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To cite this article: Valentin Kreiling (2018) Scrutinising the European Semester in national parliaments: what are the drivers of parliamentary involvement?, Journal of European Integration, 40:3, 325-340, DOI: [10.1080/07036337.2018.1450402](https://doi.org/10.1080/07036337.2018.1450402)

To link to this article: <https://doi.org/10.1080/07036337.2018.1450402>



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Published online: 31 May 2018.



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Scrutinising the European Semester in national parliaments: what are the drivers of parliamentary involvement?

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ABSTRACT




How exactly are national parliaments involved in the European Semester? The stronger coordination of fiscal and economic policies in the European Union (EU) in reaction to the sovereign debt crisis has forced national parliaments to adapt their procedures. This article examines how the European Semester is scrutinised and what factors have driven parliamentary activities in the French National Assembly, the German Bundestag, the Irish Dáil and the Portuguese Assembleia between 2012 and 2017. Particularly noteworthy is that legal provisions for a parliamentary debate on the Stability Programme can be ignored in France, that the German Bundestag is much less active in the European Semester than in EU affairs or in the budget process and that the weakness of Ireland's parliament in the annual budget procedure affects its role in the European Semester. This article therefore suggests defining minimum standards for parliamentary involvement and strengthening interparliamentary cooperation.

KEYWORDS

National Parliaments; European Semester; economic and monetary union; democratic legitimacy; parliamentary oversight

1. Introduction

The Euro crisis has been a major stress test for representative democracy everywhere in Europe and has challenged the democratic legitimacy of European and national decisions (Benz 2013; Crum 2013; Enderlein 2013). The strengthening of EU economic governance established a higher degree of integration in the area of fiscal and economic policies, including through the creation of the so-called European Semester. But even though national parliaments try to exercise influence and to develop ownership over the European Semester (Crum 2018; Hallerberg, Marzinotto, and Wolff 2018; Kreilinger 2016; Rittberger and Winzen 2015; Rozenberg 2017), they face difficulties to review decisions that are taken as a consequence of the European Semester: It is difficult to locate political responsibility in a 'never-ending cycle of budgetary monitoring' (Dawson 2015, 982), because 'at every stage it is possible for the actors involved to refer to the preceding step as conditioning their actions' (Crum and Curtin 2015, 83). National parliaments have only to some extent been able to 'fight back' (Raunio and Hix 2000) and adapt their functioning and behaviour.

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 Supplemental data for this article can be accessed <https://doi.org/10.1080/07036337.2018.1450402>

Beyond prerogatives and provisions, it is important to know *how exactly procedures in national parliaments that relate to EU economic governance are used in practice*. This article examines how national parliaments scrutinise the European Semester. The conditions under which they become active and their specific role determine the legitimacy of the European Semester in the sense of its throughput legitimacy. More concretely, the relationship of national parliaments with executive actors affects the European Semester's efficacy, accountability, transparency, inclusiveness and openness (Schmidt 2013; see also Barrett 2018). If national parliaments are *not involved*, executive power is not under appropriate parliamentary control and it is unclear how constraints to national fiscal and economic policies are democratically legitimated.¹

Previous research has identified asymmetries between national parliaments in their involvement in the European Semester, measured what competences national parliaments have and how active they are during the main stages of the European Semester cycle. Although national parliaments have been taking ownership in reaction to the Euro crisis in many areas (Auel and Höing 2015), including the European Semester (Kreilinger 2016), they have adapted in an asymmetric way. Rittberger and Winzen (2015) measured new parliamentary prerogatives related to the European Semester on a 0-to-2 scale. According to their data, only one third of national parliaments (nine out of 27) adopted new prerogatives in order to scrutinise the European Semester. A survey-based study by Hallerberg, Marzinotto, and Wolff (2018) found that Budget and Finance committees of national parliaments play a more important role in the European Semester in 2015 than they did in 2012, but surprisingly, national parliaments of non-Euro area members are more actively scrutinising the European Semester than the national parliaments of member states whose currency is the Euro (Hallerberg, Marzinotto, and Wolff 2018, 261). The analysis by Rittberger and Winzen (2015) and other studies (e.g. Fasone 2015; Jančić 2016; Kreilinger 2016) show that '[national] parliaments in Mediterranean countries like Italy, Spain and Portugal [...] have been remarkably assertive in extending their involvement in the budgetary process' (Crum 2018, 275).

The analysis of national parliaments' roles in the European Semester in France, Germany, Ireland and Portugal in this article adds to the pre-existing literature: Behind the bigger trends, an important insight from comparative research on scrutiny procedures and practices in the European Semester is that there are not only asymmetries between individual national parliaments, but also differences in how a national parliament scrutinises from one cycle of the European Semester to another (Raimla 2016; Rozenberg 2017). These depend less on structural factors, but largely on strategic calculations of the political actors involved at the national level. This contribution aims to identify the factors that drive parliamentary activities in the European Semester.

2. Parliamentary scrutiny of the European Semester

Each new cycle of the European Semester starts when national governments of Euro area members submit their draft budgetary plans to the European Commission by 15 October, before starting the national budget procedures. In November, the European Commission publishes the Annual Growth Survey (EU-wide economic policy priorities) and the Alert Mechanism Report (Macroeconomic Imbalances). These are followed by detailed country reports. The European Council then endorses the priorities of the Annual Growth Survey in March. After that the European Semester moves back to the national political arena: All

member states are obliged to submit Stability or Convergence Programmes and National Reform Programmes to the European Commission by 30 April. According to the Five Presidents' Report of June 2015, national parliaments should '[a]s a rule [...] be closely involved in the adoption of National Reform and Stability Programmes' (Juncker et al. 2015, 17). Subsequently, the Commission drafts Country-specific recommendations in which it provides guidance for reform and which are adopted by the Council in June/July. Member states are expected to take these recommendations into account for their national fiscal and economic policies.

The participation of a national parliament in the European Semester depends on domestic scrutiny arrangements. Economic governance is still partly in the crisis mode of an 'ad hoc technocratisation' (Enderlein 2013) with national parliaments undertaking exceptional scrutiny activities, but the European Semester is gradually becoming part of normal activities of national parliaments. Two scholars recently argued that '[g]iven limitations of time and expertise, as well as the electoral incentives facing their members, it seems unrealistic to expect most national parliaments to play a more active part in scrutinizing the Semester process' (Verdun and Zeitlin 2018, 145); despite prerogatives to scrutinise, some national parliaments are inactive: Although some of them could, for example, amend the Stability or Convergence Programme or the National Reform Programme (European Parliament 2014, 2–3), they do not exercise that kind of influence, and over time, they often do not pursue consistent preferences related to the European Semester. But many national parliaments have become involved at least to some extent; they follow their distinct scrutiny procedures and practices for the European Semester.

In order to identify the driving factors behind parliamentary involvement in the European Semester, this article examines the involvement of four national parliaments (the French Assemblée nationale, the German Bundestag, the Irish Dáil and the Portuguese Assembleia) over five European Semester cycles from 2012 to 2017. These four national parliaments bring together two large and two small member states – all of which have the euro as their currency –, different political systems (two parliamentary systems and two semi-presidential systems) and a different exposure to the economic and financial crisis (two recipient countries and two creditor countries). As Table 1 shows, scrutiny roles of the four national parliaments in general EU affairs also vary (see Neuhold and Smith 2015, 678).

When the European Semester addresses public finances, the previous prerogatives and the overall position of a national parliament in the annual budget procedure must be taken into account. The typology of the overall budget policy impact of legislatures by Wehner (2004, 5), adapted from Norton (1993, Table 4.1), which distinguishes budget-making

Table 1. National parliaments' roles and powers.

	National parliaments' roles in EU affairs (Neuhold and Smith (2015, 678))	Strength in the budget process (Hallerberg, Marzinotto, and Wolff (2012, 70))	Legislative budget powers (Wehner (2006, 777))
France: Assemblée nationale	Public forum, Expert	1	19.4
Germany: Bundestag	Watchdog, Policy shaper	4	52.8
Ireland: Dáil	Public forum	1	16.7
Portugal: Assembleia	Watchdog, Public forum, European player	2	38.9

Notes: Strength in the budget process from 0 (weak) to 6 (strong), legislative budget powers from 0 (none) to 100 (full).
Source: Own elaboration.

legislatures, budget-influencing legislatures, and legislatures with little or no budgetary effect, is useful in this regard. Furthermore, in Hallerberg et al.'s ranking (2012, 70), where strength in the budget process can range from 0 (weak) to 6 (strong), Germany has a score of 4, Portugal a score of 2 while France and Ireland achieve a budgetary strength of 1. In Wehner's assessment of legislative budget powers (2006, 781), Portugal (38.9) is near the median of the countries under examination, France (19.4) and Ireland (16.7) are clearly in the lower quartile while Germany (52.8) is close to the upper quartile of countries with the most powerful budget institutions (see Wehner 2006, 777).

The Online Appendix gives an overview of the legal provisions, the actual parliamentary involvement in the European Semester (plenary debates, votes, committee meetings, hearings) as well as of the different documents related to and emanating from scrutiny activities (such as reports, motions, resolutions).

3. Driving factors for parliamentary involvement

Starting from the premise that involving national parliaments contributes to the 'throughput legitimacy' of the European Semester and that it can take different forms and varies between member states and over time, this section proposes five possible driving factors behind parliamentary involvement in the European Semester. Two of them relate to parliamentary power, either in EU affairs or in the annual budget procedure. The three other possible driving factors are more specific to the European Semester: Firstly, specific legal bases for parliamentary involvement trigger actual involvement; secondly, political dynamics – such as confidence in the government (or its lack), symbolic government interests to involve parliament and effective opposition mobilisation – and, thirdly, the economic strength and the fiscal soundness of the public finances of a country could trigger parliamentary involvement in the European Semester. These factors are likely to influence each other in different ways. They can reinforce or depend upon each other, but the more these conditions are met, the more likely is parliamentary involvement in the European Semester. Each of the five driving factors is now discussed in detail.

3.1. Parliamentary power as a driving factor

3.1.1. General EU scrutiny power of a national parliament

The European Semester requires that national parliaments create 'capabilities to monitor complex, unfamiliar and opaque union procedures' (Lord 2017, 682). National parliaments could hence follow their roles in scrutinising normal EU affairs.² Rozenberg and Heffttler distinguish five possible roles in the *Handbook on National Parliaments and the European Union* (2015): *Government watchdog*, *policy shaper*, *public forum*, *expert* and *European player*.

First, when a national parliament lacks the powers to issue mandates, amending, delay or veto powers, it cannot shape policy beforehand, but – as a *government watchdog* – it can exercise control by holding the government accountable (Rozenberg and Heffttler 2015, 32). The existence of such an accountability mechanism means that executive actors will have to defend in parliament the position taken at the EU level (Crum and Curtin 2015, 72). In the European Semester, *watchdog* parliaments hold governments and EU institutions to account ex-post, for example over the Country-specific recommendations.

Second, national parliaments that are *policy shapers* want to influence policies through ex-ante activities and have strong formal powers (Rozenberg and Heffttler 2015, 31). Shaping government policy is easier for EU affairs than in the European Semester, but EU economic governance offers incentives for national parliaments to become involved and possibilities for them to shape policy outcomes (de Wilde and Raunio 2015, 9–10).

Third, plenary activity of a national parliament often allows it to be a *public forum*. In plenary debates on the European Semester, the government's fiscal and economic policy and EU recommendations can be contested. MPs who are initially not EU specialists become involved, if the entire assembly is called to debate and possibly vote (Fromage 2016).

Fourth, work in committee allows for *expert* scrutiny over the European Semester, for example over the content of the programmes to be submitted to the European Commission. It is possible for national parliaments to produce proper expertise, if administrative capacities are built up. This enables them to assess developments independently and to become active early. Conflicting positions within parliament are, however, not visible; such activities (almost an end in itself) generally attract less attention than plenary debates or hearings (Rozenberg and Heffttler 2015, 33).

Fifth, as a *European player*, a national parliament acts directly at the EU level via formal and informal ways of engaging with the European Commission, other national parliaments and the European Parliament. It has a better understanding of the negotiation situation at the European level, a network 'beyond the own domestic parliamentary arena' (Rozenberg and Heffttler 2015, 34) and is able to obtain relevant information that the own government might withhold.

Some involvement into EU affairs is a necessary condition for national parliaments' involvement in the European Semester, but not a sufficient one. Whether they actually follow the same roles as in EU affairs, remains to be answered in the empirical analysis.

3.1.2. *General budgetary power of a national parliament*

Related to public finances, a crucial requirement of the European Semester is that national governments must submit their draft budget to the European Commission – possibly even before their national parliament has seen it.³ In general, budgeting differs from most other parliamentary decisions by the 'calendar-based necessity' for a decision: 'If parliament has not acted by a certain date, specified budget decisions are automatically activated' (Olson 2008, 324). Since national parliaments 'have had to adapt from different positions of relative strength in their own national political systems' (Lord 2017, 683), the budgetary power of a legislature can be a driver for parliamentary involvement in the European Semester.

A national parliament may have already had limited powers in the annual budget procedure *before* EU surveillance mechanisms were created or strengthened, because the 'power of the purse' (Wehner 2006), that parliaments have, varies widely: Many legislatures do not have the institutional means or the political independence to be influential budgetary actors. For these parliaments, the approval of the national budget is, according to Wehner (2010, 141), 'little more than a constitutional myth'. Considering that, under the European Semester, the EU's national parliaments are merely obliged to approve the national budget after it was validated at the EU level, their role might not have changed significantly – the fiscal autonomy of national governments might have been more affected than those of national parliaments (see Fasone 2015, 11). Thus, the pre-crisis role of a legislature in the annual budget procedure matters for assessing the impact of EU surveillance procedures on national parliaments,

because, formally, the European Semester, has ‘left the primacy of national policy-making in fiscal affairs intact’ (Crum 2018, 273). The impact of a legislature on budget policy (Norton 1993) can be expected to be a necessary, although not a sufficient condition for parliamentary involvement in the European Semester.

3.2. European Semester-specific driving factors for parliamentary involvement

3.2.1. Legal enabling clauses

If there are ‘systemic’ drivers for parliamentary involvement, it is reasonable to expect that at least some parliaments have developed new scrutiny arrangements for the European Semester. These can be based on new legal provisions that enable or prescribe certain parliamentary scrutiny procedures or practices in the European Semester.

Indeed, many national parliaments ‘have used the European Semester to increase their consultation rights in the early stages of budget preparation and on the broader financial and economic frameworks that govern the budgetary process’ (Crum 2018, 274). In 2013, for instance, the Danish Folketing introduced a ‘National Semester’ which provides for three annual joint consultations of the European Affairs Committee and the Finance Committee with the government (Kreilinger 2016, 35–6; see also Rasmussen 2018). The first joint consultation takes place on the Annual Growth Survey (in December). A 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 in the National Reform Programme and the Convergence Programme’ (Folketinget 2013, 2). This was criticised by an opposition party in a minority opinion to the Folketing’s report as insufficient, because ‘the Government will merely need to discuss its general ideas regarding the economic situation with the Danish Parliament on a non-binding basis’ (Folketinget 2013, 3) before it starts drafting the Convergence Programme and the National Reform Programme. Thus, even a generally strong national parliament like the Danish Folketing possibly faces problems in holding the government to account in the European Semester. Finally, a third joint session of the two parliamentary committees concerns the draft Country-specific recommendations of the European Commission at the end of May and takes place before they are adopted by the Council.

Instead of such new legal enabling clauses, it is also possible that national 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 were able to establish new practices without writing them down (Kreilinger 2016, 30). The Finnish Eduskunta, for instance, reports that existing rules for the parliamentary scrutiny of the annual budget process fitted ‘nicely’ and did not need to be adapted to the European Semester (COSAC 2014, 240). The Eduskunta can nevertheless adopt an opinion on the Stability Programme that is binding for the government (European Parliament 2014, 2–3). Legal enabling clauses are therefore a possible condition for parliamentary involvement in the European Semester, but neither a necessary nor a sufficient condition.

3.2.2. Political dynamics

The notion of ‘political dynamics’ refers to (symbolic) government interests to involve parliament and to effective opposition mobilisation. National decision-makers have sometimes not fully embraced and accepted the coordination and surveillance system of the European

Semester in which the European Commission can make recommendations and the Council adopts them. EU institutions have been repeatedly criticised for interfering in national fiscal or economic policies. 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’⁴ 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’.⁵

The involvement of a national parliament in the European Semester can, first of all, be related to its confidence in the government (or the lack thereof). But just like the opposition, national governments also have specific interests to involve parliament. They can ‘use international co-ordination to co-manage and constrain their own national democracies’ (Lord 2017, 683). In both cases, parliamentary parties have the possibility to raise objections against the European Semester which can be classified as *two different types of objections*, either policy objections or procedural objections (see Table 2): On the one hand, parliamentary parties can raise policy objections related to the specific policy initiatives promised by the government or to those recommended by the EU. On the other hand, parliamentary parties can raise procedural objections related to how the European Semester is treated in the national parliament or about how it unfolds at the European level.

3.2.3. Economic strength

Finally, under the European Semester, EU member states ‘retain a certain level of autonomy but [...] become constrained by supranational norms’ (Crum 2018, 270). The fiscal rules matter the most for a country that is in risk of breaching them. The economic strength and the fiscal soundness of the public finance therefore affect how constraining the different rules and surveillance mechanisms are in the context of the European Semester. The higher the constraints, the more salient economic governance becomes and the more likely is parliamentary involvement in the European Semester.

4. Explaining parliamentary involvement in France, Germany, Ireland and Portugal

This section briefly presents how the French Assemblée nationale, the German Bundestag, the Irish Dáil and the Portuguese Assembleia scrutinise the European Semester (for a detailed description of their involvement, please see the Online Appendix). The four national parliaments are involved at different stages in the cycle and they use different scrutiny tools and instruments. In the context of many other pressing issues in EU affairs and domestic politics, the key question for each legislature is *to scrutinise or not to scrutinise?* Neither the involvement in EU affairs nor in the annual budget procedure can guarantee influence in the

Table 2. Raising objections against the European Semester.

Type of objection	National level		EU level
	<i>Procedure</i>	Domestic scrutiny of the European Semester	Conduct of the European Semester at the EU level
	<i>Policy</i>	European Semester pledges of the government	Country-specific recommendations of the European Semester

Source: Own elaboration.

European Semester: In France, Germany, Ireland and Portugal, national parliamentary scrutiny depends to a large extent on domestic political dynamics and on the current economic situation of the country. Plenary debates on the European Semester have taken place in France, Germany and Portugal despite difficult access to scarce plenary time in legislatures (Cox 2006, 144), but are exceptional rather than normal. This indicates that the European Semester is not always a purely technocratic or committee-based affair with National Reform and Stability Programmes being quietly sent to Brussels (as it is still the case in Ireland), but that, by now, fiscal and economic policy coordination is occasionally debated at the heart of the parliamentary arena. Ireland still faces an uphill struggle there.

4.1. To scrutinise or not to scrutinise?

With respect to the first driving factor, *EU scrutiny power*, the four national parliaments only to a certain extent follow the roles of their scrutiny of EU affairs (*government watchdog*, *policy shaper*, *public forum*, *expert*, *European player*). The same is true for the second driving factor, *budgetary power*.

From 2013 to 2017, the Assemblée nationale adopted numerous parliamentary reports and acted as an *expert* in the European Semester. The amount of written expertise produced is impressive and may once again almost have become an end in itself (see Rozenberg and Heffttler 2015, 33). The Assemblée nationale tries to be a *public forum* for debating the European Semester. But while it is powerful on paper, with a debate and vote on the Stability Programme foreseen,⁶ the reality is different: The French parliament itself concedes that both depend on the willingness of the government and that only a revision of the Constitution (and no other legal provision) could guarantee parliamentary participation in the European Semester.⁷ The scrutiny practice for the Stability Programme confirms the parliamentary weakness in the annual budget procedure (see above). Plenary debates and votes on the Stability Programme took place in 2013 and 2014, but after there had been 41 abstentions from Socialist MPs in 2014, the government was not certain that it would have a majority in 2015. A senior Socialist lawmaker explains that the government ‘simply abolished the examination in plenary session and the vote, using the parliamentary Easter vacations as an excuse.’⁸ One year later, the Stability Programme was debated, but not subject to a vote; the opposition deplored the ‘weakening of the role of our assembly.’⁹ The role of the Assemblée nationale in the European Semester has been to gather information and sometimes to stimulate a public debate, but not to hold the government to account (see also Thomas and Tacea 2015).

In its scrutiny prerogatives and activities related to the European Semester, the Bundestag¹⁰ does not meet the standard of its EU affairs scrutiny, where the German parliament is considered a *government watchdog* and *policy shaper* (see Höing 2015). This is surprising given that Chancellor Merkel was at the origin of several initiatives that eventually led to the tightening of fiscal and economic surveillance. When pushing for these reforms at the EU level, she was under considerable pressure from her backbenchers to ensure strict conditionality of any kind of financial assistance and to force other member states to be in compliance with fiscal rules. But according to one interview partner from the EU affairs directorate in the German Bundestag, ‘[t]he European Semester is a case where the German Bundestag could and should do more.’¹¹ Senior MPs from CDU and SPD agree on the existence of ‘upward potential’¹² and that the European Semester ‘is the instrument that could be used more

intensively'.¹³ It was occasionally debated in short plenary sessions, but speeches were sometimes only added to the plenary protocol.¹⁴ In 2016, Green MP Katharina Dröge sarcastically noted that the discussion of the National Reform Programme was taking place two hours earlier than in 2015: 'It is a success that we are discussing it at 9 pm this evening. Last time we discussed it at 11 pm.'¹⁵

In Ireland,¹⁶ the limited involvement of parliament in the European Semester clearly follows from its marginal role in the annual budget procedure. According to the OECD Budget Review of Ireland, parliamentary involvement in the budget process 'is under-developed by international standards' (Downes and Nicol 2016, 1). Although MPs are aware of the European Semester and stressed its importance after the country had exited its bailout, the Irish Dáil has not been a *public forum* as it is in normal EU affairs (see Barrett 2015). Its scrutiny of the European Semester has not started to follow another scrutiny model of EU affairs either and must thus be considered ill-adapted, even though some scrutiny activities take place.

Finally, Portugal – the other crisis-hit country examined here – is a case where the nature of the executive-legislative relationship and parliamentary scrutiny led to the downfall of the minority government under Prime Minister Sócrates in 2011. The Portuguese Assembleia¹⁷ is an example for an active national parliament with strong prerogatives. Despite a mixed adaptation to general EU affairs and comparatively weak powers in the budget process before the crisis (see Hallerberg, Marzinotto, and Wolff 2012, 70; Kreilinger 2016, 20), national parliaments from Mediterranean countries, including Portugal, have been relatively well involved in the European Semester.¹⁸ Greater efforts to adapt to the European Semester might be the consequence of initially weaker parliamentary rights, both in EU affairs and the annual budgetary procedure, and follow the logic of 'backbenchers fight[ing] back' (Raunio and Hix 2000). In the case of Portugal, this was part of a broader revision of the rules governing parliamentary involvement in EU affairs in 2011 (see Jančić 2015). Like in broader EU affairs, the Assembleia has managed to play the roles of *watchdog*, *public forum* and *European player* in the European Semester (see Table 3) and despite shortcomings, such as the lack of a compliance mechanism to ensure that the governments fulfil its information duties (Fasone 2014, 13), it can no longer be classified as a legislature with only little budgetary influence.

4.2. Raising objections against the European Semester

As suggested in the section on driving factors for parliamentary involvement, there could also be explanations beyond EU scrutiny power and budgetary power. With respect to the

Table 3. The roles played by national parliaments in the European Semester compared to their roles in EU affairs.

	Watchdog	Policy shaper	Public forum	Expert	European player
France: Assemblée nationale			(✓)	✓	
Germany: Bundestag	Only in EU affairs	Only in EU affairs			
Ireland: Dáil			Only in EU affairs		
Portugal: Assembleia	(✓)		✓		(✓)

Notes: (✓) = national parliament plays the respective role in general EU affairs and partly in the European Semester.

✓ = national parliament plays the respective role in general EU affairs and in the European Semester.

Source: Own elaboration, roles in EU affairs: Neuhold and Smith (2015, 678).

executive-legislative relationship, governments and parliaments should not be treated as separate entities and legislatures are not a 'black box' (Auel 2007). The means and ends of governing and opposition parties in national parliaments differ. This leads to a 'government versus opposition' conflict line in parliamentary democracies which also seems to guide European Semester scrutiny, as the country cases have shown.

The third driving factor, *legal enabling clauses*, turns out to be less relevant since two out of four national parliaments (Germany and Ireland) do not have formal prerogatives related to the European Semester. And despite the legal provision to hold a plenary debate and vote in France, the government was consistently able to limit parliamentary involvement.¹⁹

Political dynamics, proposed as the fourth driving factor, clearly plays a role: When the European Semester arrives in the national parliamentary arena, the key problem are information asymmetries between governing parties and the opposition. An EU coordination process in which governments make pledges and communicate their plans to the European Commission and in which they receive feedback (in the form of Country-specific recommendations) on their plans in return, almost automatically leads to a re-emergence of the government-opposition conflict line: Governing parties and the government form a block against the opposition and vice versa.²⁰ But the European Semester makes it possible for everyone to raise objections. Procedural issues and policy issues can be put forward when, each spring, the European Semester moves from the EU level to the national level and arrives in the national parliamentary arena. In 2016, French and German opposition MPs raised procedural issues about the domestic scrutiny of the European Semester process while MPs from governing parties raised procedural issues about the conduct of the European Semester process at the EU level.²¹ Parliamentary parties can also use their scrutiny of the European Semester to contest EU-level analyses or recommendations and to propose alternative policies, like national governments do in their programmes (see Bekker 2016, 8), or to contest government policy: Opposition MPs in France and in Germany raised policy issues about the government's EU economic governance pledges; MPs from governing parties raised policy issues about European Semester decisions or recommendations (see Table 3, above).²²

Finally, *economic strength* also plays a role – as suggested by the fifth driving factor for parliamentary involvement in the European Semester. One reason for the reluctance of the German Bundestag to engage with the European Semester might be that the surveillance procedures of the European Semester are not constraining for a country that is currently experiencing a fiscal surplus. Furthermore, many German economists and centre-right politicians have questioned the reasoning that the country's current account surplus constitutes a macroeconomic imbalance. They rather see it as a sign of economic strength. The balanced-budget rule, as the core fiscal rule of the new governance, was an ordoliberal idea from Germany and enshrined into the Basic Law even before the TSCG required its Contracting Parties to do so.

Following this reasoning, for crisis-hit countries like Portugal, parliamentary scrutiny of the European Semester can be seen their attempt to preserve national budgetary autonomy which has become severely constrained by the 'ad hoc technocratisation of economic policy-making' (Enderlein 2013).

5. Discussion and conclusion

Under the ‘throughput legitimacy’ perspective (Schmidt 2013) of this special issue, the analysis uncovered loopholes of parliamentary involvement that create specific (throughput) legitimacy deficits in terms of executive accountability, transparency, inclusiveness and openness of the European Semester and it examined the factors that trigger national parliamentary involvement in the European Semester.

For each of the four national parliaments it was possible to identify what the influence of the five driving factors has been and how they reinforce or depend upon each other: Strong formal powers in conjunction with little real influence in EU affairs and weak budgetary power, as in the case of the French *Assemblée nationale*, mean that European Semester scrutiny provisions can be overturned by the government. But despite strong powers in EU affairs and the annual budget procedure, a national parliament can still be largely absent from the European Semester. This is the case of the German *Bundestag*.²³ The Irish *Dáil*, however, shows that the existence of parliamentary powers is a precondition for meaningful involvement in the European Semester. If neither in EU affairs nor in the budgetary process significant parliamentary powers exist, a national parliament is unlikely to be substantially involved in the European Semester. But institutional reforms that strengthen the legislature, for instance in EU affairs, can have a direct positive effect on European Semester involvement. The case of the Portuguese *Assembleia* confirms this.

The following conclusions can be drawn from these findings: The existence of some parliamentary powers related to EU affairs and the annual budget procedure is a precondition for parliamentary involvement in the European Semester: Without them, there is no involvement, but such powers do not guarantee a powerful role in the European Semester. Legal enabling clauses for scrutinising the European Semester are – as the analysis has shown – optional. Unless such clauses are binding for the government, they can be overturned by government-induced political dynamics: In France, the government could successfully avoid the debate and vote on the Stability Programme in 2015 and it could avoid a parliamentary vote in 2016. Generally, political dynamics play an important role in the scrutiny of the European Semester and can trigger (as well as prevent) meaningful parliamentary involvement: Opposition parties try to push scrutinising the European Semester while governing parties want to limit it. The broader examination of the European Semester has shown that whether the parliamentary procedures and control possibilities in the European Semester are being fully used often depends on the willingness of the parliamentary majority and the government (see also Rozenberg 2017, 52–53). For both governing parties and opposition parties, the European Semester provides an opportunity to raise objections of different kinds. Finally, economic strength plays a role insofar as it shapes the intrusiveness of the European Semester which creates an incentive for MPs to become active. Unsurprisingly, parliamentary involvement in the European Semester is more likely the more of these conditions are met.

But what are the political implications of these findings? Do the drivers of parliamentary involvement soften or increase concerns about legitimacy and parliamentary control of the European Semester?

Firstly, economic governance is still to a very large extent a case of ‘exploratory governance’ (Enderlein 2015) and the nature of the European Semester still makes it difficult for national parliaments to claim or acquire ownership (see Krelinger 2016). Therefore, minimum standards for parliamentary involvement should be defined in the form of guidelines that

national parliaments elaborate (and adopt) jointly. Strengthening interparliamentary cooperation is also vital for better information exchanges between national parliaments (see Griglio and Lupo 2018; Kreilinger 2015).

Secondly, related to public finances, there are possibilities for parliaments to 'regain an effective voice in the budget cycle' (Schick 2002; see also Wehner 2004). Plenary debates are no longer seen as a 'verbal contest between government and opposition without any real policy impact' (Martin, Saalfeld, and Strøm 2014, 13), but allow for MPs to articulate their positions on the European Semester and communicate them to the public. The issues raised are an encouraging sign for a slow politicisation of EU economic governance. Controversial assessments of the European Commission, such as the budgetary situation in France or a macroeconomic imbalance like the German current account surplus, were debated in plenary debates on the European Semester in 2015 and MPs beyond the specialists for EU affairs were involved in these debates. But fiscal rules that impose numerical limits on budget aggregates such as the fiscal balance, total revenues, total expenditures and/or debt (Lienert 2010, 6), can limit the role of parliaments and are a common feature of budgeting in the twenty-first century. Examples of fiscal rules in the EU are the criteria of the Stability and Growth Pact, the constitutionalisation of European budgetary constraints in the TSCG that provided for the introduction of balanced-budget rules in the national legal order – and the European Semester.

Thirdly, legislative involvement in the budget procedure meets another important challenge: With respect to fiscal discipline, does, as Posner and Park (2007, 20) put it, 'responsiveness to political constituents trump responsibility?' Do parliaments think about the long-term? This, again, matters for the fiscal policy coordination and surveillance under the European Semester. Wehner concludes that '[t]o some, the fiscal cost of parliamentary activism may simply be an acceptable side effect of democracy' (Wehner 2010, 141). In the twentieth century, however, parliamentarians in legislatures of many countries did not trust themselves to make responsible financial decisions and 'voluntarily yielded budgetary power to the executive' (Schick 2002, 16). Following this view, an annual budget process with greater legislative control will enhance democratic accountability, but at the same time, it might potentially risk eroding fiscal discipline and government efficiency (see Posner and Park 2007, 20–1). Some have suggested that in the European Semester 'democracy has to be sacrificed in order to achieve compliance' (Maatsch 2017, 208), but there is no zero-sum game between parliamentary involvement and compliance, as the example of Denmark shows (Kreilinger 2016, 6–7, 35–36). In order to have legislatures that are powerful and fiscally responsible, fiscal institutions must force parliamentarians 'to fix prudent aggregate parameters and to focus debate on allocative choices within a hard budget constraint' (Wehner 2010, 141). In the context of the European Semester, however, the coordination and surveillance of fiscal and economic policies makes it even more difficult to have influential parliaments than under normal circumstances.

Notes

1. The European Parliament can make a contribution to the throughput legitimacy of the European Semester via its scrutiny of the European Commission at the EU level. The instruments at its disposal include conducting 'economic dialogues' with the European Commission and other EU institutions as well as adopting own-initiative reports. The European Parliament was involved in the adoption of the European Semester via the Ordinary Legislative Procedure over the Six-

Pack and the Two-Pack, but it lacks direct policy influence over the European Semester. See also Fromage [2018](#) in this issue.

2. The five ideal types of the Palgrave Handbook on National Parliaments and the European Union (see Rozenberg and Hefftlar [2015](#), 27–35) are applied to the European Semester and discussed one after the other.
3. Regulation (EU) No 473/2013 of the European Parliament and of the Council 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.
4. Le Monde, 29 May [2013](#).
5. ANSA English, 16 October [2015](#).
6. See Online Appendix, A.1 France.
7. Assemblée nationale ([2015](#), 30; 33).
8. Interview with a Member of the French Assemblée nationale, PS, 7 November 2016. See also Le Canard enchaîné, 15 April [2015](#), 2.
9. Gilles Carrez, Les Républicains; see Assemblée nationale [2016](#), 2837.
10. See Online Appendix, A.2 Germany.
11. Interview with a clerk in the EU affairs directorate of the German Bundestag, 2 March 2017.
12. Interview with a Member of the German Bundestag (CDU), 22 March 2017.
13. Interview with a Member of the German Bundestag (SPD), 8 March 2017.
14. See Online Appendix, A.2 Germany.
15. Deutscher Bundestag [2016](#); 16491C-D. See also van den Brink ([2018](#)) in this issue.
16. See Online Appendix, A.3 Ireland.
17. See Online Appendix, A.4 Portugal.
18. See Crum [2018](#), 275; Fasone [2015](#), 20–1; Jančić [2016](#), 242–243. According to Rasmussen ([2018](#), in this issue), however, the Spanish parliament cannot provide substantial scrutiny of the European Semester. It is important to note that Greece and Cyprus, due to financial assistance programmes, were not part of the European Semester for most of the time.
19. President François Hollande and Prime Minister Manuel Valls sought to ensure the survival of the government and in the light of a high number of abstentions or possible ‘no’ votes, they refrained from greater parliamentary involvement.
20. When votes take place, opposition MPs are hesitant about whether to approve or reject the motion on the European Semester. This was the case in France.
21. See Online Appendix, A.1 France and A.2 Germany.
22. See Online Appendix, A.1 France and A.2 Germany.
23. Aleksandra Maatsch argues that in the Bundestag ‘parliamentary parties made very effective use of their strong formal powers in order to initiate debates on the European Semester’ ([2017](#), 208). In this respect, however, 2015 (three resolutions proposed and one of them adopted) was an exceptional year. In 2016 and 2017, only one plenary debate took place, no resolutions were tabled. The resolution tabled by the Green Party in 2014 was identical to the Green’s resolution a year later.

Acknowledgements

Earlier versions of this article have been presented at the 3rd General Conference of the ECPR Standing Group on Parliaments in Munich, the Workshop ‘The Constitutional Dimension of the European Semester’ at the Hertie School of Governance and in its European Governance Colloquium. I would like to thank the participants at these events, the editors and the anonymous reviewers for their insightful comments.

Disclosure statement

No potential conflict of interest was reported by the author.

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