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Explaining the evolving role of national parliaments under the European Semester

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ABSTRACT


This contribution examines and explains the role of national parliaments in the European Semester process. It builds on original survey-based evidence and traces whether national parliaments discuss and vote on Stability/Convergence and on National Reform Programmes; how their involvement changed over time; and what might condition national varieties of parliamentary scrutiny over European Union (EU) affairs. We find significant cross-country variation in whether the debate is taking place at the parliamentary level; whether it is European Affairs or finance committees that are involved; and whether there is involvement *ex ante* (before submission) and/or *ex post* (after country-specific recommendations). From 2012 to 2015, finance committees played an increasingly prominent role. Traditional measures of the strength of parliament do not explain what we observe. We do find that non-euro area member states were most likely to monitor EU recommendations under the European Semester and that this effect increased over time.

KEYWORDS Budget Committee; Europeanization; European Semester; national parliaments

1. Introduction

The institutional reforms introduced at the European Union (EU) level in response to the debt crisis have expanded the potential for national parliaments to take active part in European economic governance. The Lisbon Treaty had already empowered national parliaments to ‘contribute actively to the good functioning of the Union’ (Art.12 of the Treaty on the Functioning of the European Union [TFEU]). The deepening of the co-ordination of EU economic policy following the approval of the Six-Pack in 2011 and of the Two-Pack in 2013 calls for a fresh assessment of whether/how national parliaments are truly involved in the process and of what factors might condition their involvement (Kreiling [2016](#)). Ultimately, information on parliamentary

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scrutiny of EU affairs allows one to draw conclusions on the democratic (input) legitimacy of EU economic governance.

The existing literature on the impact of EU politics and policies on national parliaments is divided in two. Some see a diminishing role for national parliaments on the back of more intense inter-state relations (see, for example, Crum 2017; De Wilde and Raunio *forthcoming*), while others recognize new opportunities for national parliaments (see, for example, Goetz and Meyer-Sahling 2008, Jancic 2016). Beyond judgement, there is an extensive empirical literature on the factors that affect the extent to which domestic legislatures become 'Europeanized', with the most common finding that parliamentary scrutiny of EU affairs rises with the institutional strength of parliaments (e.g., Auel and Höing 2014) and with the Euroscepticism of élites or the public opinion or both.

This contribution adds to this literature by using the specific case of the European Semester to assess parliamentary scrutiny of EU affairs and to isolate the factors that condition the response of national legislatures to an exogenous source of Europeanization. We define 'scrutiny' as the degree to which parliamentary committees discuss reform commitments in the EU context and the timing for doing so, whether *ex ante* – when national governments prepare reform plans – or *ex post* – after the EU has provided feedback to national plans. While we are aware that having the topic on the agenda does not necessarily come with genuine involvement and that it is likely to mean different things for different countries, this dependent variable offers the most transparent and immediate way of comparing the involvement of national parliaments across countries.

Through the European Semester, national governments submit jointly Stability or Convergence Programmes and National Reform Programmes, on the basis of which they will receive specific policy recommendations. To gather comparable information on national parliaments' involvement in the European Semester, we rely on an original survey, which we submitted to national parliaments in the EU in different rounds between 2011 and 2015. The survey provides information on what parliaments do at each stage of the European Semester and on how their role might have changed over time.

Our results are as follows. Member states that are not part of the euro area are, on average, more involved in the European Semester in both 2012 and 2015, and more so in *ex post* monitoring of country-specific recommendations. In each of these member states outside the euro area, there is an electoral cleavage concerning the EU; debates in parliament on European matters can raise the profile of parties before electorates that care about European issues. Moreover, we find that by 2015 parliamentary committees in all EU countries are more active than in 2012, with budget committees playing a more prominent role than EU affairs committees.

2. Literature on the Europeanization of national parliaments

Existing studies on the impact of EU politics on domestic parliaments are divided into two opposing views. On the one hand are those who suggest that state-level negotiations have diminished the importance of national parliamentary bodies (Crum 2017). On the other hand, there are those for whom the process of European integration is providing national parliaments with an opportunity to engage in international affairs in ways that may have been unthinkable in its absence (Goetz and Meyer-Sahling 2008). Jančić (2016) argues that national parliaments have acquired various rights of approvals in the European Semester. Rittberger and Winzen (2015) find that 'strong' parliaments prior to the crisis were the most active during and after the crisis concerning European economic and financial matters. De Wilde and Raunio (forthcoming) contend that national parliaments still need to re-direct more resources to important decisions that are being taken in the European Council. Another strand of literature distinguishes between forms of their involvement. Rozenberg and Hefttler (2015) provide a useful framework for thinking about the functions of parliamentary scrutiny. They discuss whether parliament engages as a (1) policy shaper, (2) government watchdog, (3) public forum, (4) EU expert, or (5) European player.

Finally, there is an empirical literature on the factors that might explain cross-country variation in parliamentary scrutiny of EU affairs, which is the one to which this contribution relates. A common finding in the literature is that stronger parliaments will succeed in assuming a greater oversight role for themselves. Raunio (2005) finds that one important determinant of whether a national parliament engages with the European level is the strength and quality of intervention rights of national parliaments in the domestic balance of power. Auel and Höing (2014) argue that parliamentary institutional strength is positively correlated with the level of parliamentary crisis activity.

The position of national political parties on European integration and the role of public opinions are important factors in explaining the involvement of national parliaments in EU policy-making. Bergman (1997) contends that less supportive public opinions towards European integration are associated with greater parliamentary control over governments. Raunio (2005) shows that the combination of a powerful legislature and a more Eurosceptic public opinion leads to higher levels of parliamentary control over government. By contrast, Auel and Höing (2014) posit that the stronger Eurosceptic parties in parliament are associated with more parliamentary scrutiny, but they do not find evidence for this in their data.

We build on the existing literature to isolate key determinants of parliamentary involvement, focusing on the institutional strength of parliament

and on the Euroscepticism of publics. We expect strong parliaments to engage more with the European Semester process. Euroscepticism should condition the behaviour of parliamentarians who want to score points with voters. We anticipate that countries with more Eurosceptic populations have parliamentarians more willing to debate opinions on national policy that come from Brussels than parliamentarians in member states where 'Europe' is not a relevant political cleavage.

While the existing literature offers guidance on factors that condition parliamentary scrutiny, we adapt our hypotheses to the specific case of the European Semester. EU recommendations concerning public finances are binding for euro area members, but not for the others. Only euro area countries are subject to possible fines. This aspect is likely to bear an impact on the behaviour of parliaments. We should find more scrutiny from euro area parliaments. Moreover, we would expect the budget committee to be most active.

Nevertheless, we argue that non-euro area countries are not all the same. We distinguish between two categories of non-members. Some have made a conscious decision not to join – they either have opt-outs (Denmark and the United Kingdom), have had referenda where the voters opted against membership (again Denmark and also Sweden), or have signalled that they have no intention of joining over the medium term (the Czech Republic). There are others that have not joined because they do not meet the formal convergence criteria, but their governments do foresee eventual membership. This second group is certainly more diffuse than the first – whether the Bulgarian government really intends to push for euro membership is anyone's guess. But in the first group there is a conscious decision not to join, and this aspect may condition the extent to which non-membership comes with less parliamentary involvement. The opposite could occur – such parliaments could be especially concerned with the encroachment of the EU into domestic affairs in such countries, which is best epitomized by the 'European Scrutiny Committee' of the House of Commons in the United Kingdom. This is where the divide between euro area and non-euro area members crosses with issues of Euroscepticism and more specifically with Eurosceptic élites. By distinguishing between definite euro-outs and those that simply do not qualify, we discriminate between two competing explanations for involvement, i.e., euro membership and the Euroscepticism of national establishments. Less involvement probably means that countries outside the monetary union do not perceive EU fiscal recommendations as binding upon them, while greater involvement is likely to come from some form of Euroscepticism and more generally from the politicization of EU issues at the level of élites and possibly also of the public opinion.

3. Survey-based evidence on the role national parliaments in the European Semester process

3.1. *The survey's sample*

To collect comparable information, we conducted surveys over the period 2011–2015. Initially, in April 2011, a pilot survey was submitted to national parliaments in six EU member states. The European Semester had been activated only few months earlier, in January 2011, before being inserted in binding regulation under the Six-Pack of December 2011. Between March and April 2012, we addressed all 27 member states and received responses from all member states but Bulgaria.¹ We then sent out a third wave to all member states' parliaments between March and June 2013.² Of the 27, 18 replied while another two arrived after the intended window. The 2013 survey was used to confirm the results from 2012, and they matched in the surveys for the year 2012 except for Denmark and Ireland, which were in the process of increasing national parliamentary involvement.³ The final wave was returned after the 2015 European Semester was complete, between October 2015 and April 2016. We received replies from all lower houses except the Czech Republic.⁴ Our empirical analysis therefore compares 2012 and 2015, namely the first full year of the European Semester under the Six-Pack and the most recent year. This allows us to consider both the initial response to the European Semester and the evolution of parliamentary involvement.

The respondents were usually staff from either the budget or finance (referred to as 'budget' generically below) or European Union affairs committee. In many cases we had responses from both committees.⁵ Whilst in some cases we obtained answers both from the upper and lower house, we report lower house responses because this is the chamber that is mostly involved in budget policy-making.

3.2. *The European Semester: what kind of case study?*

Our evidence is meant to capture the reaction of member states' parliaments to the creation of the European Semester. While the introduction to this collection provides further details, we offer a quick sketch of the Semester's most important facets.

National governments are obliged to submit their European plans to the European Commission by 30 April every year. The joint submission of the two documents intends to encourage governments to devise consistent reform plans, whilst accounting for complementarities and trade-offs between fiscal adjustment and structural reform. The European Commission delivers country-specific as well as general euro-area recommendations at the end of May every year.⁶ These are then discussed at the June European

Council and eventually become binding after the final word by the Council of the European Union. National governments are expected to account for the received country-specific recommendations when drafting the budget law for the consecutive year, which is then typically submitted to national parliaments at the beginning of the parliamentary budget session in the autumn. The period from when the Council issues country-specific recommendations until the final approval of the State budget law at the end of each year is normally referred to as the 'National Semester.'

In terms of parliamentary involvement, the Six-Pack provides the European Parliament the power to intervene in the process by means of the newly established Economic Dialogue, through which the European Parliament is entitled to question EU institutions on issues related either to the Annual Growth Survey (AGS) or the country-specific recommendations, as well as to invite national representatives to discuss the received country-specific recommendations. The Six-Pack regulation also formally encourages governments to seek a dialogue with their respective national parliaments before submitting the documents to Brussels. We consider this possible discussion in parliament as an *ex ante* consideration of what the government proposes; that is, a consideration of the government's plans before they leave the respective capital city. Parliaments can also provide *ex post* consideration; that is, a debate of the country-specific recommendations that the Council passes.⁷

3.3. The survey's main contents and results

The main purpose of the survey is to identify how national parliaments are involved in the discussion of national medium-term fiscal plans, Stability or Convergence Programmes, and of National Reform Programmes. At the same time, though, we also collect information on the role of national parliaments in the annual budget process to measure their institutional strength. We look at their amendment powers in the discussion of budget laws and at the ways in which they intervene more generally in the discussion of national expenditures and revenues. We also consider the role of national parliaments. The differentiation between domestic and European fiscal documents provides us with leverage to assess whether their potential involvement is indeed the sign of a Europeanization of the legislatures or rather the continuation of a domestic practice of being involved in the discussion of all budget-related issues. We focus on two types of parliamentary surveillance following the European Semester calendar, namely on the *ex ante* monitoring of the Stability/Convergence Programme and of National Reform Programmes that the given member state government submits to Brussels; and on *ex post* monitoring of the recommendations the EU Council makes to the individual member states.

The main stylized facts are as follows. For the formulation of a country's Stability or Convergence Programme as well as its National Reform Programme, we asked where these are prepared in the government. Finance or economics ministries prepared the former in 22 of the member states. National Reform Programmes, however, involved a broader sets of actors, with only 14 prepared exclusively in a finance or economics ministry, five written in a prime minister's office, and the rest written in multiple ministries, such as Austria (drafted jointly by different ministries and co-ordinated by the Federal Chancellery), France (Finance and Prime Minister's Office), and Romania (Finance, Economics, and Prime Minister's Office).

Both plans then could have reached parliament, and the question is whether parliaments debated them before they were formally submitted to Brussels. Rarely did plenaries put the issue on the agenda, but they did debate the Stability or Convergence Programme about a quarter of the time (seven parliaments in 2012, and six in 2015), while they rarely discussed the National Reform Programme (just two parliaments in 2012 – Luxembourg and Italy).⁸

In terms of parliamentary committees, we consider the role of the budget and the European Union affairs committees (see [Table 1](#)). In 2012, the pattern was generally on the diagonal, where either none or both were involved – in 10 countries, no committee examined either plan before its government submits it, while in 11 countries both committees discuss the documents. There were no parliaments where a European Union affairs committee considered the SCP but the budget committee did not. In 2015, however, there was a shift towards participation of budget committees, with 18 of 23 in this sample involving regular budget committee review.

The picture for National Reform Programmes is more differentiated in 2012, but it converges to what one observes for the SCP in 2015, with the correlation between the consideration of the two plans in finance committees at about 0.9.⁹ In nine countries in 2012, which overlap to some extent with the same group for Stability or Convergence Programmes, neither committee was involved. In only six member states did both committees participate. But the relevant committee changed – in a third of the member states it was the European Union affairs committee that debated the National Reform Programme, and in all but one of these it did so exclusively.¹⁰ By 2015, however, there is the same movement to the budget committee, with 19 of 26 budget committees discussing the *ex ante* plans of the NRPs.

The results are different when we consider the involvement of parliament in *ex post* monitoring, which comes after the European Commission first issues its recommendations and then the Council approves the formal recommendations to the member states. These recommendations are country-specific under the European Semester, and they represent commentary on the two plans the government submitted to Brussels in April. They could also put

Table 1. Different forms of committee involvement.

Committee involvement in Stability or Convergence Programmes		
	Budget Committee Debate SCP?	EU Affairs Committee Debate SCP?
2012	No	Yes
	No	AT, CY, DK, ES, IE, MT, NL, PL, RO, SK, UK
	Yes	FR, LU, PT, SE
2015	No	BE, CZ, DE, EE, FI, IT, LV, LT, HU, SI
	No	Yes
	DE, HU, MT, NL, SI, RO, UK	
	Yes	AT, BU, FR, ES, IE, LT, PT, SE
		BE, DK, EE, FI, LV, LU, IT, PL, SI, SK
Committee involvement in National Reform Programmes		
	Budget Committee Debate NPR?	EU Affairs Committee Debate SCP?
2012	No	Yes
	No	AT, DK, EL, ES, FI, IE, MT, NL, PL
	Yes	BE, CY, CZ, EE, LV, PT, RO, SK, UK
		LU, SE
2015	No	DE, FR, IT, LT, HU, SI
	No	Yes
	CY, EL, MT, NL, RO, UK	DE
	Yes	AT, BU, ES, LT, PT, SE, SI
		BE, DK, EE, FI, FR, HU, IE, IT, LU, LV, PL, SK
Committee involvement in <i>ex post</i> Monitoring		
	Budget Committee Debate?	EU Affairs Committee Debate SCP?
2012	No	Yes
	No	AT, DE, ES, FR, IT, MT, PL, PT, RO, SI, DK, EE, HU, NL, UK, CY, CZ, SK <i>SK, FI</i>
	Yes	LU, IE, CY, LT, LV
		BE, SE, CZ, FI, LT
2015	No	Yes
	No	AT, CY, DE, FR, IT, EL, IE, MT, LU, SI
	Yes	BG, EE, ES, FR, LU, NL, PT
		BE, DK, FI, HU, LV, LT, PL, RO, SE, SK, SI

pressure on governments to respond to Council recommendations in terms of the proposed budget or in terms of various reform proposals. The last part of [Table 1](#) considers whether the same two committees debated Council recommendations either on the Stability/Convergence Programme or on the National Reform Programme. Those that appear in bold indicate that the same committees considered both; those in normal type the consideration of the SCP; and those in italics the consideration of the NRP. There is some consistency in the answers. In 2012, nine member states did not discuss the Council recommendations. These included the four largest member states in the euro area – France, Germany, Italy and Spain.¹¹ Once again, the EU affairs committee was most important in the remaining group. In seven member states it considered recommendations on both plans, while it played a role in another six member states. The budget committee played a role in nine states, and it was more important in debating SCP than NRP.

By 2015, however, budget committees had again come to the fore. There were no cases where a European Union affairs committee evaluated the country-specific recommendations while the budget committee did not in

2015, whereas in 16 member states budget committees debated one and/or the other programme. At the same time, the move towards debate is less complete. Germany and Italy continue to avoid debates on the recommendations in their parliamentary committees, with the German response notable – while the recommendations appeared on the agenda of its Budget Committee in the Bundestag, they were not debated.

In the next section, we try to explain these patterns; that is, why some parliaments are active under the European Semester and why at one stage rather than another, while others are not.

4. Analysis: possible explanations of parliamentary involvement in the European Semester

What explains the patterns in parliamentary involvement under the European Semester?

First, we are interested in determining whether the strength of parliament has any bearing on the extent and nature of the scrutiny it may exercise over EU affairs both *ex ante* and *ex post*. A common finding in the literature discussed above is that stronger parliaments will succeed in assuming a greater oversight role for themselves. Rittberger and Winzen (2015), looking at a broader set of dependent variables that includes the European Semester but also European Stability Mechanism packages and Article 13 of the Fiscal Compact, argue that strong parliaments are the most likely to react to European-level events. We test whether there is any relationship between the strength of individual parliaments and their involvement in the European Semester and whether the procedural requirements of the European Semester alter this relationship compared with earlier, more general findings regarding scrutiny over EU affairs. The prediction is that stronger parliaments/committees are more active. Compare with existing studies, we constructed separate measures for the strength of budget and European Affairs committees respectively and indeed expect stronger committees to be more likely to participate in the European Semester. Moreover, we account for the institutional power of national parliaments over different agendas, distinguishing between budget and European affairs.

For budget strength, we generate these data ourselves using data from the 2012 survey. It is based on the formulation in Hallerberg *et al.*'s (2009) study of fiscal governance in EU member states. We assess the relative strength of parliaments along the following dimensions and give it a score of 1 for each of the following rights/competences: (1) a parliament can propose a budget independently of government; (2) it can propose amendments to the government's budget plan; (3) the amendments that it can propose are unlimited; (4) amendments do not face an offset rule on spending, which means that any suggested rise in spending need not be matched by with spending cuts; (5)

it does not face an offset rule relative to the budget balance; and (6) amendments to the government's budget plan can cause the fall of government. We update the Hallerberg *et al.* (2009) dataset with results from our surveys. The highest possible score is six, whilst the lowest is zero. The average in our sample is two and half, but there is a high dispersion of parliamentary budget powers, with either strong or weak national parliaments. The strongest national parliaments are those in Austria, Finland and Romania with a score of five, while seven other parliaments have a score of four. At the other extreme, 12 national parliaments have a score of one. They include the traditionally weak parliaments of France, Ireland, and the United Kingdom, but they also include some parliaments in the new member states in Central and Eastern Europe, Greece and Sweden.

The second institutional measure focuses on parliamentary strength in European Union affairs, and it comes from Auel *et al.* (2015). Their OPAL score of institutional strength measures the respective parliament's access to information, the processing of that information, and enforcement. It is therefore a measure of *potential* strength. Based on an analysis of documents from the 40 parliaments, they also measure the activity of parliaments in EU matters. The authors collected the data in approximately the same period as the data collected on budget/finance committees.¹² The strongest national parliament is in Finland, with a score of 0.84, while the weakest is in Belgium, with a score of 0.24. The Spearman rank correlation between the two indices is only 0.17, which suggests that they are measuring different dimensions.

The main statistical measures we use are a Spearman rank correlation. Spearman rank correlations measure the strength of association between two ranked variables such as, for example, reform outcomes and individual conditioning factors. In other words, it assesses if and how well the relationship between two ranked variables can be described by a monotonic function – a Spearman correlation of +1 means that each of the considered variables is a perfect monotone function of the other. The rank correlation approach is notably well suited for use with small samples (Tompson, 2009). In an Online Appendix, we provide a probit analysis. We have only approximately 50 observations, which means that the multivariate analysis is only suggestive.

Comparing the strength of parliament in the budget process to both *ex ante* and *ex post* measures, Table 2 indicates that only the institutional strength of European affairs has some effect. There are no statistically significant relationships for budget strength, with the correlations all quite low. In contrast, the institutional strength in the field of European affairs is relevant in the initial year. In 2012, those countries with stronger pre-existing parliaments in this matter were more likely to have both their EU affairs and their budget committee review their SCP *ex ante*, and to have their EU affairs committee scrutinize the country-specific recommendations *ex post*. However, this relationship weakens considerably by 2015. We know the reason from the

Table 2. Strength of parliament in the budget process and *ex ante* and *ex post* parliamentary monitoring – 2012 and 2015.

	Strength of parliament – budget		Strength of parliament – EU affairs	
	2012	2015	2012	2015
<i>Ex ante</i>				
Budget – SCP	0.09	0.00	0.42*	0.11
EU affairs – SCP	0.1	–0.05	0.40*	0.21
Budget – NRP	–0.09	–0.05	0.34	0.25
EU affairs – NRP	–0.08	–0.01	–0.03	0.34
<i>Ex post</i>				
Budget – SCP	0.25	0.05	0.06	–0.1
EU affairs – SCP	0.05	–0.03	0.44*	0.22
Budget – NRP	0.03	–0.05	–0.22	0.19
EU affairs – NRP	–0.16	0.01	–0.07	0.24

Notes: The column with numbers provide the Spearman rank correlation. Those starred are significant at the 0.05 level.

previous tables – budget committees are supplanting European Union affairs committees in some countries. Even there, however, the overall strength of the parliament in budgetary matters does not predict where budget committees will be most active.¹³

Second, we are interested in whether membership in the euro area makes a difference (see Table 3). We generally expect that parliaments in euro area members pay more attention to EU recommendations that are binding on them. In this case, the role of national parliaments may be conditioned by the fact that the government could be subject to possible fines if it does not correct an ‘excessive deficits.’ This procedure suggests more scrutiny from budget committees.

Table 3. Role of euro area membership, definite euro-outs, and population Euroscepticism.

	Euro area out		Definite euro-out		Euro-scepticism (Eurobarometer)	
	2012	2015	2012	2015	2012	2015
<i>Ex ante</i>						
Budget – SCP	0.07	–0.11	0.04	–0.12	–0.1	–0.31
EU affairs – SCP	0.01	–0.18	–0.04	–0.08	0.15	–0.16
Budget – NRP	0.14	0.07	0.09	0.12	0.2	–0.34
EU affairs – NRP	0.1	–0.13	0.06	0.07	0.01	–0.2
<i>Ex post</i>						
Budget – SCP	0.37	0.48*	0.16	0.26	0.15	–0.34
EU affairs – SCP	.42*	0.35	0.67*	0.49*	0.05	0.3
Budget – NRP	0.29	0.52*	–0.26	0.28	–0.07	–0.41*
EU affairs – NRP	0.43	0.45*	0.36	0.54*	0.19	0.04

Notes: The numbers indicate the Spearman rank correlation. A ‘euro area-out’ is any country not in the euro area. A definite euro-out is one of five member states: Czech Republic, Denmark, Hungary, Sweden, and United Kingdom. The measure for population for population Euroscepticism comes from the Eurobarometer.

At the same time, the group of non-members cannot be considered to be a unitary actor, which implies that it is not obvious that all non-euro-area parliaments are inactive during the Semester process. Some member states have made a conscious decision not to join ('definite euro-out') – they either have opt-outs (Denmark and the United Kingdom), have had referenda where the voters opted against membership (Denmark and Sweden), or have not signed the Fiscal Compact and/or the Euro-Plus Pact (Czech Republic and Hungary). There are others that have not joined because they do not meet the formal convergence criteria, but their governments do foresee eventual membership. This second group is certainly more diffuse than the first. These varieties of non-membership can be considered as a reflection of a cleavage on the European Union on its own – governments choose not to participate in Economic and Monetary Union because they would otherwise lose office if they did. Our expectation is that parliaments are more concerned with the encroachment of the EU into domestic affairs in define euro-outs countries, which is best epitomized by the 'European Scrutiny Committee' of the House of Commons in the United Kingdom.

Table 3 provides the main results. 'Definite euro-out' are member states where any expansion of European competence on economic matters is contested.¹⁴ There are then five member states in total, and they constitute a subset of euro-outs.¹⁵ Finally, we contrast this with the relative popularity of the European Union in Eurobarometer surveys among populations.¹⁶ The result that jumps out is the importance of the European affairs committee in the review of Council recommendations. In 2012, these reviews are followed more in non-euro area member states than in those participating in the common currency. An explanation for this correlation comes from the 'definite euro-outs': in both 2012 and 2015 every one had its European Union affairs committee debate conclusions on both its Convergence Report and its National Reform Programme.¹⁷ There is less parliamentary involvement in the euro area countries in *ex post* debates. In 2015, this result is clear for three of the four categories for member states outside the euro area – parliaments in countries outside of the euro area have more active parliamentary committees. This is consistent with an argument that the euro area 'outs' are more actively scrutinizing what the European Union is saying about their governments.

Third, another determinant of parliaments' involvement could be their positioning on EU affairs, which may be a function of the governing party's position on Europe and of public opinion. We test whether more 'Eurosceptic' populations, as measured through Eurobarometer surveys, indicate the potential for domestic parliamentarians to score points with voters. The data come from European Commission (2012) and European Commission (2015), which refer to the 'fall' versions of the Eurobarometer. We

look at whether the public opinion thinks the country would be better if it were outside the EU, which we consider the most extreme measure of Euroscepticism, as it makes it more likely that parties, whether explicitly anti-European or not, feel a need to respond to an anti-European streak in their populations. The prediction here is that more Eurosceptic member states have more active parliaments under the European Semester and especially in the *ex post* phase when reviewing country-specific recommendations.¹⁸

The one unexpected finding is that the more Eurosceptic the population, the less likely that its budget committee reviews the NRP (Table 3). Notably, the result is the opposite of the one whether a member state is a euro area out. In fact, there is no correlation between whether a country is a euro area out and whether its population is Eurosceptic. An explanation for this finding may be idiosyncratic. The programme member states of Cyprus and Greece submit NRPs only, and these countries had increases in those who thought it would be better off outside the European Union, with Cyprus in 2015 having the highest percentage of its population that voiced this opinion (55 per cent). But it also indicates the changing nature of what it means to be 'Eurosceptic' and the effects on the formal powers of parliament.

These results contrast with non-findings concerning *ex ante* debates, where the measure of Euroscepticism does not predict whether a given committee has a debate.

5. Conclusions

This contribution explored parliamentary scrutiny of EU affairs through the European Semester process. It built on original survey-based evidence summarizing whether/how national parliaments in the EU are involved in the discussion of reform plans and of the feedback they receive from Brussels. We considered the *ex ante* role of the budget and European Union affairs committees in the discussion of Stability/Convergence Programmes and the National Reform Programmes. We also discussed the role these committees play in *ex post* monitoring of Council recommendations.

Having summarized the main results, we have attempted to provide an indication of what might affect cross-country variation in the participation of national parliaments in European economic governance. More traditional measures of the 'strength' of parliament played a role in 2012. The strength of European Union Affairs committees in *ex ante* monitoring mattered in 2012. One general finding for 2012 is that European Union affairs committees played a more important role than Budget/Finance in *ex post* scrutiny. There was a certain irony to this. An intention of the European Semester was to increase co-ordination across the Euro Area. Scrutiny of member state-specific

recommendations would put pressure on governments to adopt the recommendations, or at least to respond to them. This, in turn, would lead to economic reforms that benefit all euro area members. The evidence for 2012 suggested that where the scrutiny would potentially be most useful in economic terms is where it was least practised.

This changed, however, by 2015, as Budget/Finance committees played an increasingly prominent role. The strength of European Union Affairs committees was no longer a good predictor of whether a given committee *ex ante* called debates. The increased role of Budget/Finance mirrors the rise of finance ministries domestically under the European Semester (see Maricut and Puetter 2017). It also mirrors developments in the social realm – Zeitlin and Vanhercke 2017 find that there has been a partial ‘socialization’ of the Semester over time, with more social goals appearing in the country-specific recommendations and more treatment of social topics at both the national and European levels. While these authors pose the question of an ‘Economic vs Social Europe’, our results suggest that domestic economic specialists in parliaments at least know more about the European Semester and debate it more in 2015 than in 2012. These results suggest a sort of deepening of ‘Economic Europe’ to match the partial deepening of ‘Social Europe’ these authors describe.

If one takes our results together, they indicate that whether a member state was a euro area out is the strongest predictor of whether there will be *ex post* evaluation of the country-specific recommendations. In the early years of the Semester, the parliaments in such member states found the Council’s recommendations of most interest. Over time, those in member states outside the euro area became even more active than those inside the euro area. Our prior is that parliamentary committees became more active as recommendations touched upon more politically controversial topics, and the very involvement of ‘Europe’ in recommending domestic reforms under the country-specific recommendations was more controversial in euro area ‘outs’, which led to more active parliamentary committees in these member states. This argument would suggest that parliamentarians care most electoral incentives – controversial topics are ones that resonate with voters. We do not have transcripts of debates within committees, however, which would provide evidence for this argument to explain the difference between euro area ‘outs’ and ‘ins’, nor other types of evidence such as interviews with parliamentarians. There are other plausible explanations, such as institutional factors, as well as perhaps the greater orientation of Eastern European members towards EU institutions owing to their recent accession. The question of what explains this divergence according to membership in the euro area remains for further research.

Notes

1. The staff from the Bulgarian Parliament wrote to us in 2012 that they refused to answer the survey, and the staff from the respective committees did not answer at all in 2013.
2. The countries included in the pilot project were Estonia, Finland, France, Germany, Hungary and Ireland. See Hallerberg *et al.* (2011).
3. We discussed the Danish case in the introduction. In Ireland, in 2013, the Finance and European Affairs committees respectively participated in *ex ante* discussions for the first time, with the former debating its Stability Programme and the latter its National Reform Programme.
4. We did not have data for 2012 for Croatia, when it was not a member state, and we did not include it in the 2015 survey.
5. On some occasions, a member of parliament on the respective committee answered a questionnaire instead of, or in addition to, a committee staff member.
6. The European Commission also delivered detailed country reports prior to the release of its country-specific recommendations, as two separate documents prior to 2015 and as a Country Report released in February as of 2015 (for more details, see the introduction to this collection 2017). We did not ask national parliaments about these documents.
7. The European framework also encourages national parliamentary involvement through the Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union (known as the Fiscal Compact) where all EU governments recognize the importance of a stronger co-operation between the European and national parliaments on budgetary issues making use of the Interparliamentary Co-operation (Art.13), as well as stress that any fiscal corrective action should be put in place in full respect of the prerogatives of national parliaments (Art.3).
8. Maatsch (2017) notes, however, that the plenaries in three of her four cases in 2014 did discuss country-specific recommendations when a given party disputed them. This contestation was not repeated in these countries in 2015.
9. Note that member states submit one document that includes both the SCP and NRP. There remain, however, key differences *ex post* in the consideration of the two.
10. The exception is Italy, where four committees – Budget, Economics, Labour/Employment, and European – debated the National Reform Programme. In addition to Italy, only in Germany (Economics) and Luxembourg (Labour) were other committees involved.
11. Spain held a plenary debate on the Commission response to the SCP (only) in 2011.
12. Auel *et al.* (2015) also measure the activity of national parliaments on EU matters and combine this information into a more general score, or the ‘OPAL EU score’. Because we wish to check whether stronger parliaments are more active, we rely only on their institutional score. More on the OPAL project may be found at <http://www.opal-europe.org>.
13. One can also define ‘strength’ as whether parliament already debates the government’s domestic multi-annual fiscal plans. This is a narrower definition of ‘strength’ that focuses only on debate rather than action, but it accords well with the information we have on debates in the plenary and in committee on European Semester matters. In 2012, only five countries had plenary debates

on domestic as well as on European multiannual plans (France, Luxembourg, Slovakia, Spain, and the UK). Two countries, Italy and Portugal, did discuss Stability Programmes submitted to the EU even if they did not debate on national plans. As both parliaments were weak on budgetary matters, one can speculate that some weak parliaments may exploit EU procedures to gain access to issues they would not otherwise have a chance to discuss. Eleven countries that discussed government multi-annual plans in plenary ignored Stability/Convergence Programmes. Clearly, this is not a good predictor, and we did not pursue this argument further in the 2015 survey.

14. See also Dandashly and Verdun (2016), who discuss the views among the Czech, Hungarian and Polish populations. They note that Hungary began as the most positive towards euro adoption and the Czech Republic as the least, but the euro crisis meant that support for the euro also decreased in Hungary.
15. The five are the Czech Republic, Denmark, Hungary, Sweden and the United Kingdom.
16. We use the percentage of respondents who agreed with the following statement: '(OUR COUNTRY) could better face the future outside the EU.'
17. Note, however, that there are two missing in 2015, with the UK not holding hearings because there were no parliamentary committees yet formed after May 2015 elections in the US to host them and because the Czech Republic is the one missing survey for the 2015 cohort.
18. Baerg and Hallerberg (2016) used the question 'Taking everything into consideration, would you say that (your country) has on balance benefited or not from being a member of the European Community (Common Market)? But the European Commission did not ask this question under the Eurobarometer in 2012.

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