



## Accountability challenges in EU economic governance? Parliamentary scrutiny of the European Semester

Mette Buskjær Rasmussen

To cite this article: Mette Buskjær Rasmussen (2018) Accountability challenges in EU economic governance? Parliamentary scrutiny of the European Semester, Journal of European Integration, 40:3, 341-357, DOI: [10.1080/07036337.2018.1451523](https://doi.org/10.1080/07036337.2018.1451523)

To link to this article: <https://doi.org/10.1080/07036337.2018.1451523>



Published online: 31 May 2018.



Submit your article to this journal [↗](#)



Article views: 14



View related articles [↗](#)



View Crossmark data [↗](#)



# Accountability challenges in EU economic governance? Parliamentary scrutiny of the European Semester

Mette Buskjær Rasmussen

Department of Political Science and Public Management, University of Southern Denmark, Odense, Denmark

## ABSTRACT

This paper sets out to address to what extent and how national parliaments scrutinize the European Semester process. My central argument is that the European semester constitutes a complex regime of different policy-making modes, which poses severe challenges for effective parliamentary scrutiny of the process. Through paired comparison between two Nordic parliaments and the Spanish parliament, I identify a number of accountability challenges in the scrutiny of the European Semester. Although we should expect that parliaments of euro countries are more motivated for scrutinizing the European Semester as the process has stronger implications for national budgetary policy, the findings show the importance of formal monitoring capabilities. Thus, the ability to counteract the accountability challenges of the European Semester is not equal across parliamentary chambers of the EU leading to a reinforcement of existing differences of parliamentary involvement in EU policy-making.

## KEYWORDS

European Semester;  
national parliaments; EU  
accountability

## 1. Introduction

Since the onset of the financial and economic crisis in 2007, the European Union (EU) has embarked on a series of reforms to enhance EU economic governance. The crisis has called upon the EU to urgently address economic maladministration of member states with serious externalities for others in the EU, in particular the euro zone. The European Semester launched in 2011 is part and parcel of this process. It is a tool for the EU to ensure that member states comply with EU economic policy recommendations before national budget procedures are adopted. Although national governments retain autonomy in defining their economic policies, supranational surveillance has expanded substantially. The process has triggered a number of concerns regarding the democratic legitimacy of EU economic governance. Since the national budget is arguably the most important decision-making power of national parliaments, it is important to assess parliaments' ability to redeploy traditional budget prerogatives in the context of the emerging EU economic governance system Crum 2018; Hallerberg, Marzinotto, and Wolff 2018; Lord 2017; Maatsch 2017). This is all the more critical

as the European Parliament is only assigned a weak role in the European Semester (See Fromage in this issue).

Recent studies have started to assess national parliaments' involvement in the European Semester. Crum outlines a number of accountability dilemmas connected to the parliamentary scrutiny of the European Semester and argue that national parliaments are likely to lose influence in a 'reinforced two-level game' where it is difficult to detect who should be held accountable for decisions (2017). Empirical evidence also shows that there is a very diverse picture of involvement across parliaments in the EU and that, non-euro area member states are more likely to engage in scrutiny of the European Semester (Hallerberg, Marzinotto, and Wolff 2018). Still, we lack to uncover how scrutiny is performed in order to understand the scope and depth of parliamentary involvement including how the European Semester is debated in parliament. The central question that this contribution poses is whether parliaments are capable of eliciting throughput legitimacy of the European Semester through their involvement and scrutiny of the process. That is whether parliaments can counteract the executive dominance of the process and in this way enhance accountability. I argue that the European Semester constitutes a complex regime of different policy modes, which imply a set of specific challenges for parliamentary scrutiny. Thus, whereas the role of national parliaments has been increased in the ordinary legislative procedure with the Lisbon Treaty, this does not apply to the European Semester, which largely operates outside the normal legislative procedure.

In view of this, the paper contributes to the scholarship by: first, specifying the accountability challenges of the European semester through detailed empirical analysis of a few parliamentary cases; and second, in light of this empirical reality, revisiting the claims of the literature about the sidelining of national parliaments in EU economic governance. The analysis shows that the consequences of the European Semester are far from equal across the parliamentary chambers of the EU and de-politicization is more likely in parliaments that lack institutional capabilities to counteract the accountability challenges of the process.

The article is organized as follows. First, it conceptualizes the European Semester policy-making process as a combination of three different policy modes and outline challenges for parliamentary involvement as well as identifies empirical indicators of effective scrutiny. The analysis of parliamentary scrutiny is conducted as a paired comparison between two Nordic parliaments: Denmark and Sweden, on the one hand, and the Spanish parliament, on the other hand.

## **2. The European Semester as a complex regime of different policy modes**

The European Semester is part of the process of strengthening compliance with the rules of the Stability and Growth Pact to prevent future economic crisis from threatening the stability of the EU. The European Semester thus constitutes a fiscal surveillance procedure in the EU that aims at facilitating more systematized coordination between national and European authorities in the compliance with the new fiscal rules laid out in the Fiscal Compact and the legislative measures of the six-pack and two-pack. Whereas the European Semester ensures that national budgetary plans are held up against EU guidelines and recommendations, the six-pack and two-pack legislation introduce common indicators and benchmarks.).

The yearly cycle of the European Semester consists of a wide range of governance instruments with different legal bases in which the European Commission together with the European Council set economic priorities for the EU member states. The European Semester is carried out in five stages:

Stage 1: November: publication of the Annual Growth Survey by the Commission

Stage 2: March: the endorsement of economic priorities by the European Council

Stage 3: April: the submission of financial and economic plans by national governments called the National Reform Programme (NRP), and Stability and Convergence Programme (SCP<sup>1</sup>)

Stage 4: May: the drafting of country-specific recommendations by the Commission

Stage 5: June: final endorsement of country-specific recommendations by the European Council

The Annual Growth Survey represents the baseline of the process as it lays out general EU economic guidelines, which the national reform programmes are then expected to mirror. In general, the process has given EU institutions a much more assertive role in scrutinizing and setting priorities for national financial and economic policy, which is why scholars have raised concerns about the possible diminishing of power of national parliaments (Benz 2013; Crum 2018; Hallerberg, Marzinotto and Wolff 2018). The major innovation of the European Semester is that EU policy guidelines and recommendations are adopted before the national budgets are debated in parliament

Assuming that parliamentary scrutiny of EU policies differs according to the way in which EU policy-making is processed, we can understand the specific challenges of parliamentary scrutiny by mapping out the policy-making complexity of the European Semester process. It is customary to distinguish between policy modes, each mode reflecting different institutional procedures and actor constellations (Wallace and Reh 2015). Research on the development of specific EU policy areas clearly shows that many are characterised by multiple use of the different modes (Pollack, Wallace, and Young 2015). This trend is a challenge for national parliaments, as the complexity of policy-making is likely to affect their ability to scrutinize EU policies. The European Semester is a case in point. It has even brought a more complex dimension into the picture as it implies: (a) a combination of different modes, (b) the experimentation with new modes of EU policy-making, and (c) a blurring of boundaries between national and EU policy processes where it is unclear who should be held accountable (Crum 2018).

The European Semester consists of a complex legal architecture implying that different policy-modes apply to the procedure (Pollack, Wallace, and Young 2015). The semester was codified with the six-pack regulations approved in 2011 and further amended with the two-pack in 2013. Whereas the six-pack strengthens the Stability and Growth Pact by setting common rules for how non-compliance with fiscal rules should be assessed and handled across all member states, the two-pack only relates to members of the Eurozone. According to the two-pack, member states of the euro area must submit National Draft Budgetary plans to the European Commission (by 15 October each year) before they are adopted by the national parliament. If the Commission detects severe non-compliance with the Stability and Growth Pact, it can require a revised version of the budgetary plan. Below, I identify three policy-making modes in which the European Semester operates: the joint decision mode<sup>2</sup>; policy coordination and intensive transgovernmentalism and identify indicators for effective parliamentary scrutiny within each of these.

First, the six-pack and two-pack legislative acts that underpin the European Semester were subject to the 'ordinary legislative procedure' and thus belong to a 'joint decision mode' of policy-making. The joint decision mode covers the majority of EU policy areas. Here, the Commission has the agenda-setting and policing rights, whereas the legislative powers are shared between the Council of Ministers and the European Parliament. In view of this, national parliaments are most familiar with the joint decision mode, and their EU scrutiny systems are largely designed to match this mode. Operating within the joint decision mode, the main task of national parliaments is to control their government before Council meetings. All national parliaments have set up European Affairs Committees (EACs) to deal with this task; although with varying degrees of capacity to actually influence the government (Auel, Rozenberg, and Tacea 2015). Besides the national scrutiny systems, the Lisbon Treaty of 2009 gave national parliaments a new role as guardians of the subsidiarity principle (the Early Warning System (EWS)). The system implies that national parliaments can send reasoned opinions to the Commission, and collectively they can put a legislative procedure on hold if enough parliaments believe that a proposal violates the principle of subsidiarity. Parliamentary scrutiny within the joint decision mode reflects attempts to influence the negotiations leading to the adoption of the Semester through controlling the government and via direct contacts to the EU level. This phase also covers parliamentary decisions on how to reform scrutiny systems in order to monitor the European Semester.

Secondly, the European Semester itself presents features of 'intensive transgovernmentalism'. Intensive transgovernmentalism is characterised by the low involvement of the Commission and the European Parliament. Here, the European Council is in the driver's seat in setting the direction of typically political sensitive policy areas such as Justice and Home Affairs, Common Foreign and Security Policy, and now also EU economic governance. The process has often been characterized by a low involvement of national parliaments since the traditional scrutiny methods were designed for ordinary legislation and not for decisions taken by Heads of State or Government during European summits (Heffttler et al. 2013). In the case of the European Semester, the recommendations of the Commission need to be endorsed by the members of the European Council and adopted by the Council of member states. That means that the Council can amend the Commission's recommendations by qualified majority and have already done so in its recommendation to France on the reform of its pension system. But the process is likely to be characterized by the low involvement of national parliaments. The weakness of parliamentary scrutiny becomes increasingly problematic since European Council meetings and euro summits have become central parts of EU decision-making, in particular in the context of the EU economic crisis (Puetter 2012). Several parliaments have responded by demanding regular ex-ante or ex-post face-to-face hearings with the Prime Minister, but still the policy-making processes can be difficult to monitor as negotiations are conducted behind closed doors and few documents are available beforehand. Effective scrutiny of the intensive transgovernmental mode of the European Semester will require a more intense type of control of the government before meeting in the Council and European Council where the Annual Growth Survey and country-specific recommendations are adopted. Since the country-specific recommendations have direct bearings on how the national budgetary plans are conducted, it is crucial that these are debated before the final approval.

Policy coordination, the third policy mode to which the European Semester may be associated, is characterized by best practise sharing and policy-learning across member states

in areas that are not regulated by EU law such as socio-economic policies. This mode often poses challenges for national parliaments since the process entails a limited dialogue with parliamentary actors and the outcomes of the process reflect non-binding decisions in terms of voluntary coordination. The prime example of policy coordination in the EU is the open methods of coordination (OMC). Soft law instruments as the OMC have often been accused of sidelining parliaments as the executive branch dominates the process. Despite these concerns, research has shown that the OMC also represents new possibilities for parliamentary input as it provides parliaments with new insights on how to produce successful laws and new information that can be used for attacking the policies of the government (Duina and Raunio 2007; de Ruiter 2010). The European Semester fits this mode insofar as the recommendations addressed to the EU member states in the European semester are not binding demands. Although, following EU fiscal rules is compulsory, the Commission only proposes means to do this, which are non-binding.

But whereas the traditional type of policy coordination leaves parliaments with very limited possibilities for scrutinizing and influencing policy-making, more is at stake during the European Semester as there is a closer link between national and EU policy-making and because the European Semester relates to the very politicized conduct of national budgetary policy. Therefore, the European Semester reflects a new type of 'enhanced policy coordination' with a strong surveillance role for the Commission and the possibility of posing sanctions through the Excessive Deficit Procedure if recommendations provided under the semester framework are not followed. But financial sanctions only apply to euro area countries. The enhanced surveillance role of the Commission in providing the Annual Growth Survey and drafting country-specific recommendations gives it a more assertive role in relation to exerting peer pressure. Moreover, the role of the Commission is in principle enhanced through the innovative principle of reverse voting introduced by the six-pack where a recommendation by the Commission for corrective action is carried out unless a qualified majority of member states votes against it (Hallerberg, Marzinotto and Wolff 2018; Hodson 2015). However, the sanction possibility remains a weak tool since the political appetite for issuing financial penalties will probably remain limited. At the same time, the enhanced surveillance leads to a more restricted menu of choice for member states in macro-economic policy (Crum 2018). Parliamentary scrutiny of the 'enhanced policy coordination' mode of the European Semester reflects how parliaments have scrutinized the government's input to the process – the NRPs and SCPs – as these constitute the baseline for the adoption of recommendations. Effective scrutiny requires parliamentary debate *before* the submission of the NRPs and SCPs in order to influence the content. Moreover, national parliaments must consider how to monitor the governments' interpretation and implementation of the country-specific recommendations. Finally, the enhanced surveillance role of the Commission should lead to a stronger direct engagement of national parliaments with representatives of the Commission in order to monitor its interpretations of the national financial and economic situation throughout the process.

The policy-making mode of the European Semester in its 'daily' operation can thus best be described as a mixture of enhanced policy coordination and intensive transgovernmentalism where the Commission takes the lead in defining the direction of economic policy, but where the final say is in the hands of national policy-makers. In this way, the European Semester 'mixes general decision with country specific ones' (Crum 2018:9). Table 1 summarizes how the different elements of the European semester fit within the three different

**Table 1.** The European Semester and the three policy modes.

|                               | Joint-decision mode  | Enhanced Policy-coordination  | Intensive transgovernmentalism   |
|-------------------------------|--|---|--|
| Elements of European semester | Six-pack<br>Two-pack   | - NRPs and SCPs<br>- Country-specific recommendations   | - Annual Growth Survey<br>- Endorsement of country specific recommendations  |
| Scrutiny methods              | -Traditional control of government in Council negotiations<br>- Early Warning System | -Monitoring of government's input to NRPs and SCPs<br>- Monitoring of how country-specific recommendations are interpreted and implemented<br>- Direct dialogue with the Commission | - Control of government before European Council meetings<br>- Ex-ante discussion of country specific recommendations |

Author's own compilation.

policy-making modes, and further outlines the scrutiny methods that national parliaments can pursue in order to monitor the process.

### 3. Case selection and data

The comparative analysis of the paper is based on a strategy of paired comparison that combines two different approaches to case analyses: a most-similar systems design and a most-different systems design. The strength of paired comparison is that it allows us to draw on advantages from both strategies and ‘to examine how common mechanisms are influenced by the particular features of each case’ without compromising on the in-depth case analysis (Tarrow 2010). This implies that the analysis will follow a two-step procedure. First, a most-similar systems approach that compares the Swedish *Riksdag* and the Danish *Folketing* is applied. The two parliaments represent cases with strong EU parliamentary scrutiny systems as they both have the right to mandate their government before EU negotiations take place. Both parliaments are also among top five in recent rankings on parliamentary control and formal institutional strength in EU affairs (Auel, Rozenberg, and Tacea 2015; Winzen 2012). Finally, the two Nordic countries are both non-euro member states and also often take a more reluctant stance towards European integration. In terms of the economic outlook of the two countries, both Denmark and Sweden are among the EU member states that were less severely hit by the economic and financial crisis. The aim of the most-similar systems analysis is to establish whether the ‘frontrunners’ in scrutiny of EU policy experience accountability challenges in their scrutiny of the European Semester. If this is the case, we must assume that these challenges are also likely to be met by parliaments that have fewer resources and capacities at their disposal. Secondly, the results of the first analysis are then contrasted with a most-different systems comparison where an analysis of the Spanish parliament is conducted. The Spanish parliament is often portrayed as a weaker parliament in terms of institutional means to control the government in EU affairs. Contrary to the two Nordic countries, Spain is part of the Eurozone and was severely hit by the economic crisis. Bringing in a parliament of the Eurozone is necessary for establishing whether the results of the non-euro parliaments are different in a setting where the European Semester has more political significance.

The case analyses are based on a range of different parliamentary documents; mainly minutes of EAC meetings, but also parliamentary questions, reports and plenary debates. These are complemented by a few key elite interviews with important parliamentary actors in the European Semester process; the committee chairs and or members of parliament closely involved in the scrutiny plus committee secretariats of the three parliaments. The case analysis allows us to address not only the scope of activities related to the European Semester, but also the content and depth of these.

### 4. The reality of parliamentary scrutiny within a complex regime of different policy modes

This section compares the scrutiny of the European Semester in the two most-similar cases of Sweden and Denmark within the three different policy modes.



**Table 2a.** Danish Folketing's scrutiny of the European Council in relation to the European Semester.

|  | The Danish Folketing and the European Semester   |   |  |  |  |
|--|--|---|--|--|--|
|  | 2011   | 2012  | 2013   | 2014   | 2015   |
| European Council adopts economic priorities based on AGS (March) | 4 March 2011:<br>Oral presentation by government<br><i>Short debate on future Danish CSRs</i>                        | 29 February 2012:<br>Oral presentation by government<br><i>No debate on content<sup>a</sup></i> | 13 March 2013:<br>Oral presentation by the government<br><i>Long debate on the economic situation in France and its implementation of CSRs</i> | 7 February and 28 February 2014:<br>Oral presentation by the government<br><i>No debate on content</i> | 27 February, 9 March 2015:<br>Oral presentation by the government<br><i>No debate on content</i> |
|  | 17 June 2011:<br>Oral presentation of CSRs by government<br><i>Opposition voices discontent with recommendations</i> | 14 June 2012:<br>Oral Presentation of CSRs by government<br><i>No debate on content</i>         | 7 June and 26 June 2013:<br>Oral presentation by government of CSRs<br><i>No debate on content</i>   | 12 June 2014:<br>Oral presentation by government of CSRs<br><i>No debate</i>                           | -<br>No oral presentation because of parliamentary elections<br><i>No debate</i>                 |

<sup>a</sup>No debate on content means that only one question or comment has been made and no specific debate related to the content of the AGS of CSRs has unfolded.

**Table 2b.** The Swedish Riksdag's scrutiny of the European Council in relation to the European Semester.

| The Swedish Riksdag and the European Semester                                    |  |  |   |   |   |
|--|--|--|---|---|---|
|  | 2011   | 2012   | 2013  | 2014  | 2015  |
| European Council adopts economic priorities based on AGS (March)                 | 23 March 2011:<br>Oral presentation by government<br><i>Opposition MP wants guarantees that the Swedish wage system can be preserved</i> | 29 February 2012:<br>Oral Presentation by government<br><i>No debate</i>           | 13 March 2013:<br>Oral Presentation by government<br><i>No debate</i>   | 7 March 2014:<br>Oral Presentation by government<br><i>No debate</i>  | 18 March 2015:<br>Oral Presentation by government<br><i>No debate</i>   |
| European Council's endorsement of country-specific recommendations (CSRs) (June) | 22 June 2011:<br>Very short presentation of CSRs by government<br><i>No debate</i>   | 27 June 2012:<br>Very short presentation of CSRs by government<br><i>No debate</i> | 14 June 2013:<br>Presentation of CSRs by both the Finance Minister and the Minister of Employment<br><i>No debate</i> | 13 June 2014:<br>Presentation of CSRs by both the Finance Minister and the Minister of Employment<br><i>No debate</i> | 12 June 2015:<br>Presentation of CSRs by both the Finance Minister and the Minister of Employment<br><i>No debate</i> |

#### **4.1. *Struggling to find the right scrutiny method: the 'joint decision mode'***

Considering the 'joint decision mode' of the European Semester, two specific empirical indicators of parliamentary involvement in the European semester are evaluated: the parliamentary response to the adoption of the European Semester (i.e. the six-pack) and the implementation of the process of national parliaments.

The adoption of the six-pack and the initiation of the European Semester were quite uncontroversial in the Danish Parliament, and MPs were mostly concerned with getting insurance that sanctions for non-compliance with the Stability and Growth Pact would not apply to non-euro countries.<sup>3</sup> After the European Semester had been through two cycles, the Danish parliament began to realize that a new special scrutiny procedure was, however, desirable. Several opposition MPs from different parliamentary parties voiced dissatisfaction with the detailed recommendations of the Commission, which, to their mind, went too far in addressing national competence areas such as property value tax and the early retirement scheme.<sup>4</sup> During an EAC meeting on 4 March 2011, the committee refused to give the Minister of Employment a mandate for adopting a Council conclusion on the Commission's Annual Growth Survey. The parliament could not accept that the general recommendations for economic reforms were expected to be mirrored in the Danish National Reform Programme. Following from this, the Danish EAC initiated a discussion in 2013 on how to better scrutinize the European semester process. The initiative was motivated by the fact that the Danish EAC has a strong tradition of parliamentary control with the government in EU affairs and felt it was necessary to adapt to the new system of the European Semester in order to avoid losing ground. Adopting special measures for monitoring the process was seen 'as a matter of urgency to ensure democratic legitimacy and control of the process' (Folketinget 2013, 1).

When the Danish parliament was discussing how to implement a new procedure for scrutinizing the European semester, the mandating system was the natural starting point. The mandating system is a key element of the Danish EU scrutiny system, and the vast majority of scrutiny activities relates to providing the government with a mandate for its position before negotiations in the Council. The Danish EAC also got the Finance Committee on board and they initially agreed on implementing a common scrutiny system for the European Semester based on the mandating model. It was important for both committees to have face-to-face contacts with ministers throughout the different stages of process in order for MPs to pose questions orally to the government and follow the process closely. Having a direct dialogue with ministers is according to MPs the most important element of the Danish parliamentary system (Interview with Danish Chairman of EAC, 22 October 2015). The next step was then to negotiate with the government about the final design of the scrutiny system for the European Semester. However, the government did not share the view that the mandating system should also apply to the European Semester. The government argued that it made little sense to give a mandate for NRPs and SCPs as these were based on the outcome of the national budgetary negotiations, which had already been adopted by the parliament. The Annual Growth Survey published by the Commission did not provide a basis for a mandate either, since the government does not conduct binding negotiations in relation to this. The country-specific recommendations could in theory become subject to a mandate before being adopted by the Council. But since the recommendations are not binding, it would be unnatural to 'object' to them. The debate between the Danish

government and parliament on how to scrutinize the European Semester reflects the complicated nature of the process where the ordinary scrutiny procedures of the parliament when operating within the joint decision mode are no longer suitable. The negotiations with the government resulted in a new scrutiny procedure called the 'national semester' where the EAC and the Finance Committee conduct three annual joint consultations with the government in order to discuss (a) the Annual Growth Survey when published by the Commission, (b) the NRPs and SCPs before submitted to the Commission in April, and (c) the draft country-specific recommendations before they are discussed in the European Council. The final report was criticized by a minority of political parties in the EAC stating that the 'Danish parliament's influence was not born out in reality as the government would merely have to discuss its general idea regarding the economic situation with the parliament on a non-binding basis' (Folketinget 2013).

The Swedish parliament was also worried about the consequences of the European Semester for its budgetary powers when negotiations of the six-pack were ongoing. The Swedish parliament issued a reasoned opinion to the Commission in 2010 stating that there was a violation of the subsidiarity principle, since the draft legislative proposal of the six-pack 'does not sufficiently guarantee that finance policy remains a national prerogative'. The concern was mainly raised as the initial proposal contained a provision stipulating that government should submit their national budgetary plans to the Commission before they are adopted. The Commission was then entitled to interfere with the national budgetary procedure by suggesting amendments to the first draft. In the final adoption of the six-pack, the country-specific recommendations had a non-binding nature and there was no longer a need for concern for the Swedish parliament (interview with the secretariat of the Finance Committee, 23 April 2015). Contrary to Denmark, The Swedish *Riksdag* did not adopt special procedures for scrutinizing the European Semester. Instead, the process was integrated into the national budgetary procedures within the Finance committee of the parliament. However, the Swedish *Riksdag* has insisted on being the first to whom the draft national budget is presented (COSAC 2011, 26), which means that the NRP and SCP are presented to the Finance committee ex-ante.

#### **4.2. 'Enhanced policy coordination' and parliamentary scrutiny**

In the Danish Folketing, there was no parliamentary debate about the Danish government's input to the semester process in terms of the NRP and SCP prior to the adoption of the scrutiny produce, the 'national semester', in 2013. But after the adoption of the national semester, there has been a systematic ex-ante evaluation of these documents. However, the scrutiny is conducted behind closed doors. Asking to reflect on the outcome of the national semester after two cycles, a Danish EAC-member stated the following:

Although we have been frontrunners among national parliaments in adopting a new scrutiny system, it is already clear from now that the process doesn't work properly. It is simply a too superficial type of scrutiny.

The EAC-member further explained that in the joint consultations with the government before publishing the NRP and sending it to the Commission, the Minister for Economic and Interior Affairs did not provide a detailed description of the content although it was published a few days after the hearing. This meant that the possibility of providing input to the content was significantly diminished. The problem illustrates how the enhanced policy coordination

of the European semester is difficult to monitor as the parliament cannot follow the communication flowing between the government and the Commission. The non-binding nature of enhanced coordination makes the government less inclined to provide information to the parliament in due time since it is used to a clear distinction between issues that require a mandate and issues that are for information purposes only – as the European Semester. It is thus difficult for parliament to know whether the government has done its utmost to assess other options. Another problem with the process is that it is characterized by low political interest of Danish MPs. Usually it is only a handful of EU spokespersons and a couple of MPs from the Finance committee who attend the joint consultations during the ‘national semester’. Scrutinizing the process is thus in the hands of very few people. (Interview with EAC secretariat, 3 June 2015). Nevertheless, monitoring the compliance with country-specific recommendations has on some occasions provided opposition MPs with renewed ammunition for criticizing the economic reforms of the government when these were not in line with the recommendations.<sup>5</sup>

In the Swedish Riksdag, the Convergence Programmes and the National Reform are treated in the sectorial committees as noted above. The Finance committee is thus informed prior to both the submission of the NRP and SCP and before the adoption of the country-specific recommendations and can ask questions to the government. But the political discussions do not relate specifically to the European Semester; instead they concentrate on the specific national financial and budgetary proposals of the government. This implies that in practice there are no specific scrutiny or parliamentary discussions of the NRPs and the SCPs in the Swedish parliament before they are submitted to the Commission. In Sweden, the NRPs and SCPs are usually not considered controversial since they are understood to reflect the outcome of the national budgetary procedures where plans have already been approved by parliament (interview with secretariat of the Finance Committee, 23 April 2015). Furthermore, the Swedish Riksdag has strongly emphasized that the recommendations should merely be understood as guidelines of a non-binding nature in line with recommendations received by OECD and IMF (interview with secretariat of the Finance Committee, 23 April 2015).

### ***4.3. Little appetite for parliamentary debate: intensive transgovernmentalism***

Intensive transgovernmentalism reflects the scrutiny of the government and its participation in negotiations of Council and the European Council in adopting the Annual Growth Survey and endorsing the country-specific recommendations.

In both parliaments, the Annual Growth Survey and country-specific recommendations have been presented by the government to the Danish and Swedish EACs during all four cycles, but the content of these are not debated at all or are subject to very short debates that do not reflect any thorough scrutiny of its content (Tables 2a and 2b).

Comparing the two parliaments, the process tends to be slightly more debated in the Danish parliament. Here, the economic situation in France was also brought up in a parliamentary debate on one occasion.<sup>6</sup> MPs voiced concern about France’s non-compliance with country-specific recommendations. Furthermore, the closed consultations with the government during the ‘national semester’ ensure that the different stages of the process are on the agenda of the EAC regularly.<sup>7</sup> In both parliaments, the country-specific recommendations are generally given more weight with more detailed presentations by both the Minister of Finance and the Minister of Employment. However, the content of the recommendations

are not discussed very thoroughly in any of the parliaments. It is mostly subject to critical remarks by EU-sceptical MPs that are against the European Semester process as such. This also relates to the fact that both the Danish and Swedish economies are performing well and the recommendations are therefore also less controversial. The economic outlook of other member states is rarely discussed despite the fact that compliance with EU recommendations could have serious implications for the economy – also for countries outside the euro area. Both cases testify that although the different stages of the European Semester may appear on the agenda of the committee, they are not debated substantially and are subject to very little political interest and awareness among MPs.

On a concluding remark, the two cases show evidence of how the blurring of accountability lines through enhanced policy coordination ultimately leads to a certain de-politicization of EU economic policy-making characterized by a low engagement by MPs and very limited political debate. The Danish Folketing did, however, adopt a more ‘vigilant’ position as opposed to the Riksdag, which has led to a more systematic scrutiny of the European Semester. What sets the two parliaments apart is the fact that the Danish Folketing’s EU scrutiny system is centralised within the EAC, whereas Sweden has a decentralised system where the sectoral committees are responsible for scrutiny in their respective policy areas. This may well explain why the Swedish Riksdag opted for a ‘business as usual’ model as this meant that the necessary expertise was already made available. But it also resulted in less attention to the scrutiny challenges of the process. Although the centralization of the Danish EU scrutiny system comes at a price of not being able to systematically involve MPs from other committees, the high specialization of the committee and the fact that it holds sole responsibility in EU affairs make it very responsive to important changes at EU level. Furthermore, it has adopted a very flexible way of adopting new agreements with the government to strengthen the scrutiny system when new challenges are met as in the case of the European Semester (Christensen 2015).

## 5. The sidelining of the Spanish parliament in the European Semester

The European semester process is by definition much more controversial in Spain, which is one of the EU member states most severely hit by the economic and financial crisis. Consequently, Spain has struggled with one of the highest unemployment rates in the EU. It received a rescue package from the European Stability Mechanism to bail out its financial sector in 2012 and is subject to the Excessive deficit procedure. With this in mind, I expect the Spanish parliament to take on an active role in scrutinizing the semester process. At the same time, the government is usually subject to less strict parliamentary control as compared to the Nordic countries because it enjoys less formal competences for scrutinizing EU affairs (Kölling and Molina 2015). During the economic crisis, the Spanish parliament’s powers were severely challenged by the Spanish government, who has issued a historically high number of emergency laws, i.e. royal decrees, to pass, among other things, a highly controversial reform of the labour market. The problem with the royal decrees is that they effectively sideline the parliament as parliamentary debate is restricted to the adoption or rejection of a *fait accompli* in plenary (Prieto 2013). In this section I assess how the Spanish parliament has responded to the different aspects of the European Semester.

With regards to the *joint decision mode*, Spain has less frequent direct consultations with the government about on-going legislative proposals compared to Sweden and Denmark.

The scrutiny of the six-pack was discussed in the EAC on 9 December 2010 where the committee unanimously supported the proposal. After the adoption of the six-pack, the opposition party PSOE tried to enhance the scrutiny rights of the committee by proposing in a non-legislative act that the government should appear before the EAC to explain its position *before* decisions related to the European Semester are taken in ECOFIN and the European Council as this would give the committee the possibility to provide ex-ante control.<sup>8</sup> During the presentation of the motion, rapporteur MP Moscoso del Prado Hernández from PSOE<sup>9</sup> underlined that the memorandum of understanding of 2012 between Spain and the EU in relation to the bank bailout was never debated in the Spanish parliament. Nevertheless, the agreement was subject to debate in a number of other national parliaments; among others the German parliament.<sup>10</sup> The motion to enhance parliamentary scrutiny of the European Semester was, however, rejected by the governing majority in parliament. The government refers to the fact that the parliament is already involved in the adoption of the national budget and new scrutiny procedures are therefore unnecessary.

Turning to the *enhanced policy coordination* aspects of the European Semester, the Spanish parliament is not involved ex-ante in the national input that the government provides through the NRPs, Stability Programmes and Budget Plans as these are not presented to parliament before submission. The plenary of the Senate did, however, debate ex-post the position of the Spanish Government on the Stability Program and the NRP for 2012 in its session held on 17 July 2012. Similarly on 8 May 2013, the government presented in the plenary the NRP of 2013, which was followed by a long debate on the implications of the different reform proposals. Again the debate took place after submission of the programmes to the EU.

Finally, with regards to the *intensive transgovernmentalism* mode the decisions in Council and European Council on the Annual Growth Survey and the country-specific recommendations are usually not subject to substantial parliamentary debate. The recommendations may have been brought up in debates on the national budgetary plans, but have not been presented in any committee as an individual agenda item; nor have they been subject to any oral or written parliamentary questions (Table 3).

Only the Annual Growth Survey has been presented to the EAC regularly, but the presentations are often very short and do not go into any detail about the substance, and there has not been any subsequent debate. The country-specific recommendations have only been mentioned shortly on one occasion in the EAC. Thus, the information provided to parliament on the European Semester process is very limited. What we can conclude from this is that the Spanish parliament is effectively sidelined in the European Semester process and is not capable of providing substantial scrutiny of the process.

## 6. Conclusion

This paper argues that the European Semester constitutes a complex regime of different policy-making dynamics, which poses severe challenges for parliamentary scrutiny. However, the willingness and ability to counteract these challenges varied significantly between different parliamentary settings. In the most-similar systems comparison of the Danish and Swedish parliaments, the parliamentary responses to the European Semester were quite different. The Danish Folketing took on a more vigilant approach that, in turn, made it more capable of addressing the scrutiny challenges. The centralized scrutiny system of the Danish

**Table 3.** Spanish *Cortes Generales*’ scrutiny of the European Council in relation to the European Semester.

|  | Spanish <i>Cortes Generales</i> and the European Semester  |  |  |  |
|--|--|--|--|--|
|  | 2011   | 2012   | 2013   | 2014   |
| European Council adopts economic priorities based on AGS (March)                 | 23 March 2011:<br>Oral Presentation by the Secretary of State to the EU:<br><i>No debate on content</i><br><i>No presentation in EAC on CSRs</i> | 29 February 2012:<br>Oral Presentation by Minister of Foreign Affairs:<br><i>No debate on content</i><br><i>No presentation in EAC on CSRs</i> | 5 December 2012 and 6 March 2013:<br>Oral Presentation by the Secretary of State:<br><i>No debate on content</i><br>Oral presentation by Secretary of State to the EU (26 June)<br><i>Short debate</i> | 6 December 2013 and 19 March 2014:<br>Oral Presentation by the Secretary of State to the EU:<br><i>No debate on content</i><br><i>No presentation in EAC on CSRs</i> |
| European Council’s endorsement of country-specific recommendations (CSRs) (June) |  |  |  | 11 December 2014 and 18 March:<br>Oral Presentation by the Secretary of State to the EU:<br><i>No debate on content</i><br><i>No presentation in EAC on CSRs</i>     |

Author’s own compilation.



parliaments was crucial for ensuring its high level of adaptation. The Swedish parliament, on the other hand, disregarded the challenges of the process, which then led to less scrutiny and political attention. Comparing these results to the Spanish parliament, where I expected to see greater attention towards the European Semester due to the higher stakes of the process that Spain has as a Eurozone member, revealed a different challenge. Here, MPs of the opposition responded to the process by proposing new parliamentary means to scrutinize the government, but was effectively dismissed and sidelined in the process.

The finding of the study supports previous assumptions of a sidelining of parliaments in EU economic governance. First, the finding supports the view that the disembodiment of political authority inherent in the iterative process of the European Semester brings accountability challenges to national parliaments that are difficult to counteract (Crum 2018). The case studies showed concrete examples of scrutiny difficulties, and thus throughput legitimacy deficits, including asymmetries of information between parliament and executive as well as lack of political attention. Whereas national parliaments have struggled to enhance parliamentary scrutiny rights, they have not been successful in finding the right model. What is more; the analysis shows that in the case of Spain and in similar parliaments with less formal capabilities of controlling the government in EU affairs, the de-politicization is likely to be most severe. This implies that the European Semester reinforces the existing cleavage between strong and weak parliaments in EU affairs. Future research should address whether the findings of the Spanish case are also prevalent in other parliaments of euro countries, where the European Semester process has more severe implications for the budgetary rights of parliament.

## Notes

1. Stability Programmes are submitted by euro area countries, whereas convergence programmes are submitted by non-euro countries.
2. Wallace refers to this as a 'regulatory mode'. I call it the 'joint decision mode' and incorporate the distributional mode into this logic. The ordinary legislative procedure constitutes the focal point of the joint decision mode and the scrutiny instruments of parliaments are designed accordingly.
3. Minutes of meeting of in the Danish Folketing's European Affairs Committee, 15 October 2010.
4. Minutes of meetings of the Danish Folketing's European Affairs Committee, 4 March 2011; 17 June 2011.
5. Minutes of meeting, the Danish Folketing's European Affairs Committee, 17 June 2011.
6. Minutes of meeting, the Danish Folketing's European Affairs Committee, 13 March 2013.
7. These meetings are not reported in the table as they are conducted behind closed doors.
8. Proposición no de ley: Sobre la participación del parlamento español para avanzar en la democratización de la gobernanza económica de la unión europea y la eurozona. (número de expediente del Congreso 161/001344).
9. Partido Socialista Obrero Español.
10. Minutes of Meeting, Spanish European Affairs Committee ( Comisión Mixta para la Unión Europea), 26 February 2013.

## Disclosure statement

No potential conflict of interest was reported by the author.

## References

- Auel, K., O. Rozenberg, and A. Tacea. 2015. "To Scrutinize or Not to Scrutinize? Explaining Variation in EU-related Activities in National Parliaments." *West European Politics* 38 (2): 282–304.
- Benz, A. 2013. "An Asymmetric Two-level Game: Parliaments in the Euro Crisis." In *Practices of interparliamentary Coordination in International Politics*, edited by Crum, B. and Fossum, J.-E., 125–142. Colchester: ECPR Press.
- Christensen, M. B. 2015. "The Danish Folketing and EU Affairs: Is the Danish Model of Parliamentary Scrutiny Still Best Practice?" In *Palgrave Handbook of National Parliaments and the European Union*, edited by C. Heffler, C. Neuhold, O. Rozenberg and J. Smith, 275–289. London: Macmillan.
- COSAC. 2011. *Fifteenth Bi-annual Report: Developments in the European Union Procedures and Practices Relevant to Parliamentary Scrutiny*. Prepared by the COSAC Secretariat and Presented to the XLV Conference of Community and European Affairs Committees of Parliaments of the European Union.
- Crum, B. 2018. "Parliamentary Accountability in Multilevel Governance: What Role for Parliaments in Post-crisis EU Economic Governance?" *Journal of European Public Policy* 25 (2): 268–286.
- Duina, F., and T. Raunio. 2007. "The Open Method of Co-ordination and National Parliaments: Further Marginalization or New Opportunities?" *Journal of European Public Policy* 14 (4): 489–506.
- Folketinget, (2013) *Report on Consideration of the European Semester by the Danish Parliament*, Report nr. 5 Folketinget. European Affairs Committee and Finance Committee – 2012–13, 21 June 2013.
- Hallerberg, M., B. Marzotto, and G. B. Wolff. 2018. "Explaining the Evolving role of National Parliaments Under the European Semester." *Journal of European Public Policy* 25 (2): 250–267.
- Heffler, C., V. Kreiling, O. Rozenberg and W. Wessels. 2013. "National Parliaments: Their Emerging Control over the European Council." Notre Europe Policy Paper 89.
- Hodson, D. 2015. "Policy-making under Economic and Monetary Union: Crisis, Change, and Continuity." In *Policy-making in the European Union*. 7th ed, edited by H. Wallace, M. A. Pollack and A. R. Young, 166–195. New York: Oxford University Press.
- Kölling, M., and I. Molina. 2015. "The Spanish National Parliament and the European Union: Slow adaptation to New Responsibilities in Times of Crisis." In *Palgrave Handbook of National Parliaments and the European Union*, edited by C. Heffler, C. Neuhold, O. Rozenberg and J. Smith, 348–365. London: Macmillan.
- Lord, C. 2017. "How can Parliaments Contribute to the Legitimacy of the European Semester." *Parliamentary Affairs* 70: 673–690.
- Maatsch, A. 2017. "Effectiveness of the European Semester: Explaining Domestic Consent and Contestation." *Parliamentary Affairs* 70: 691–709.
- Pollack, M. A., H. Wallace, and A. R. Young. 2015. "Policy-Making in a Time of Crisis: Trends and Challenges." In *Policy-making in the European Union*. 7th ed, edited by H. Wallace, M. A. Pollack and A. R. Young, 467–488. New York: Oxford University Press.
- Prieto, L. M. C. 2013. "Congreso de los diputados y reales decretos-leyes anticrisis." *Revista Española de Control Externo* 43 (15): 195–218.
- Puetter, U. 2012. "Europe's deliberative Intergovernmentalism: The Role of the Council and European Council in EU Economic Governance." *Journal of European Public Policy* 19 (2): 161–178.
- de Ruiter, R. 2010. "EU Soft Law and the Functioning of Representative Democracy: The Use of Methods of Open Coordination by Dutch and British Parliamentarians." *Journal of European Public Policy* 17 (6): 874–890.
- Tarrow, S. 2010. "The Strategy of Paired Comparison: Toward a Theory of Practise." *Comparative Political Studies* 43 (2): 230–259.
- Wallace, H., and C. Reh. 2015. "An Institutional Anatomy and Five Policy Modes." In *Policy-making in the European Union*. 7th ed, edited by H. Wallace, M. A. Pollack and A. R. Young, 467–488. New York: Oxford University Press.
- Winzen, T. 2012. "National Parliamentary Control of European Union Affairs: A Cross-national and Longitudinal Comparison." *West European Politics* 35 (3): 657–672.