and takes into account the various degrees of implementation for each Country-Specific Recommendation. Any such a scoring or ranking exercise of Member States has to be treated with caution, in particular when countries are grouped along three levels of progress on the implementation of 2013 CSRs: Countries have “low progress”, if the Deroose-Griesse synthetic indicator is below 37.5; this study splits the category “some progress” at the value of 50 into two levels: “medium progress” (for values from 37.5 to 50) and “highest progress” for all values above 50. Considering the available data, the nature of Country-Specific Recommendations (which are neither prioritised nor given deadlines) and the necessity to draw conclusions, it is appropriate to classify member states in such a way into three groups (see Table 8).

**TABLE 8**  
Progress on the implementation of Country-Specific Recommendations (2013)

<table>
<thead>
<tr>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGHEST</th>
</tr>
</thead>
</table>
| Belgium  
Bulgaria  
Czech Republic  
Hungary  
Italy  
Luxembourg  
Slovakia  
Slovenia | Austria  
France  
Germany  
Latvia  
Lithuania  
Malta  
Poland  
Romania  
Sweden  
United Kingdom | Denmark  
Estonia  
Finland  
Netherlands  
Spain |

Source: own elaboration, based on data by Deroose and Griesse (2014: 5).
1) We created three categories for the synthetic indicator: low progress for values of less than 37.5 (= “limited” progress), medium progress for values between 37.5 and 50.0 (= the first half of “some” progress) and highest progress for values of 50 and more (= the second half of “some” progress).
2) Not data available for countries “under programme” (Cyprus, Greece, Ireland, Portugal) and for Croatia.

All (four) Member States with the highest progress in implementation (Deroose-Griesse score ≥ 50) conduct ex-ante scrutiny. Taking into account national parliaments’ direct engagement with the European Commission (see section 3.3), also for 2013, it is noteworthy that none of those member states that have the
highest implementation record saw the need to invite a representative of the European Commission to its national parliament.

To sum up, Country-Specific Recommendations, as the key channel for advice from the EU level in Economic Governance surveillance procedures, have shortcomings that could only touched upon. This study showed that they are scrutinised by parliaments, but in an unequal way. It also used measures of their implementation in each member state for 2013, which poses some methodological problems, but Deroose and Griesse (2014) is the best available indicator.

**KEY FINDINGS**

- **Country-Specific Recommendations** are the key channel for the European Commission to try to influence national fiscal and economic policies, but they are not sufficiently scrutinised by national parliaments.
- Improvements in their effectiveness are necessary, because their implementation record is poor, but they would widen the gap to the input legitimacy of fiscal and economic surveillance.
- National parliaments did not extensively engage directly with the European Commission in the European Semester in 2013. The possibilities for national parliaments to convene a Commissioner in the context of the assessment of draft budgetary plans and the Excessive Deficit Procedure could be used, also to cover the Country-Specific Recommendations.
- Upper chambers can play a useful role for scrutinising Country-specific recommendations, if the parliamentary majority supporting the government in the lower chamber is reluctant to discuss supranational critique of its policies.
4.3. Formal and informal inter-parliamentary cooperation

This study is not only interested in debates within national parliaments (see chapter 3), but also in the dialogue that takes place between them in the context of the European Semester: Inter-parliamentary cooperation reduces informational asymmetries between different parliaments, facilitates policy formulation, fosters mutual understanding and could even stimulate a transnational public debate. The exchange of information and best practices for individual scrutiny could also lead to stronger parliamentary control of national governments and EU institutions. Inter-parliamentary cooperation is specifically mentioned in the Lisbon Treaty and since 2009 a variety of forums has emerged. In EU Economic Governance, the Treaty on Stability, Coordination and Governance (TSCG) foresaw the creation of an inter-parliamentary conference “to discuss budgetary policies and other issues covered by this Treaty” (Article 13 TSCG). The conference could contribute towards a rebalancing of how power under EU economic governance is exercised, but although the conference has met four times since October 2013, diverging preferences among national parliaments and reluctance from the European Parliament have so far prevented a smooth implementation of the provision (see also Appendix 5). The conference only adopted its Rules of Procedure in November 2015. Inter-parliamentary cooperation, however, is neither a new idea nor are these conflicts new.

This conference constitutes the ideal forum for dialogue between national parliaments related to the European Semester. In the following this study looks at the committee affiliation of MPs who attended the conference in November 2015 and examines the average attendance (2013-2015) together with the prerogatives of national parliaments in the European Semester as assessed by Rittberger and Winzen (2015).

---

80. See also Gabriel and Schäuble, op. cit., on the need for “a horizontal debate about the topics of the European Semester on a political level” and Juncker et al, op. cit., “a new form of inter-parliamentary cooperation was established”. 
Neither the size of national delegations nor the affiliation of participants to certain committees has been fixed; they remain the responsibility of each parliament: both Article 13 TSCG and subsequent Conclusions of the Speakers’ Conference only mention representatives of relevant committees. There is great variation between Member States in the number of MPs attending the inter-parliamentary conference: delegation sizes are not fixed or capped. If the average participation is near one MP (as for Bulgaria, Denmark, Estonia and Slovakia), it does not allow representation of governing and opposition parties - not to mention representation of both chambers in case of bicameral systems (see Figure 8).

**FIGURE 8** Attendance at the Inter-parliamentary Conference on Stability, Economic Coordination and Governance in the European Union (2013-2015)

Source: own elaboration, based on the list of participants at the Inter-parliamentary Conference on Stability, Economic Coordination and Governance (2013-2015).

---

Interestingly, four out of five Member States (Denmark, Italy, Lithuania, Portugal) with the highest Rittberger/Winzen (2015) score for their parliamentary prerogatives (see Figure 7) did not send a single MP to the inter-parliamentary conference in Luxembourg in November 2015. Among the five countries, only the French parliament did. Three different explanations seem equally plausible:

- First, attendance at the conference may have been subject to a trade-off, MPs had been busy, have limited time and resources that they can dedicate to European Semester activities.

- Second, these parliaments may feel already well enough informed. The Article 13 Conference serves to remedy information deficits and close information gaps – from which MPs with score 2 do not suffer.

- Third, they may be disillusioned. After these parliaments have had relatively high average attendance (more than 4 MPs), have they now lost interest in the conference because of the on-going institutional struggles? Would they have preferred a more visible or powerful role for the conference?

In addition to that, committee affiliation of MPs allows us to assess whether MPs who belong to sectoral committees or MPs who belong to European Affairs Committees attend the conference. Our distinction between European Affairs Committees, Budget or Finance Committees and other committees (see Table 9) shows that about one third of the MPs attending the conference in November 2015 were affiliated to European Affairs Committees. 45% were members of Budget or Finance Committees. Interestingly, 23% of participating MPs did not belong to either of these two committees (e.g. they belong to Economics or Social Affairs Committees).
**TABLE 9**

Which committees do MPs (who attend the Inter-parliamentary Conference on Stability, Economic Coordination and Governance) belong to?

<table>
<thead>
<tr>
<th>TOTAL NUMBER OF MPS+MEPS ATTENDING</th>
<th>MPS AFFILIATED TO EUROPEAN AFFAIRS COMMITTEES</th>
<th>MPS AFFILIATED TO BUDGET OR FINANCE COMMITTEES</th>
<th>MPS AFFILIATED TO OTHER COMMITTEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>60+12</td>
<td>19 (32%)</td>
<td>27 (45%)</td>
<td>14 (23%)</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on the list of participants at the Inter-parliamentary Conference on Stability, Economic Coordination and Governance in Luxembourg (November 2015).

Attendance by MPs who cover budget or finance issues means that MPs who (initially) are not EU specialists, but who are working on the topic of the conference, become involved in inter-parliamentary cooperation. From a normative point of view, this is desirable because these MPs are less likely to be already as “Europeanised” as their colleagues in European Affairs Committees.\(^{82}\) The fact that nearly half of MPs are from Budget or Finance Committees is a good sign for their own gradual “Europeanization”.

National parliaments and the European Parliament should “roll up their individual and collective shirtsleeves”\(^{83}\). The Inter-parliamentary Conference on Stability, Economic Coordination and Governance could play a more important role in the European Semester. The meeting in the first half of the year takes place in Brussels, is co-chaired by the European Parliament and the Presidency Parliament and is usually preceded by the European Parliamentary Week, a one-day meeting between MPs and MEPs in the direct context of the European Semester.\(^ {84}\) But the issue of MPs’ and MEPs’ attendance at inter-parliamentary conferences and their motivation as well as possibilities to strengthen the conference need to be investigated further.

---

\(^{82}\) See e.g. Rozenberg Olivier, *The Emotional Europeanisation of National Parliaments: Roles played by EU committee chairs at the Commons and at the French National Assembly*, OPAL Online Paper Series, 2012.


KEY FINDINGS

- Our observation that national adaptation to the European Semester has happened individually and without visible coordination and mutual learning points to weak inter-parliamentary cooperation that could – in theory – remedy the asymmetries of parliamentary powers.

- The potential of Article 13 TSCG and its provision for conference of Members of national parliaments and of the European Parliament “to discuss budgetary policies and other issues covered by this Treaty” has only been exploited to a limited extent.

- The Inter-parliamentary Conference on Stability, Economic Coordination and Governance is not devoted enough to policy questions and to addressing the common challenges that parliaments are facing in the European Semester.

- We explained the weakness of inter-parliamentary cooperation with the limited time and resources that are available for parliamentary scrutiny: Such activities are subject to a trade-off. MPs will engage in cooperation, if they are aware of information deficits and think that inter-parliamentary dialogue in its current form is useful.
CONCLUSION

On the basis of an examination the (asymmetric) adaptation of EU member states to the surveillance procedures, relying both on previously published as well as on newly extracted data, this study can draw a series of provisional conclusions. In addition to that, strengthening parliamentary scrutiny is possible and five options for more scrutiny at different levels are proposed here. The evidence presented in the previous chapters leads to the following ten conclusions:

- **The effectiveness of Country-Specific Recommendations is limited**: Discussions on the need for reform, based on these recommendations by the European Commission, lack prioritisation, a clear schedule and follow-up of member states’ actions and should consider “spill-over” effects. At the same time, they are not sufficiently scrutinised and any improvements in their effectiveness would widen the gap to the input legitimacy of fiscal and economic surveillance.

- **National parliaments’ adaptation to the European Semester has been unequal**: Unequal adaptation has led to asymmetries in parliamentary prerogatives and activities. Only one third of national parliaments have adopted new rules or laws that codify parliamentary involvement in the European Semester. Although there are possibilities for governments (and the parliamentary majority) to deviate from such provisions, they are still the best guarantee to ensure proper parliamentary involvement.

- **Still, de facto and more often than quantitative data suggest, surveillance procedures have become part of domestic politics over the last years**: Scrutiny exercise have taken place at the national level and led to some ownership.
Taking the procedural changes to national parliamentary involvement and implementation progress on the Country-Specific Recommendations together, we can assign Member States to three groups. We call them “frontrunner group” (green), “intermediate group” (yellow) and “laggard group” (red) to illustrate how new prerogatives and the implementation record interact. This representation is certainly superficial and we look at it as the basis for further work, but it shows an interesting pattern on where and how national ownership has evolved since the crisis. (See Table 10).

**Table 10: National adaptation to the European Semester**

<table>
<thead>
<tr>
<th>NEW PREROGATIVES OF THE NATIONAL PARLIAMENT</th>
<th>IMPLEMENTATION RECORD OF COUNTRY-SPECIFIC RECOMMENDATIONS</th>
<th>NONE</th>
<th>SOME</th>
<th>FAR-REACHING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Belgium, Czech Republic, Hungary, Luxembourg, Slovakia, Slovenia</td>
<td>Bulgaria</td>
<td>Italy</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Germany, Malta, Poland, Romania, Sweden, United Kingdom</td>
<td>Austria, Latvia</td>
<td>France, Lithuania</td>
<td></td>
</tr>
<tr>
<td>Highest</td>
<td>Estonia, Finland, Netherlands</td>
<td>Spain</td>
<td>Denmark</td>
<td></td>
</tr>
<tr>
<td>COUNTRIES “UNDER PROGRAMME” IN 2013, NO COUNTRY-SPECIFIC RECOMMENDATIONS RECEIVED</td>
<td>Cyprus, Ireland, Greece</td>
<td>Portugal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by Deroose and Griesse (2014) for progress on the implementation of Country-Specific Recommendations in 2013 (see also Table 8) and on data by Rittberger and Winzen (2015) for new parliamentary prerogatives in the European Semester (see also Figure 7).
- **Citizens are generally in favour of more coordination of fiscal and economic policies**: About two thirds of the Euro Area population are totally or somewhat in favour of a consultation on draft budget plans (data for 2011 and 2012); in 2015 70%[^85] think that there should be more coordination of “economic policy, including budgetary policies”; accordingly, about 70% agree that economic reforms would be more effective if carried out in a coordinated way at the EU level. If we use the data at country-level and compare three groups of member states, the “frontrunner group” (green), the “intermediate group” (yellow) and the “laggard group” (red)[^86], we find (small) differences when using the two of the Eurobarometer survey questions introduced in chapter 2. On a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets, 62.3% of the population in “frontrunner” countries with respect to prerogatives in the European Semester and implementation of Country-Specific Recommendations (we weighted the countries within a group according to their population) and even 72.3% of the “laggard” countries’ citizens are in favour (see Figure 9).

[^85]: Other values are 74% for 2012, 72% for 2013 and 69% for 2014.
[^86]: Weighted averages on the basis of Eurostat population data.
FIGURE 9 ➤ Public opinion “in favour” of a preliminary consultation between EU institutions and national political institutions in the drafting process of national budgets

On the effectiveness of economic reforms if they are carried out in a coordinated way at EU level, citizens in the “laggard” group of countries (whose parliaments lack prerogatives in the European Semester and whose implementation record of Country-Specific Recommendations is poor) are slightly less convinced than those in the “frontrunner” group: 29% totally agree and 38% tend to agree (compared to 41% who totally agree and 34% who tend to agree) (see Appendix 4).
- Asymmetries are likely to create tensions: The population in member states, whose parliaments have not adapted and developed formal prerogatives, is less exposed to debates at the national level, their MPs are less engaged in inter-parliamentary cooperation, the channels for exchange between national parliaments and the European Commission are less used; and the implementation record of Country-Specific Recommendations is also bad. In the medium and long term, we expect this to lead to tensions between member states.

- No country ticks all boxes of poor adaptation at the same time: This is a positive result of our study. All parliaments have reacted to the different surveillance mechanisms in one way or the other. There are, however, too many countries that have not adapted enough to the European Semester: They should review the procedures of their national parliaments and develop more activities in committees and/or plenary. At the same time, we are aware that parliamentary adaptation is an incremental, path-dependent process for which no uniform solutions exist.

- No common pattern of parliamentary scrutiny has emerged: Furthermore, our results show that there is no common pattern. We could not find evidence of competing models of parliamentary adaptation either. Best practices are, if at all, only exchanged in a very selective way. Adaptation has happened individually and without visible coordination and mutual learning.

- Time and resources for parliamentary scrutiny are scarce: All activities related to the European Semester are subject to a trade-off; MPs have limited time and resources that they can dedicate to this topic. Only if they are aware of information deficits and think that inter-parliamentary dialogue in its current form is useful, they will engage in cooperation. A similar reasoning applies to engaging into scrutiny procedures at the national level, if their impact and visibility (for voters) is low.

- The promise of inter-parliamentary cooperation has remained unfulfilled: The cooperation, both among national parliaments themselves and with the European Parliament, could remedy many of the asymmetries described above. However, the first two years of existence
of the Inter-parliamentary conference that was established by Article 13 TSCG were dominated by internal conflicts and not devoted to policy or addressing the common challenges that parliaments are facing in the European Semester.

Building on our preliminary conclusions and considering that parliaments are the key bodies for ensuring ownership and input legitimacy in the European Semester, that they provide checks and balances, enhance openness, facilitate public debate, are a platform for broadly based input that can help deepen consensus and taking into account that in the European Semester it is necessary to “reconcile legislative activism with fiscal prudence, and to tailor these mechanisms to different national circumstances”, I propose five options for an enhanced European Semester:

1. **Strengthen national parliamentary scrutiny over national governments.** Parliamentary committees (preferably budget or finance committees) could exercise ex-ante scrutiny of the documents prepared by national government (Stability and Convergence Programme and National Reform Programme). A more ambitious proposal is to hold ex-ante plenary debates in which Cabinet ministers or the Prime Minister have to present and defend their plans.

2. **Strengthen national parliamentary scrutiny over the European Commission.** Parliamentary committees could invite representatives of the European Commission to discuss the Annual Growth Survey. More ambitiously, a hearing with the responsible Commissioner or Commission Vice-President would take place before a joint committee meeting and he or she would have to present and justify Country-Specific Recommendations as well as assess the progress of government in their implementation.

3. **Strengthen European Parliament’s scrutiny over the European Commission.** The European Parliament could scrutinise more before the European Commission presents the Annual Growth Survey and the Alert Mechanism Report, e.g. in plenary debates before and after their

---

presentation and also on the Country-Specific Recommendations. It would be more ambitious to introduce co-decision over the Annual Growth Survey and thus give the European Parliament a role in the decision-making of Economic Governance.

4. **Strengthen European Parliament’s scrutiny over national governments.** This proposal could be implemented by insisting on the comply-or-explain principle as regards changes to the Commission proposal in the Council. A more ambitious way would be to invite members of the national governments to appear before the European Parliament case of insufficient progress in the surveillance procedures.

5. **Strengthen joint inter-parliamentary scrutiny over the executives.** The Inter-Parliamentary Conference on Stability, Economic Coordination and Governance could be better synchronised with the calendar of the European Semester and its sessions could be made more relevant to scrutinise the different steps of the European Semester. More ambitiously, in this format hearings of both national and European decision-makers could take place and the functioning of the conference could be enhanced.

Such a strengthening of parliamentary scrutiny could happen on the national and/or the European level (options 1 and 3), but cross-level scrutiny (options 2 and 4) or inter-parliamentary scrutiny (5) could be strengthened as well. These options to enhance parliamentary scrutiny procedures, surveillance mechanisms and ownership could be used in the context of deepening EMU and a renewed and more integrated European Semester.
BIBLIOGRAPHY


Bekker Sonja, *EU economic governance in action: Coordinating employment and social policies in the third European Semester*, Observatoire social européen, Research Paper n°19, 2014


Deroose Servaas and Griesse Jörn, Implementing economic reforms – are EU Member States responding to European Semester recommendations? ECFIN Economic Briefs n°37, Brussels, 2014.


Deutscher Bundestag, Das Europäische Semester stärken, besser umsetzen und weiterentwickeln, Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen Union, Berlin, 2015.


Eurobarometer, The Euro Area, Flash Eurobarometer 429, Brussels 2015.


Hefftler Claudia, Kreilinger Valentin, Rozenberg Olivier and Wessels Wolfgang (2013), National Parliaments: Their emerging control over the European Council, Notre Europe - Jacques Delors Institute, Policy Paper n°89.


*Le Monde*, “Mais qui est Oli Rehn?”, 27 February 2012.


*Le Monde*, Pour Hollande, Bruxelles “n’a pas à nous dicter ce que nous avons à faire”, 29 May 2013: ANSA English, Brussels not a teacher giving exams says Renzi, 16 October 2015.


Regulation (EU) no. 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.


APPENDIXES

Appendix 1: Country Notes

Explanatory remarks

We selected a sample of six member states (highlighted as Country) whose currency is the Euro on the basis of the following table which combines parliamentary prerogatives as measured by Rittberger and Winzen (2015) and implementation of Country-Specific Recommendations (in 2013) on the basis of Deroose and Griesse (2014), also grouped into three categories, plus a fourth category for countries “under programme” in 2013.

<table>
<thead>
<tr>
<th>IMPLEMENTATION RECORD OF COUNTRY-SPECIFIC RECOMMENDATIONS</th>
<th>NEW PARLIAMENTARY PREROGATIVES</th>
<th>NONE</th>
<th>SOME</th>
<th>FAR-REACHING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Belgium Luxembourg Slovakia</td>
<td></td>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td></td>
<td>Slovenia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Germany</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malta Austria Latvia France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estonia Latvia Lithuania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest</td>
<td>Estonia Finland Netherlands</td>
<td></td>
<td></td>
<td>Spain</td>
</tr>
<tr>
<td></td>
<td>Cyprus Ireland Greece</td>
<td></td>
<td></td>
<td>Portugal</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by Deroose and Griesse (2014) for progress on the implementation of Country-Specific Recommendations in 2013 (see also Table 8) and on data by Rittberger and Winzen (2015) for new parliamentary prerogatives in the European Semester (see also Figure 7). Only Euro Area members included.
The selected countries (Austria, Belgium, France, Germany, Ireland, Spain) combine different political systems (notably semi-presidential France and different types of parliamentary democracies from Westminster-like Ireland to consensus-oriented Austria) and reform records.

The country notes are structured into three parts: The role of parliament in the budget process, the main characteristics of parliamentary participation in the European Semester and a general assessment of the adaptation to fiscal and economic surveillance procedures.

**AUSTRIA**

**Role of parliament in the budget process and national ownership:**
- The Austrian parliament’s role in the budget process is quite strong. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 5 (for more details: 2.1).
- Public opinion is slightly more sceptical of fiscal and economic policy coordination and surveillance than the Euro Area as a whole: in 2012, 65% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%); in 2014, 54% in favour of “more coordination” (69%); in 2015, 63% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).

**Main characteristics of parliamentary participation in the European Semester:**
- The country is in the intermediate group of the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester (score 1 = some prerogatives) (for more details: 3.1).
- The Stability and Convergence Programme and the National Reform Programme are subject to a debate in the budgetary committee of the National Council, but only ex-post, after the government submitted the documents to the European Commission (for more details: 3.2, Box 1).
- The average attendance of Austrian MPs at the Inter-parliamentary conference of Article 13 TSCG is high (see 4.3)
- The European Semester has been discussed with the Head of the Delegation of the European Commission Representation in 2013 (see 3.3).
- Discussion of Country-Specific Recommendations takes place in the permanent subcommittee on EU affairs and the plenary of the National Council. It is embedded in existing scrutiny/budgetary procedures (COSAC 2014a: 19).

**General assessment of adaptation to fiscal and economic surveillance procedures:**
Even though the medium progress by Austria on the implementation of country-specific recommendations and the parliamentary prerogatives put the country into the “frontrunner” category, we consider ex-post scrutiny a huge deficit in the country’s adaptation to fiscal and economic surveillance. Ex-ante surveillance over the government’s Stability and Convergence Programme and National Reform Programme would lead to more ownership by parliament.

**BELGIUM**

**Role of parliament in the budget process and national ownership:**
- The role of the Belgian Chamber of Representatives in the budget process is relatively strong. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 4 (for more details: 2.1).
- Ownership by national policy makers is weak: Paul Magnette, member of Belgium’s federal government, ironically asked in January 2012 about the responsible Commissioner: “Who knows Olli Rehn?” 89
- Public opinion is generally in favour of fiscal and economic policy coordination and surveillance: in 2012, 81% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%); in 2014, 67% in favour of “more coordination” (69%); in 2015, 71% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).

89. “Mais qui est Olli Rehn?”, Le Monde, 27 February 2012.
Main characteristics of parliamentary participation in the European Semester:
- The country scores 0 on the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester (= no prerogatives) (for more details: 3.1)
- Scrutiny practices of the Stability and Convergence Programme and the National Reform Programme have changed (3.2).
- Before the submission of both programmes in 2013 a debate was organised by the European Affairs Committee of the Chamber in a joint meeting with the Budget Committee and the Social Affairs Committee (COSAC 2014a: 41).
- Belgian MPs have high levels of participation in the Inter-parliamentary conference of Article 13 TSCG, possibly due to the fact the conference always meets in Brussels in the first half of the year (see 4.3).
- Parliament did not convene a Commissioner in 2013 (see 3.3).
- Parliamentary scrutiny of Country-Specific Recommendations is embedded in existing scrutiny/budgetary procedures (COSAC 2014b: 45).

General assessment of adaptation to fiscal and economic surveillance procedures:
Despite the low progress by Belgium on the implementation of country-specific recommendations and a lack of parliamentary prerogatives in the European Semester (“laggard group”), the national parliament has developed activities of ex-ante scrutiny that could make a positive contribution to parliamentary ownership.

FRANCE

Role of parliament in the budget process and national ownership:
- The French parliament’s role in the budget process is weak. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 1 (for more details: 2.1).
- Ownership by national policy makers is also weak: French President François Hollande insisted in May 2013 that the European Commission
“cannot dictate what we should do, it can only say that France must balance its public finances.”

- Public opinion is generally in favour of fiscal and economic policy coordination and surveillance: in 2012, 61% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%); in 2014, 71% in favour of “more coordination” (69%); in 2015, 76% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).

Main characteristics of parliamentary participation in the European Semester:

- The country scores well on the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester is 2 (= strong prerogatives) (see 3.1).
- The Stability and Convergence Programme is subject to a debate and a vote in plenary at the National Assembly (the Senate holds a debate, but does not vote). However, the programme cannot be amended by parliament (see 3.2, Box 1, Box 2).
- Parliament normally scrutinises both the Stability and Convergence Programme and the National Reform Programme ex-ante (3.2). The government is obliged to transmit the draft Stability and Convergence Programme two weeks before its submission to the European Commission (COSAC 2014a: 262, 85-86).
- French MPs took a leading role in the early days of the Inter-parliamentary conference of Article 13 TSCG (Kreilinger 2013; 2015: 283), attendance is high (see 4.3).
- Both chambers have used the possibility to convene a Commissioner (see 3.3) or the Commission President (COSAC 2014a: 262, 85-86).

---

90. Pour Hollande, Bruxelles “n'a pas à nous dicter ce que nous avons à faire”, Le Monde, 29 May 2013: “La commission européenne n'a pas à dicter ce que nous avons à faire, elle a simplement à dire que la France doit rétablir ses comptes publics, c'est qui est la vérité.”

General assessment of adaptation to fiscal and economic surveillance procedures:
Considering the medium progress by France on the implementation of country-specific recommendations and the main characteristics of parliamentary involvement in the European Semester, adaptation depends on whether the prerogatives are used.

GERMANY

Role of parliament in the budget process and national ownership:
- The role of the Bundestag in the budget process is relatively strong. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 4 (for more details: 2.1).
- Public opinion is generally in favour of fiscal and economic policy coordination and surveillance, but sometimes diverges from the Euro Area average: in 2012, 78% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%); in 2014, 55% in favour of “more coordination” (69%); in 2015, 68% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).

Main characteristics of parliamentary participation in the European Semester:
- The country scores 0 on the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester (= no new prerogatives) (for more details: 3.1).
- The Stability and Convergence Programme is subject to a debate in committee. However, the committee only adopts an opinion that is not binding for the government (for more details: 3.2, Box 1 and Box 2).
- The National Reform Programme is debated in the Committee for Economic Affairs (other committees, including the European Affairs Committee, are also involved) ex-ante (e.g. 22 April 2015 and 3 April 2014; 12 June 2013 is the exception) and a plenary debate has usually taken place in June ex-post. Committees also receive the Stability and Convergence Programme for consideration before it is submitted to the European Commission. (3.2)
German MPs took a leading role in the early days of the Inter-parliamentary conference of Article 13 TSCG (Kreilinger 2013; 2015: 284); their average attendance is now lower than 2013/14, but still above the average (see 4.3).

- In 2013, due to general elections, there was no hearing with a Commissioner (COSAC (2014a: 307), see also 3.3).
- Country Specific Recommendations: Regular information reports from the government (COSAC 2014b: 44)

**General assessment of adaptation to fiscal and economic surveillance procedures:**
Considering the medium progress by Germany on the implementation of country-specific recommendations and the main characteristics of parliamentary involvement in the European Semester, the country has adapted to the European Semester and parliament is active, even though this has not led to specific new parliamentary prerogatives.

**IRELAND**

**Role of parliament in the budget process and national ownership:**
- The role of the Irish parliament in the budget process is weak. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 1 (for more details: 2.1).
- Ownership by national policy makers: The country was “under programme” and the Troika-imposed austerity programme meant that Ireland was exempted from several requirements under the European Semester.
- Public opinion is more sceptical on two questions on fiscal and economic policy coordination and surveillance than the Euro Area as a whole: in 2012, 47% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%) and in 2014, also 47% in favour of “more coordination” (69%); in 2015, however, 70% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).
Main characteristics of parliamentary participation in the European Semester:

- The country scores 0 on the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester (= no new prerogatives) (for more details: 3.1).
- In 2013, the Stability and Convergence Programme was subject of a debate in the Joint Committee on Finance, Public Expenditure and Reform on the day it was submitted and, for the first time, the Joint Committee on European Union Affairs held a debate on the draft National Reform Programme before it was finalised and submitted. This practice continued in 2014 and the debate on the National Reform Programme also took place earlier.92
- Irish MPs have a medium level of attendance at the Inter-parliamentary conference of Article 13 TSCG (see 4.3).
- The Irish Oireachtas has not used the possibility to convene a Commissioner (see 3.3) or the Commission President (COSAC 2014a: 262, 85-86).
- As a country “under programme”, Ireland did not receive Country-Specific Recommendations

General assessment of adaptation to fiscal and economic surveillance procedures:
There are no data for Ireland on the implementation of country-specific recommendations in 2013, but its parliamentary involvement in the European Semester has been strengthened and could make a positive contribution to ownership after the country had been “under programme”.

---

92. Minister for European Affairs, Paschal Donohoe: “At the start of April [2014], I had the opportunity to present the draft National Reform Programme to the Joint Committee on European Union Affairs and Minister Noonan presented the draft Stability Programme Update to the Joint Committee on Finance and Public Expenditure before Easter.” See Ireland and the European Semester, Speech to the Institute of International and European Affairs (IIEA), 1 May 2014.
SPAIN

Role of parliament in the budget process and national ownership:

- The role of the Spanish parliament in the budget process is weak. Its score on the 0-to-6 scale by Hallerberg et al. (2012: 70) is 1 (for more details: 2.1).
- Ownership over reform commitments by national policy makers is rather weak.93
- Public opinion is generally in favour of fiscal and economic policy coordination and surveillance: in 2012, 64% in favour of a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets (Euro Area: 65%); in 2014, 85% in favour of “more coordination” the highest number among all Euro Area members (average 69%); in 2015, 74% considered economic reforms more effective if coordinated at the EU level (71%) (see 2.2 and Appendix 3).

Main characteristics of parliamentary participation in the European Semester:

- The country is in the intermediate group of the Rittberger and Winzen (2015) scale for parliamentary prerogatives in the European Semester (score 1 = some prerogatives) (for more details: 3.1)
- The Stability and Convergence Programme and the National Reform Programme can be subject to a debate and a vote in plenary at the Congress of Deputies, but even then scrutiny has been ex-post (for more details: 3.2, Box 1).
- In 2013, the plenary of the Congress of Deputies was informed by the Prime Minister about the Stability and Convergence Programme and the National Reform Programme, after the Council of Ministers had approved both documents and after they had been sent to the European Commission (COSAC 2014a: 731).
- Spanish MPs have a high level of attendance at the Inter-parliamentary conference of Article 13 TSCG (see 4.3).

93. In 2012, Spain submitted a budget with a deficit of 5.8% even though 4.4% had been agreed with the European Commission. Prime Minister Rajoy called this a “decisión soberana que ha tomado España y que comunicaré a la Comisión Europea” (“a sovereign decision, taken by Spain, that I will communicate to the European Commission”), see Rajoy alude a la «soberanía» española para elevar el objetivo de déficit al 5,8%, ABC.es, 3 March 2012.
- Parliament has not used the possibility to convene a Commissioner (see 3.3).
- No data available on the scrutiny of Country-Specific Recommendations

**General assessment of adaptation to fiscal and economic surveillance procedures:**
Spanish progress on the implementation of country-specific recommendations is among the highest and parliamentary prerogatives are at an intermediate level, but parliamentary activities are not well developed (if at all, there is ex-post scrutiny that varies from one year to another). Thus our general assessment of adaptation to the European Semester points to deficits in parliamentary scrutiny of the European Semester process.
Appendix 2: Macroeconomic Imbalances Procedure

TABLE 12 Macroeconomic Imbalances in all EU member states since 2011
(Current Account Balance, Private and Public debt)

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>CURRENT ACCOUNT BALANCE (AS % OF GDP, 3 YEAR AVERAGE)</th>
<th>PRIVATE SECTOR DEBT (AS % OF GDP, CONSOLIDATED)</th>
<th>GENERAL GOVERNMENT GROSS DEBT (AS % OF GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMBALANCE THRESHOLD</td>
<td>&gt; -4% AND &gt; +6%</td>
<td>&gt; 133%</td>
<td>&gt; 60%</td>
</tr>
<tr>
<td>Austria</td>
<td>2.4</td>
<td>2.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>-0.1</td>
<td>0.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>-2.9</td>
<td>-0.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Croatia</td>
<td>-2.3</td>
<td>-0.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Cyprus</td>
<td>-7.5</td>
<td>-6.8</td>
<td>-4.7</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>-2.7</td>
<td>-2.4</td>
<td>-1.4</td>
</tr>
<tr>
<td>Germany</td>
<td>5.8</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Denmark</td>
<td>4.9</td>
<td>5.7</td>
<td>6.2</td>
</tr>
<tr>
<td>Estonia</td>
<td>1.9</td>
<td>0.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>Greece</td>
<td>-11.3</td>
<td>-8.4</td>
<td>-5.3</td>
</tr>
<tr>
<td>Spain</td>
<td>-3.8</td>
<td>-2.4</td>
<td>-0.6</td>
</tr>
<tr>
<td>Finland</td>
<td>0.5</td>
<td>-0.8</td>
<td>-1.8</td>
</tr>
<tr>
<td>France</td>
<td>-0.9</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.1</td>
<td>0.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Ireland</td>
<td>-2.0</td>
<td>-1.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Italia</td>
<td>-2.8</td>
<td>-2.3</td>
<td>-0.9</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-0.7</td>
<td>-1.8</td>
<td>-1.2</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>6.8</td>
<td>6.3</td>
<td>6.0</td>
</tr>
<tr>
<td>Latvia</td>
<td>2.5</td>
<td>-1.2</td>
<td>-2.8</td>
</tr>
<tr>
<td>Malta</td>
<td>-4.6</td>
<td>-1.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.4</td>
<td>9.1</td>
<td>10.4</td>
</tr>
<tr>
<td>Country</td>
<td>-4,9</td>
<td>-4,8</td>
<td>-3,4</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>-8,9</td>
<td>-6,0</td>
<td>-2,2</td>
</tr>
<tr>
<td>Romania</td>
<td>-4,9</td>
<td>-4,9</td>
<td>-3,6</td>
</tr>
<tr>
<td>Sweden</td>
<td>6,3</td>
<td>6,5</td>
<td>6,7</td>
</tr>
<tr>
<td>Slovenia</td>
<td>-0,2</td>
<td>0,9</td>
<td>2,8</td>
</tr>
<tr>
<td>Slovakia</td>
<td>-4,4</td>
<td>-2,9</td>
<td>-0,7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-2,5</td>
<td>-2,6</td>
<td>-3,2</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by European Commission (2015a).
Appendix 3: Public opinion about a preliminary consultation on draft budget plans, by member state

Specifically regarding the convergence between the budgetary policies of the EU Member States tell me if you are in favour of or opposed to include a preliminary consultation between European institutions and national political institutions in the drafting process of national budgets.

TABLE 13: Public opinion about a preliminary consultation on draft budget plans, by member state

<table>
<thead>
<tr>
<th></th>
<th>TOTAL 'IN FAVOUR'</th>
<th>TOTAL 'OPPOSED'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>65%</td>
<td>26%</td>
</tr>
<tr>
<td>Belgium</td>
<td>81%</td>
<td>15%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>71%</td>
<td>12%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>71%</td>
<td>16%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>62%</td>
<td>31%</td>
</tr>
<tr>
<td>Denmark</td>
<td>61%</td>
<td>33%</td>
</tr>
<tr>
<td>Estonia</td>
<td>59%</td>
<td>21%</td>
</tr>
<tr>
<td>Finland</td>
<td>66%</td>
<td>26%</td>
</tr>
<tr>
<td>France</td>
<td>61%</td>
<td>21%</td>
</tr>
<tr>
<td>Germany</td>
<td>78%</td>
<td>16%</td>
</tr>
<tr>
<td>Greece</td>
<td>72%</td>
<td>16%</td>
</tr>
<tr>
<td>Hungary</td>
<td>74%</td>
<td>17%</td>
</tr>
<tr>
<td>Ireland</td>
<td>47%</td>
<td>29%</td>
</tr>
<tr>
<td>Italy</td>
<td>72%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL 'IN FAVOUR'</th>
<th>TOTAL 'OPPOSED'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>52%</td>
<td>29%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>64%</td>
<td>14%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>67%</td>
<td>24%</td>
</tr>
<tr>
<td>Malta</td>
<td>65%</td>
<td>17%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>70%</td>
<td>23%</td>
</tr>
<tr>
<td>Poland</td>
<td>60%</td>
<td>22%</td>
</tr>
<tr>
<td>Portugal</td>
<td>69%</td>
<td>12%</td>
</tr>
<tr>
<td>Romania</td>
<td>52%</td>
<td>23%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>75%</td>
<td>16%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>63%</td>
<td>28%</td>
</tr>
<tr>
<td>Spain</td>
<td>64%</td>
<td>17%</td>
</tr>
<tr>
<td>Sweden</td>
<td>65%</td>
<td>30%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>47%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by European Parliament (2012).
Appendix 4: Public opinion on economic coordination and surveillance

“Governments in all euro area countries are implementing various economic reforms […]. Would you agree or disagree with the following statement related to such reforms? Economic reforms would be more effective if they are carried out in a coordinated way at EU level”

Source: own elaboration, based on data from Eurobarometer (2015: 72).
TABLE 14 ➤ Public opinion on economic coordination and surveillance

“Governments in all euro area countries are implementing various economic reforms [...] Would you agree or disagree with the following statement related to such reforms? Economic reforms would be more effective if they are carried out in a coordinated way at EU level”

<table>
<thead>
<tr>
<th>Country</th>
<th>TOTALLY AGREE</th>
<th>TEND TO AGREE</th>
<th>TOTAL 'AGREE'</th>
<th>TEND TO DISAGREE</th>
<th>TOTALLY DISAGREE</th>
<th>TOTAL 'DISAGREE'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>27%</td>
<td>36%</td>
<td>63%</td>
<td>19%</td>
<td>13%</td>
<td>32%</td>
</tr>
<tr>
<td>Belgium</td>
<td>30%</td>
<td>41%</td>
<td>71%</td>
<td>14%</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>47%</td>
<td>25%</td>
<td>72%</td>
<td>7%</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Estonia</td>
<td>17%</td>
<td>30%</td>
<td>47%</td>
<td>17%</td>
<td>14%</td>
<td>31%</td>
</tr>
<tr>
<td>Finland</td>
<td>8%</td>
<td>38%</td>
<td>46%</td>
<td>34%</td>
<td>9%</td>
<td>43%</td>
</tr>
<tr>
<td>France</td>
<td>40%</td>
<td>36%</td>
<td>76%</td>
<td>9%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Germany</td>
<td>37%</td>
<td>31%</td>
<td>68%</td>
<td>14%</td>
<td>9%</td>
<td>23%</td>
</tr>
<tr>
<td>Greece</td>
<td>49%</td>
<td>19%</td>
<td>68%</td>
<td>11%</td>
<td>17%</td>
<td>28%</td>
</tr>
<tr>
<td>Ireland</td>
<td>28%</td>
<td>42%</td>
<td>70%</td>
<td>16%</td>
<td>10%</td>
<td>26%</td>
</tr>
<tr>
<td>Italy</td>
<td>50%</td>
<td>27%</td>
<td>77%</td>
<td>9%</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Latvia</td>
<td>28%</td>
<td>42%</td>
<td>70%</td>
<td>17%</td>
<td>7%</td>
<td>24%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>32%</td>
<td>37%</td>
<td>69%</td>
<td>10%</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>31%</td>
<td>44%</td>
<td>75%</td>
<td>11%</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Malta</td>
<td>46%</td>
<td>24%</td>
<td>70%</td>
<td>8%</td>
<td>9%</td>
<td>17%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>23%</td>
<td>32%</td>
<td>55%</td>
<td>22%</td>
<td>19%</td>
<td>41%</td>
</tr>
<tr>
<td>Portugal</td>
<td>47%</td>
<td>28%</td>
<td>75%</td>
<td>8%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>24%</td>
<td>33%</td>
<td>57%</td>
<td>19%</td>
<td>11%</td>
<td>30%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>38%</td>
<td>31%</td>
<td>69%</td>
<td>11%</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Spain</td>
<td>45%</td>
<td>29%</td>
<td>74%</td>
<td>11%</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Eurozone 19</strong></td>
<td><strong>40%</strong></td>
<td><strong>31%</strong></td>
<td><strong>71%</strong></td>
<td><strong>12%</strong></td>
<td><strong>11%</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>

Source: own elaboration, based on data by Eurobarometer (2015: 72), for the country groups we calculated weighted averages on the basis of Eurostat population data.
Appendix 5: National parliaments and the European Parliament

**TABLE 15**  National Parliaments’ views on a more active role of the European Parliament in the European Semester

| DO YOU THINK THE EUROPEAN PARLIAMENT SHOULD PLAY A MORE ACTIVE ROLE? |
|---|---|---|
| Yes | No | N/A |
| Belgium | Austria | Denmark |
| Cyprus | Croatia | France |
| Greece | Estonia | Germany |
| Hungary | Finland | Malta |
| Italy | Ireland | Portugal |
| Romania | Latvia | Spain |
| Slovakia | Lithuania | Sweden |
| | Luxembourg | |
| | Netherlands | |
| | Poland | |
| | Slovenia | |
| | United Kingdom | |
| 7 (27%) | 12 (46%) | 7 (27%) |

Source: own elaboration, based on COSAC questionnaires.

Remarks:
1) In case of bicameral systems: Lower chambers.
2) Data collected from questionnaires to the 21st biannual report of COSAC (2014): “Q47b. Do you think the European Parliament should play a more active role during the European Semester process?”
3) No COSAC data available for Bulgaria and the Czech Republic.
LIST OF BOXES, GRAPHS AND TABLES

Figure 1  ➤ Summary Representation                      8
Table 1  ➤ Fiscal surveillance: Sanctions and maximum enforcement  14
Table 2  ➤ Deficit (in % of GDP) in Euro Area member states since 1999  15
Table 3  ➤ Economic surveillance: Sanctions and maximum enforcement  16
Figure 2  ➤ Member states’ performance with respect to thresholds for three indicators of the Macroeconomic Imbalances Procedure (2011-2014)  18
Figure 3  ➤ Parliamentary strength in the annual budget process  22
Table 4  ➤ Public opinion about a preliminary consultation on draft budget plans  24
Figure 4  ➤ Public opinion about economic policy coordination by Euro Area member state (2014)  25
Figure 5  ➤ Public opinion about economic policy coordination (2012-2015)  26
Figure 6  ➤ Public opinion about economic reforms and their effectiveness if coordinated, by Euro Area member state (2015)  27
Figure 7  ➤ Prerogatives of national parliaments in the European Semester  31
Table 5  ➤ Parliamentary scrutiny of Stability and Convergence Programmes and National Reform Programmes (2013)  33
Box 1  ➤ Examples for the parliamentary scrutiny of Stability and Convergence Programmes and National Reform Programmes in the six-country sample  34
Box 2  ➤ Voting and amending powers of national parliaments of Euro Area members on the Stability and Convergence Programme  35
Table 6  ➤ National parliaments’ direct engagement with the European Commission  39
Table 7  ➤ Parliamentary scrutiny of Country-Specific Recommendations (2013)  42
Box 3  ➤ Examples for the parliamentary scrutiny of Country-Specific Recommendations  42
Table 8  ➤ Progress on the implementation of Country-Specific Recommendations (2013)  45
Figure 8  ➤ Attendance at the Inter-parliamentary Conference on Stability, Economic Coordination and Governance in the European Union (2013-2015)  48
Table 9  ➤ Which committees do MPs (who attend the Inter-parliamentary Conference on Stability, Economic Coordination and Governance) belong to?  50
Table 10  ➤ National adaptation to the European Semester  53
Figure 9 ➤ Public opinion ‘in favour’ of a preliminary consultation between EU institutions and national political institutions in the drafting process of national budgets 55

Table 11 ➤ Case selection among Euro Area members 63

Table 12 ➤ Macroeconomic Imbalances in all EU member states since 2011 (Current Account Balance, Private and Public debt) 73

Table 13 ➤ Public opinion about a preliminary consultation on draft budget plans, by member state 75

Figure 10 ➤ Public opinion on economic coordination and surveillance 76

Table 14 ➤ Public opinion on economic coordination and surveillance 77

Table 15 ➤ National Parliaments’ views on a more active role of the European Parliament in the European Semester 78
Valentin Kreilinger is a research fellow at the Jacques Delors Institut - Berlin. He has written and commented on issues such as Differentiated integration, the European Parliament, National parliaments in the EU and reforming the Economic and Monetary Union. He holds an MSc in Politics and Government in the European Union from the London School of Economics. Prior to that, he studied at Université Paris 3 Sorbonne Nouvelle and at Ludwig-Maximilians-Universität München. In 2014 he joined the doctoral programme of the Hertie School of Governance as a PhD candidate.

His current research explores legitimacy in the Economic and Monetary Union and how parliaments have reacted to the increasing coordination of fiscal and economic policies at the European level. Valentin has worked at Notre Europe - Institut Jacques Delors, the German Historical Institute in Paris and at the Center for Applied Policy Research in Munich. Valentin has received scholarships of the Max Weber Programm Bayern and the Hertie Foundation, is an Alumnus of the Allianz Cultural Foundation and a Member of “FutureLab Europe” by the Koerber Foundation and the European Alliance for Democratic Citizenship.
NATIONAL BUDGETS AND EUROPEAN SURVEILLANCE: SHEDDING LIGHT ON THE DEBATE
Sofia Fernandes, Policy Paper No. 118, Notre Europe – Institut Jacques Delors, October 2014

WHO CALLS THE SHOTS IN THE EURO AREA? “BRUSSELS” OR THE MEMBER STATES?

25 YEARS AFTER THE DELORS REPORT: WHICH LESSONS FOR ECONOMIC AND MONETARY UNION
Henrik Enderlein and Eulalia Rubio, Policy Paper No. 109, Notre Europe – Jacques Delors Institute, April 2014

THE NEW INTERPARLIAMENTARY CONFERENCE FOR ECONOMIC AND FINANCIAL GOVERNANCE
Valentin Kreilinger, Notre Europe – Jacques Delors Institute, Policy Paper No. 100, October 2013

NATIONAL PARLIAMENTS: THEIR EMERGING CONTROL OVER THE EUROPEAN COUNCIL
Valentin Kreilinger, Olivier Rozenberg, Claudia Hefftler and Wolfgang Wessels, Policy Paper No. 89, Notre Europe – Institut Jacques Delors, March 2013

THE DEMOCRATIC AND PARLIAMENTARY CONTROL OF THE EUROPEAN COUNCIL AND EUROZONE SUMMITS
NATIONAL PARLIAMENTS, SURVEILLANCE MECHANISMS AND OWNERSHIP IN THE EURO AREA

Coordination and surveillance mechanisms play an increasingly important role in EU Economic Governance. Involving national parliaments has been widely acknowledged as a key to contribute to ensuring legitimacy, ownership and accountability in the Economic and Monetary Union. Despite the creation and the strengthening of the European Semester, acceptance of the common rules and compliance in member states are still too low.

This study asks to what extent the role of national parliaments and national political ownership can help to explain the lack of compliance and how recent reforms have contributed to improving the situation. National parliaments of crisis-hit countries have been weaker in the annual budget process than the national parliaments of other EU member states. In the European Semester, most national parliaments scrutinise the Stability and Convergence Programmes and National Reform Programmes that their governments submit to the European Commission each year at the end of April. Hearings with European Commissioners also take place more often. But, in general, parliamentary scrutiny could be enhanced further. The adaptation of national parliaments to the stronger surveillance and coordination mechanisms in the Economic and Monetary Union has so far only happened in an asymmetric way.

The public opinion of those countries that had a low implementation record for Country-Specific Recommendations and whose national parliaments did not obtain new prerogatives in the European Semester is particularly in favour of more economic policy coordination. Thus, as a contribution to the debate on strengthening and completing Europe’s Economic and Monetary Union, this study puts forward five options for better parliamentary control at the national level and the European level.