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## Scrutiny in Challenging Times – National Parliaments in the Eurozone Crisis

### Abstract

The process of European integration, it is generally argued, has led to a transfer of legislative power not only from the national to the European level, but also, and more importantly, from parliament to the executive. As a consequence, democratically elected institutions at the national level are often bypassed in the decision-making process. The current financial and debt crisis seems to reinforce this trend: budgetary authority – a key prerogative of parliaments – is increasingly subject to influence from EU institutions both within and outside the EU legal framework. To assess whether and to what extent the crisis has indeed led to a further de-parliamentarisation, this paper will analyse how national parliaments have responded to the crisis. Detailed empirical data reveals a very uneven participation of parliaments in the management of the crisis, in terms both of formal rights and of their involvement in practice. As a result, the crisis reinforces the gap between stronger and weaker parliaments, possibly leading to the dangerous development of ‘second class’ parliaments in the EU.

### 1 Introduction

The role of national parliaments in the EU has been on both the political and the academic agenda for quite some time now. In the past, most scholars would probably have replied, to a hypothetical Eurobarometer question, that European integration was rather ‘a bad thing’ for national parliaments. For many years, European integration appeared mainly as a threat to national parliaments, given that they were seen to be losing legislative authority to the European level. However, a number of studies (e.g. Auel and Benz 2005; Barrett 2008; O’Brennan and Raunio 2007) have shown that, over time, the ‘poor losers’ of integration learned to ‘fight back’, and obtained greater participation rights in domestic European policy. In addition, their role was increasingly recognised at the EU level: while national parliaments were not even mentioned in the

early European treaties, the Maastricht Treaty and subsequent treaties included the first declarations and protocols outlining parliamentary participation rights. In the debates surrounding the latest treaty revision, the need to enhance the democratic legitimacy of the EU through a stronger involvement of democratically elected national chambers received even more attention (see Laeken Declaration 2000, cited in Piris 2006: 198-206). Accordingly, the Lisbon Treaty attempted to strengthen the role of national parliaments, especially by giving them an explicit role in European politics as the new guardians of the subsidiarity principle through the Early Warning System (see below; Kiiver 2012).

The current eurozone crisis and the resulting changes in the economic governance of the EU, however, threaten to undo many of the gains in terms of parliamentary

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involvement: the establishment of the multi-billion European Stability Mechanism (ESM), the entry into force of the Fiscal Compact and the strengthening of the Stability and Growth Pact have an impact on the budgetary sovereignty of parliaments – conventionally seen as their key prerogative. At the same time, crisis management ‘by summit’ has become the norm (Schulz 2012). The European Council has turned into a kind of ‘emergency government’ (Lepsius 2013: 184), shifting the making of decisions to European executives (Eriksen and Fossum 2011: 158). Finally, intergovernmental treaties outside the EU legal framework are weakening parliamentary participation even further. As Benz has put it (Benz 2012: 2, emphasis by the authors):

Where there is no central government as in the EU, small circles of heads of governments and their close experts take the lead. This is indeed what we observe in the Euro crisis. The conclusion *could* be that parliaments [...] at the national level have lost what they achieved during the previous decades.

Benz himself has argued that the conclusion is too simplified, and that parliaments have not generally lost power. Rather, the problem is a growing asymmetry of parliamentary powers within the EU: while some parliaments have been marginalised in the course of current events, others have been able to maintain or even strengthen their formal participation rights in EU affairs. In Germany, the Bundestag was significantly strengthened due to decisions of the German Constitutional Court (for details, see Höing 2013), which ruled, for example, that crisis measures outside the EU legal framework were essentially European affairs and that the Bundestag had to be involved accordingly. The German Court also obliged the government to obtain the prior approval of parliament before agreeing to financial guarantees or to the release of bailout funds. The Austrian parliament was able to use the ratification of the Article 136 TFEU amendment<sup>1</sup> to secure more extensive parliamentary co-decision rights, obliging the

government to obtain a prior mandate from parliament before agreeing to decisions related to the ESM. A new permanent sub-committee of the budget committee now monitors the government’s ESM-related activities (Konrath 2012). As a preliminary result, a potential trend of de-parliamentarisation does not seem to apply to all parliaments to the same extent.

Against this background, the paper presents and elaborates on the crisis-related activities of parliaments. To what extent have national parliaments become involved in the scrutiny of the management of the current crisis? Do they, for instance, try to exert influence via their governments, or do they engage directly with the European Commission? Do they provide public debates on the management of the crisis and on economic policy reforms? And how can we explain the differences in the level of activity, with, for example, some parliaments passing numerous resolutions to influence the policy-making of their governments, and others initiating public debates? To address these questions, we draw on a quantitative data set of parliamentary activities in EU affairs between 2010 and 2012 established within the OPAL<sup>2</sup> project (see Auel et al. 2014).

## 2 Economic Governance Reform and its Impact on National Parliaments

Although the crisis<sup>3</sup> had started much earlier, it fully hit the EU in early 2010 when it turned into the Greek sovereign debt crisis. Since then, it has spread to other member states, most notably Ireland, Portugal, Spain and Cyprus, and EU member states have agreed on a number of economic governance reforms to manage and overcome what is now often labelled the ‘eurozone crisis’ (for an overview, see Kunstein and Wessels 2012). Among these reforms are the initial European Financial Stability Facility (the EFSF, in force since June 2010) and the permanent European Stability Mechanism (the ESM, in force since October 2012); these are both special purpose vehicles established to provide aid to eurozone member states in need of financial assistance.

<sup>1</sup> The amendment of Article 136 of the Treaty on the Functioning of the European Union (TFEU) paved the way for the establishment of the ESM by the eurozone members.

<sup>2</sup> The Observatory of National Parliaments after Lisbon (OPAL, opal-europe.org) is a consortium bringing together research teams based at Sciences Po (Paris)/IHS Vienna, the University of Cologne, Cambridge University and Maastricht University that is funded within the Open Research Area in Europe for the Social Sciences by the Research Councils of Germany, France, the UK and the Netherlands (ANR-DFG-ESRC-NWO).

<sup>3</sup> The current crisis consists, in fact, of a number of different crises that are strongly interconnected and that partly reinforce each other (see for instance Overbeek 2012: 38). Brok and Langen propose distinguishing four crises: a financial, an economic, a sovereign debt and a political crisis (Brok & Langen 2012: 189f.).

There are other measures, such as the so-called ‘six pack’ (including the ‘European Semester’) and ‘two pack’, aimed at reforming the Stability and Growth Pact and at coordinating economic governance within the EU more tightly to prevent future crises. The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (the TSCG, commonly known as the ‘Fiscal Compact’) requires member states to achieve a surplus or at least a balanced budget, and to establish constitutional or statutory mechanisms to limit public borrowing. Sanctions are imposed for non-compliance.

The crisis has had an impact on national parliaments in a number of ways. All parliaments – although to different degrees – resolved to consolidate their budgets. Instruments such as the European Semester or the Fiscal Compact thus had a great impact on the future fiscal and economic policy decisions of all the (participating) member states. What is more, the parliaments of those member states worst hit by the crisis, the debtor or programme countries, had to agree to so-called Memoranda of Understanding as a precondition for receiving financial assistance from international funds such as the EFSF and the ESM. These Memoranda of Understanding place a heavy burden on the countries’ citizens in terms of salary and pension cuts, the retrenchment of social welfare programmes, and a sharp increase in unemployment. In addition, the parliaments in these countries had already lost parts of their economic freedom due to their dire financial situation. The donor countries, in contrast, have had to shoulder large financial guarantees which may severely limit their political room for manoeuvre in the future.

A second development is the dramatic strengthening of European executives. With the EU in full crisis mode, the European Council has become the most important forum for decision-making in EMU affairs (Puetter 2013). The governments of the eurozone have set up new decision-making bodies, such as the Euro Area Summit at which the Heads of State and Government of the Euro Area regularly convene prior to European Council sessions. The European Council, the Euro Area Summit and the Eurogroup have turned into a kind of European economic government (Wessels and Rozenberg 2013). In fact, the financial crisis provides a perfect illustration of Moravcsik’s (1994) argument about the

executive’s gatekeeper role in EU affairs: governments not only initiate crisis-related policies and control the institutional design, but they can also manipulate ideological justifications. ‘National governments defend policies agreed on at the European level and present national parliaments with a *fait accompli*. ... This becomes particularly clear in their discourse on the rescuing of the Eurozone and of the single currency as the European common good, whereas national parliaments’ representation claims are thwarted as particularistic and parochial’ (Puntscher Riekmann and Wydra 2013: 570). It becomes increasingly difficult for a parliament not to follow what its government decided at a European summit.

Third, some of the measures have been implemented within the legal framework of the EU Treaties and thus apply to all member states. Other instruments, however, such as the EFSF, the ESM<sup>4</sup> or the Fiscal Compact,<sup>5</sup> are based on intergovernmental agreements or treaties outside the EU legal framework. As a result, national governments treated (or tried to treat) the latter as foreign rather than EU policy, which generally limits the involvement of parliaments.

So far we know little about how national parliaments have reacted to the challenges described above. Studies indicate that parliamentary participation rights, those regarding the *ex ante* and *ex post* scrutiny of European Councils/ Euro Area Summits, for example, vary considerably (Wessels and Rozenberg 2013). The same is true for new instruments such as the EFSF, where some parliaments have extensive oversight and veto rights concerning decisions at the European level, while others have mere information rights or are hardly involved in the process at all (Deutsche Bank, 2011).

Thus, there are clear indications that the crisis has not simply weakened parliaments in the same way across member states. Rather, we have reason to assume that – as for EU affairs in general – national parliaments have reacted to the crisis in different ways. In the following, we present the data on crisis-related parliamentary activities.

### **3 Dealing with the Crisis from the Backbenches**

A broader study within the OPAL project (see Auel et al. 2014) provides, for the first time, detailed comparative empirical data on parliamentary activities in EU affairs

<sup>4</sup> Both mechanisms apply only to eurozone member states.

<sup>5</sup> Signed by all EU member states except the Czech Republic and the United Kingdom.

between 2010 and 2012 across all 40 parliamentary chambers of the EU. All national parliaments in the EU can formulate a position on EU decisions and their government's negotiation position before a decision is taken at the EU level. The form of these statements varies. While some parliaments can only issue non-binding resolutions, others have the right to mandate their government, i.e. to bind it to a specific negotiating position. In some parliaments, issuing mandates or resolutions is mainly delegated to committees, while in others the plenary has to be involved. In addition, parliaments do, of course, have the option of debating EU issues in the plenary independently of specific resolutions. Finally, parliaments now also have the possibility of becoming directly involved in the decision-making process at the EU level. The Lisbon Treaty established a so-called 'Early Warning System' (EWS) for subsidiarity control. The system allows a national parliament to object to a legislative proposal on the grounds that it breaches the principle of subsidiarity, by submitting what is called a 'reasoned opinion' within eight weeks of the proposal's publication.<sup>6</sup> And while this procedure does not provide national parliaments with a veto, they can at least enforce a review of a legislative proposal at the EU level, depending on the number of reasoned opinions submitted.<sup>7</sup> Since 2006, the Commission has also engaged in the so-called 'Political Dialogue' with national parliaments. In the context of this dialogue, the Commission sends its legislative proposals and consultation papers to national parliaments, inviting them to express their opinion, not just on issues of subsidiarity, on these documents. In turn, the Commission promises not only to reply to all

opinions, but also to take them into due consideration (Preising 2011: 152).

The data presented here takes these different parliamentary scrutiny instruments into account by including all parliamentary resolutions and/or mandates (depending on the scrutiny system), plenary debates on EU issues, and opinions issued in the context of the Early Warning System and the Political Dialogue. For the purpose of this paper, we selected all crisis-related activities from the larger data set<sup>8</sup> and focused on lower chambers only. The final data set on crisis-related activities consists of 993 parliamentary crisis activities.

Before presenting the results, a discussion of a few shortcomings and caveats of our data collection is in order. Generally, the aim of this paper is to compare the activities of all lower houses in the EU. For such a comparison, the use of quantitative (and arguably less precise) data is required. As a result, the data cannot give a complete overview of all parliamentary activities related to the crisis.<sup>9</sup> Also, simply counting activities tells us little about the impact of parliamentary involvement, i.e. whether more active parliaments also succeed in controlling and influencing their governments effectively. Since the actual impact of parliamentary activity in terms of influence is impossible to measure, we measure only what parliaments do, but not whether they are actually successful in what they do.

Still, as table 1a shows, national parliaments have certainly not ignored the eurozone crisis. Over the

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<sup>6</sup> 'Protocol on the Application of the Principles of Subsidiarity and Proportionality' annexed to the Treaty of Lisbon. Official Journal of the European Union (OJEU), 2010 C83/206.

<sup>7</sup> If one third of the national parliaments submit a reasoned opinion, the Commission must formally-review the proposal and may withdraw or amend it but may also maintain it unaltered. Thus in these cases national parliaments can only show the Commission a 'yellow card', but cannot force it to take their concerns into account. If, however, at least half of the national parliaments submit reasoned opinions on a legislative proposal falling under the ordinary legislative procedure (co-decision), and the Commission maintains the proposal, the legislative proposal will be submitted to both the Council and the European Parliament for review ('orange card').

<sup>8</sup> This included, first, all activities on crisis-related EU legislative proposals. Second, we coded all activities relating to the intergovernmental measures initiated outside the legal EU framework including, for instance, the EFSF and ESM rescue mechanisms as well as the TSCG. Third, we also coded an activity as crisis-related if the content of the activity showed sufficient relation to the crisis. This was done by a qualitative assessment of the activities and included, for instance, general debates on the crisis or on relevant government declarations before or after European Council and Euro Area Summits, but also parliamentary resolutions dealing with the crisis outside specific EU proposals.

<sup>9</sup> First, it covers only the use of formal parliamentary instruments, and second, it does not even cover all of these. For example, it does not capture the use of other parliamentary control instruments, such as parliamentary questions, nor does it measure the time spent on EU affairs in committees. These limitations are mainly due to an inability to access data.

**Table 1a: Crisis-related parliamentary activities 2010-2012**

	Type of activities				
	Number of plenary debates	Hours of plenary debates	Mandates/resolutions	Reasoned opinions on subsidiarity	Political dialogue opinions
EU 27 abs. (av.)	454 / 17	998 / 37	438 / 16	12 / 0.4	89 / 3
Standard deviation	(16)	(39.4)	(14)	(1.37)	(7.49)

Note: For all activities, the table provides the absolute number of all observations for 2010 to 2012, the average and the standard deviation (in brackets).

three years of the period under observation (2010 to 2012), they spent almost one thousand hours debating crisis-related issues in over 450 plenary debates, and they issued hundreds of mandates or resolutions on this topic. The fact that these crisis activities represent almost one fifth (19.3%) of all EU-related activities further underlines the important role the crisis has played within national legislatures. In contrast, the Early Warning System has clearly been less important

with regard to crisis legislation. Despite the fact that many of the measures to combat the crisis have a direct impact on core parliamentary competencies, national parliaments rarely expressed concerns about questions of subsidiarity.

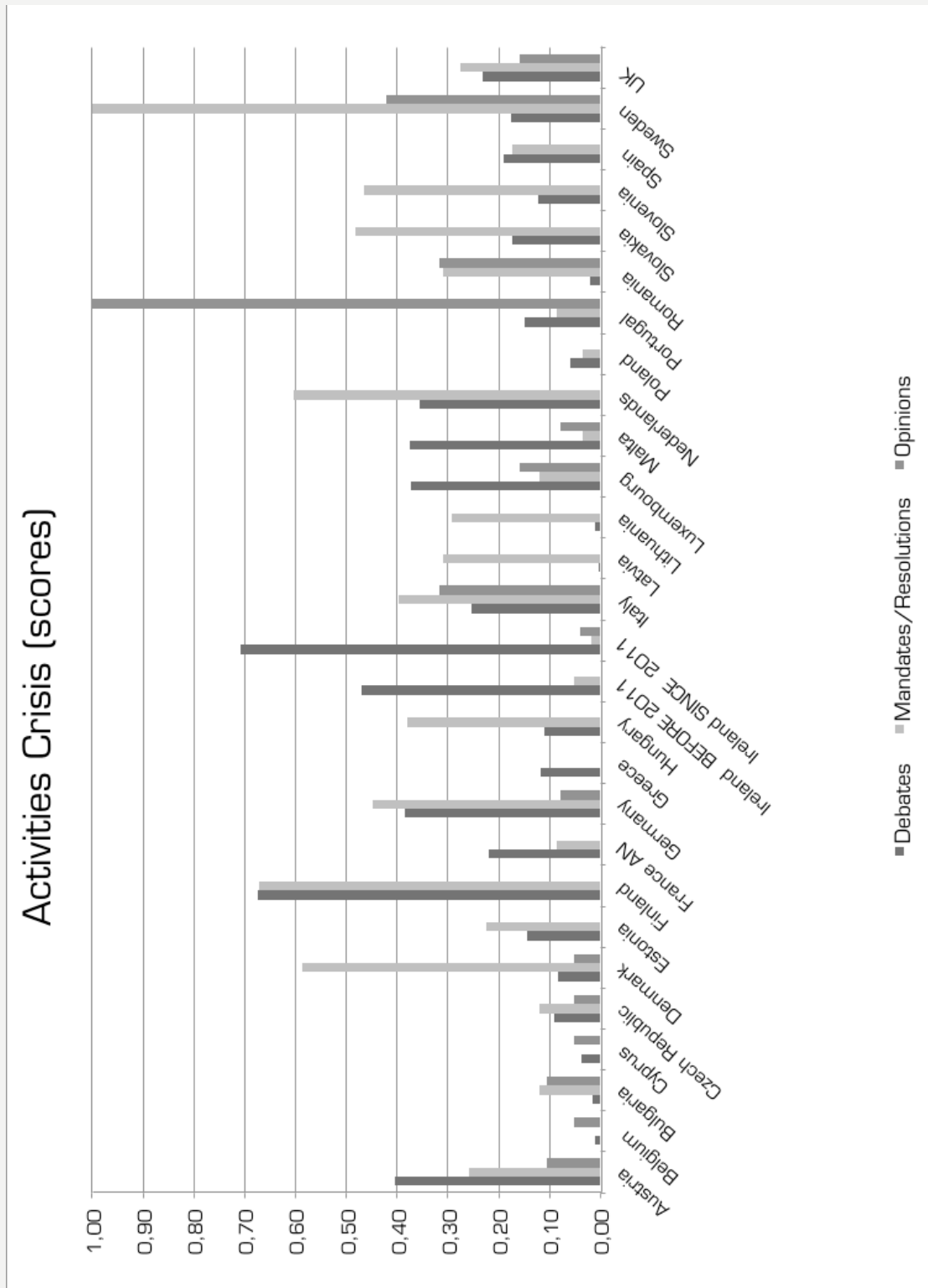
At the same time, the large standard deviations already indicate that there are great differences in the level of activity within different groups of parliaments (table 1b).

**Table 1a: Crisis-related parliamentary activities 2010-2012 by groups of parliaments**

	Type of activities				
	Number of plenary debates	Hours of plenary debates	Mandates/resolutions	Reasoned opinions on subsidiarity	Political dialogue opinions
Eurozone (n=17) abs./av. (stand. deviation)	357 / 21 (17.8)	830 / 49.5 (43.9)	239 / 14.1 (12.6)	4 / 0.2 (0.4)	63 / 3.7 (9)
Non-euro-zone (n=10) abs./av. (stand. deviation)	97 / 10 (8.8)	158 / 16 (14.2)	199 / 19.9 (15.3)	8 / 0.8 (1.4)	26 / 2.6 (3.5)
Debtors (n=3) abs./av. (stand. deviation)	106 / 35.5 (31.7)	207 / 69 (64.8)	9 / 2.3 (2.2)	0	39 / 13 (17.7)
Donors (n=14) abs./av. (stand. deviation)	251 / 17.9 (10.7)	633 / 45.2 (36.6)	230 / 16.4 (12.07)	4 / 0.5 (0.5)	24 / 3.4 (3.2)

Note: For all activities, the table provides the absolute number of all observations for 2010 to 2012, the average and the standard deviation (in brackets).

Figure 1: Types of activity (scores)



Eurozone parliaments, for example, have debated crisis issues far more often and for longer than non-eurozone parliaments, but they issued on average fewer mandates or resolutions. One reason could be that the group of non-eurozone parliaments contains a number of assemblies that can be considered as rather strong, such as those of Sweden, Denmark, Latvia and Lithuania. We also find an uneven pattern for the differences between debtor and donor parliaments within the eurozone. While debtors have debated crisis issues more actively, the donor countries are considerably more active when it comes to issuing mandates or resolutions. Aggregated data does, of course, obscure differences between parliaments within these groups. Figure 1 therefore presents the scores for crisis-related debates, mandates/resolutions and opinions for the individual parliaments.

As the figure demonstrates, parliaments differ not only with regard to their overall level of activity, but also with regard to what type of activity they emphasise. This allows us to distinguish between different modes of parliamentary involvement when it comes to scrutiny activity:<sup>10</sup>

#### 'Policy Shapers'

For some parliaments, issuing resolutions or mandates on EU documents or on their government's negotiation position (depending on the type of scrutiny system) is the main activity. Greater activity in this area does not, of course, necessarily translate into greater influence. What unites this group, however, is that scrutiny activity is mainly delegated to committees, while, with a few exceptions, plenary debates take place far less frequently than in other parliaments.

#### 'Debating Arenas'

The second group consists of parliaments that focus on mobilising the plenary through debates. This does not necessarily mean that committee work is less important. However, in this group crisis-related issues play a far more important role in the plenary than in other parliaments, while issuing parliamentary mandates or resolutions is usually less important. While debates do, of course, also serve parliamentary oversight and control, especially through the opposition (Auel 2007),

the decisive difference is that this control and oversight is not mainly delegated to committees.

#### 'Commission Watchdogs'

The third group consists of chambers that focus on the dialogue with the European Commission, either through opinions within the Political Dialogue or through reasoned opinions within the Early Warning System.

#### 'Scrutiny Laggards'

Given the low overall activity of some of the parliaments, it is technically possible but rather moot to include them in any of the groups above. Even though parliaments in this group may spend a considerable amount of committee time on the scrutiny of crisis-related issues and try to exert more informal influence, this does not translate into the provision of public debates or (visible/formal) attempts to influence either their government or the European Commission.

Table 2 gives an overview of the chambers within each group. That membership of one group does not preclude membership of another is demonstrated, for example, by the Dutch Tweede Kamer, the German Bundestag and the Finnish Eduskunta, three Policy Shapers that also debate crisis-related issues regularly in the plenary. Similarly, the Italian, Romanian and Swedish parliaments are both Policy Shapers and Commission Watchdogs. Within the groups, we also find two clear outliers: while the Swedish Riksdag is by far the most active mandating parliament, the Portuguese Assembleia is the most active when it comes to sending opinions within the Political Dialogue and the EWS. However, in the case of the Assembleia, the high level of activity is somewhat misleading, as the parliament sent opinions on a very large number of Commission documents – regardless of whether it had critical comments and suggestions or, as was true in the majority of cases, simply agreed with the Commission proposal. Thus, it can actually also be classified as a Scrutiny Laggard.<sup>11</sup> Similarly, the Estonian Riikikogu is just narrowly included in the group of Policy Shapers rather than with the Scrutiny Laggards, and the French Assemblée Nationale only just makes it into the group of Debating Arenas.

<sup>10</sup> The different modes are inspired by the draft introduction to Heffler et al. 2014.

<sup>11</sup> The Commission responds only to those parliamentary opinions sent within the Political Dialogue that actually include comments or suggestions on the Commission document. As can be seen on the Commission's website, this is the case for only a very small fraction of the Assembleia's opinions ([http://ec.europa.eu/dgs/secretariat\\_general/reactions/reactions\\_other/npa/index\\_en.htm](http://ec.europa.eu/dgs/secretariat_general/reactions/reactions_other/npa/index_en.htm)).

**Table 2. Modes of parliamentary activity in crisis-related EU affairs**

Mode of Activity	Chambers
Policy Shapers	DE, DK, EST, FI, HU, IT, LI, LV, NL, RO, SK, SL, SE, UK
Debating Arenas*	AT, DE, FI, FR, IR, LUX, MAL, NL, UK
Commission Watchdogs	IT, (PO), RO, SE
Scrutiny Laggards	BE, BU, CY, CZ, GR, PL, PO, SP

\* The term Debating Arenas only refers to the relative importance of debates. In fact, even in the most active Debating Arenas the share of overall plenary time devoted to crisis-related issues ranges from 3.75 per cent in Ireland to 8.88 per cent in Finland, and the share of debates on EU issues in general remains below 15 per cent.

#### 4 Business as usual? Explaining Parliamentary Crisis Activities

How can the different levels and modes of parliamentary involvement in the EU management of the crisis be explained?

A first and very basic assumption is that parliamentary activity in crisis-related EU affairs is simply ‘business as usual’, and that the level of parliamentary activity related to the management of the crisis is therefore not fundamentally different from that for other European affairs. Although some of the crisis measures were agreed outside the EU legal framework, a sizeable number of EU directives and regulations were related to the crisis and were dealt with by national parliaments through their usual scrutiny procedures. Second, parliaments already active in EU affairs have developed routines – for instance the involvement of specialised standing committees – that are likely to be used for the management of the crisis, and vice versa. Therefore, we expect high as well as low levels of parliamentary EU activities to be sustained within the management of the crisis.

H1: The scrutiny of the management of the crisis is essentially ‘business as usual’: *The activity level for the management of the crisis is similar to that for general EU affairs.*

A related assumption is that parliamentary activity will depend on institutional structures and opportunities, i.e. their capacity to become effectively involved in EU affairs. This capacity is generally assumed to depend on the institutional provisions in three dimensions: first, access to information; second, institutional capacity to process this information and, third, instruments to influence the government’s position in negotiations in

the Council and to hold the government accountable (see also Auel et al. 2014; Winzen 2012: 659). Thus, we expect the level of parliamentary activity in crisis-related matters to depend on the institutional opportunities/capacity at the disposal of the parliaments and thus on their institutional strength.

H2: Institutional strength: *The greater the institutional strength of a national parliament in EU (‘crisis’) affairs, the greater its level of crisis-related activity.*

Finally, as already indicated by table 1b above, macro-economic factors related to the crisis have an impact on parliamentary behaviour. At a very basic level, we expect parliaments in the eurozone to show higher levels of crisis-related activity since a number of measures – such as the EFSF or the ESM – only apply to them. Going a step further, it then makes a fundamental difference whether a country provides or receives financial assistance. The debtor or programme countries, Greece, Ireland and Portugal<sup>12</sup> are, of course, affected by the crisis to a much greater degree in economic terms. Yet one can assume that their parliaments would actually have less incentive to scrutinise the EU management of the crisis both because of internal pressures to deal with their fiscal problems and, especially, because of external pressures emanating from the EU level to accept conditions for financial support and to ratify the EU anti-crisis measures. In turn, while most donor countries are less affected by the immediate economic impact of the crisis, they have had to make large financial commitments, and the main question for them is whether the financial guarantees will ever become due. Thus, rather than being forced to accept measures in return for financial support, the parliaments of donor countries have a vital interest in the effectiveness of the management of the crisis as a way to avoid credit default. Given the extent of the financial guarantees

<sup>12</sup> Since the data only covers the 2010-2012 period, Spain is not classified as a debtor country. It received financial assistance for its banking sector only late in 2012. A major impact on parliamentary activities in these few months is not expected to be detectable with the data at hand. Financial assistance to Cyprus was granted in 2013.



(and the public debates they have triggered over EU-wide solidarity in some of the donor countries), we expect the incentive for donor parliaments to scrutinise crisis-related measures at the EU level to be greater than the incentive for debtor member states.

H3a: ‘Relevance’ of crisis I: *Parliaments in the eurozone show higher levels of crisis-related parliamentary activity than those outside.*

H3b: ‘Relevance’ of crisis II: *Within the eurozone, parliaments of donor countries show higher levels of crisis-related activity than those of debtor countries.*

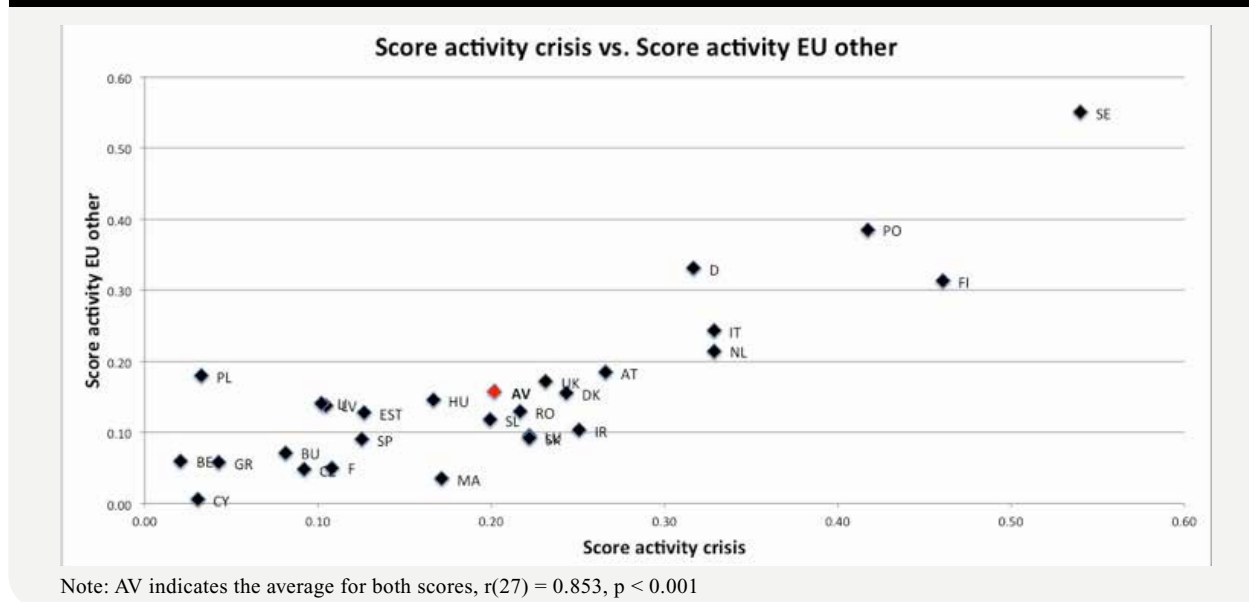
To test these hypotheses, we draw on the scores developed within the OPAL project. The OPAL score of institutional strength measures general parliamentary strength in EU affairs.<sup>13</sup> For the second score, we expanded the original OPAL score slightly to take parliamentary participation rights regarding management of the new crisis into account. Specifically, we measured whether parliaments merely have information rights regarding pay-outs through the EFSF, whether they have the right to vote on

the pay-outs or whether they are not involved at all. The data is provided in an often cited study by Deutsche Bank in 2011.<sup>14</sup>

The OPAL score for parliamentary activity in EU affairs in general measures parliamentary activities across five different indicators (for details see Auel et al. 2014): number of resolutions/mandates, committee meetings (both number and duration of meetings), plenary debates (both absolute number and percentage of time spent on EU issues out of overall plenary time), European Affairs Committee (EAC) hearings with the head of the government as well as reasoned opinions within the Early Warning System and opinions within the Political Dialogue. To keep the scores comparable, we omitted committee meetings and hearings with the Prime Minister from the score used here, as we have no information on the extent to which these activities were crisis-related.

As our analysis<sup>15</sup> reveals, dealing with the crisis is indeed to some degree ‘business as usual’ for national

**Figure 2: Scrutinising the management of the crisis – business as usual?**

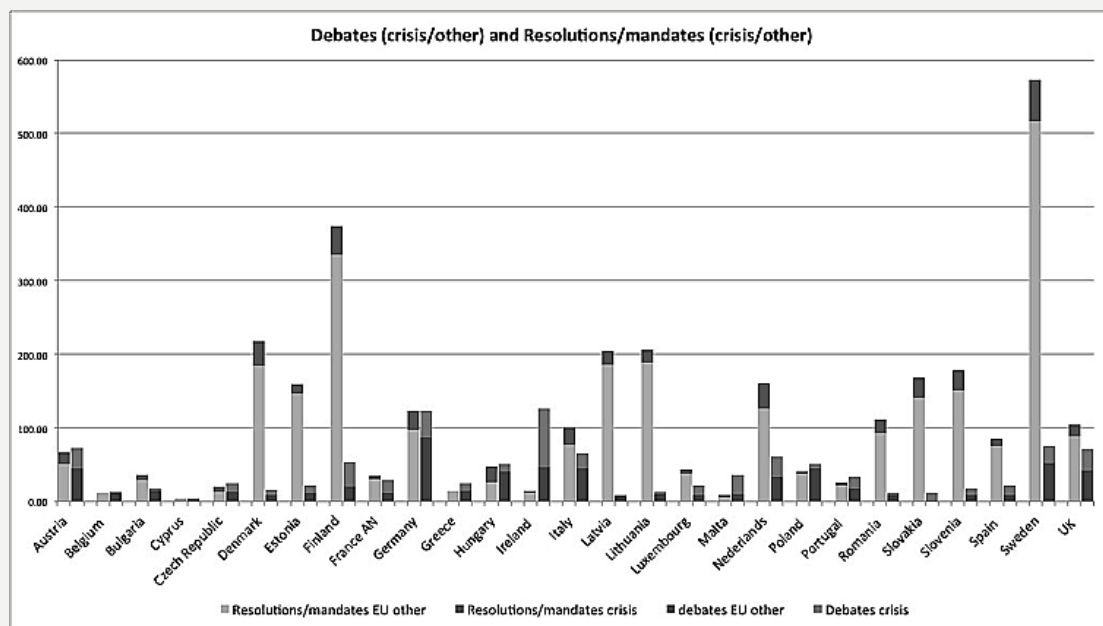


<sup>13</sup> Institutional strength is measured along three dimensions: access to information (access to non-public EU documents, access to explanatory memoranda from the government and ex ante reports on meetings of the European Council and the Council of the EU), parliamentary infrastructure (type and size of the European Affairs Committee(s), the involvement of other standing committees in EU scrutiny and filter mechanisms for documents), and oversight and influence rights (the binding character of mandates and resolutions, the scope of the scrutiny procedure, the existence of a scrutiny reserve and ex post reports by the government on meetings of the European Council and/or the Council of the EU) (for a detailed discussion of the score see Auel et al. 2014).

<sup>14</sup> Given that the ESM only entered into force in October 2012, EFSF participation rights are more pertinent for the period under investigation.

<sup>15</sup> For this paper, we used correlations (Pearson’s r) to test the impact of the various factors. For calculations including the institutional strength, the sample size is 28 rather than 27, since for the Irish Dáil Éireann we distinguish between the periods before and after the reform of the scrutiny system in June 2011.

**Figure 3: Comparing debates and mandates/resolutions**



parliaments. As figure 2 illustrates, we found a strong correlation between the level of activity related to the crisis and the level of activity in other EU policy areas. Figure 3 provides a comparison for debates and mandates/resolutions between those related to the crisis and those related to other EU issues. As regards resolutions and mandates, the crisis has, of course, been important for the strong Policy Shapers, such as the Baltic and Nordic parliaments, and also the Slovenian and Slovakian parliaments, but it has by no means dominated their scrutiny activity relative to other EU policy areas. In fact, we found a strong correlation between the number of mandates/resolutions that were crisis-related and the number related to other EU issues,<sup>16</sup> again underlining that the crisis has been to some extent ‘business as usual’. The correlation is slightly weaker for debates, however, ( $r(27) = 0.565$ ,  $p = 0.002$ ), and the differences in the relative share of crisis debates are much greater, ranging from less than 10% (Belgium) to over 80% (Ireland) of all EU debates. The figure also shows that the strong Policy Shapers, in particular, involve the plenary only rarely; EU issues are generally fairly firmly delegated to committees. Yet even in the case of some Policy Shapers the crisis has – despite fairly low absolute numbers – led to an increase in plenary debates, in, for example, Finland, Denmark, Estonia and Slovakia. Among the Debating Arenas

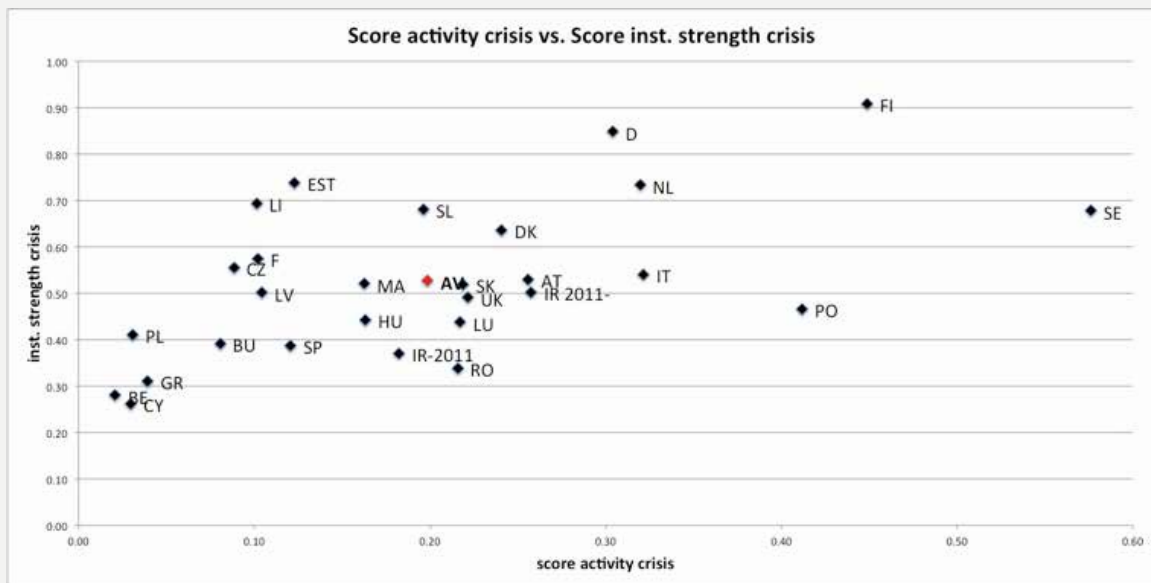
such as the parliaments of Austria, Germany Italy, the Netherlands or the UK, in turn, the crisis usually played a large role or, as in the case of Ireland, even a larger role that other EU affairs. Overall, in 16 out of the 27 parliaments, crisis issues have been debated in more than 40% of all EU debates, and in 11 of the parliaments crisis issues were dominant, with 50% or more of all EU debates.

In addition, the level of activity is closely related to the institutional strength of the parliaments in crisis-related EU affairs (figure 4). The better their institutional opportunities and means to get involved, the more active they are. But we do find that some of the most powerful parliaments, such as those of Lithuania, Estonia, Denmark or Slovenia, are less active than one would have expected from their strength. In turn, some of the institutionally weaker parliaments are more active than their powerful counterparts.

Similarly, the level of individual activity can best be explained by looking at either institutional strength or the general level of EU activity. Thus, whether parliaments are Debating Arenas, Policy Shapers or Commission Watchdogs also depends mainly on their institutional strength and their general involvement in EU affairs. In addition, we also found a strong

<sup>16</sup> ( $r(27) = 0.870$ ,  $p < 0.001$ )

**Figure 4: Comparing institutional strength and level of activity**



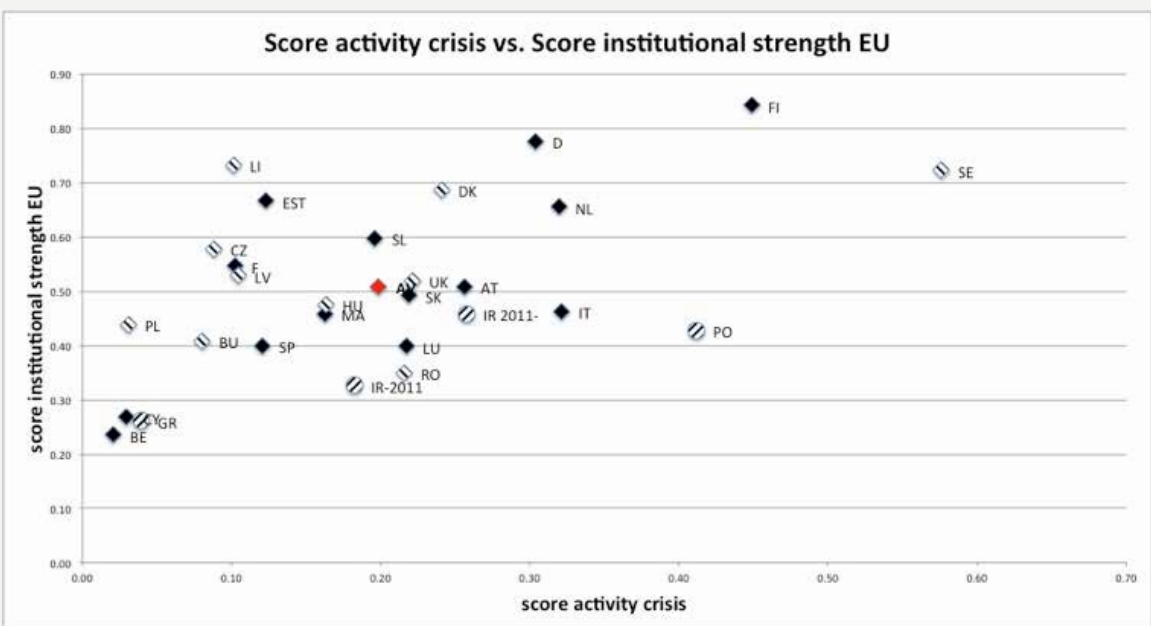
Note: AV indicates the average for both scores,  $r(28) = 0.576$ ,  $p = 0.001$ .

correlation between institutional strength in EU affairs in general and institutional strength regarding the crisis.<sup>17</sup> Although the measurement of crisis-related strength is still rather crude, since it takes into account only specific EFSF-related rights, the finding indicates that, at least in this area, the stronger parliaments have

been able to assert their powers, while the weaker ones remain marginalised.

Finally, we take a closer look at the impact of the crisis itself. As the scatterplot in figure 5 illustrates, we do find a relationship between eurozone membership and

**Figure 5: 'Relevance' of the management of the crisis**



Note: Black diamond markers indicate eurozone member states, striped diamond markers non-eurozone member states and circular striped markers debtor countries.

<sup>17</sup>  $(r(27) = 0.853, p < 0.001)$

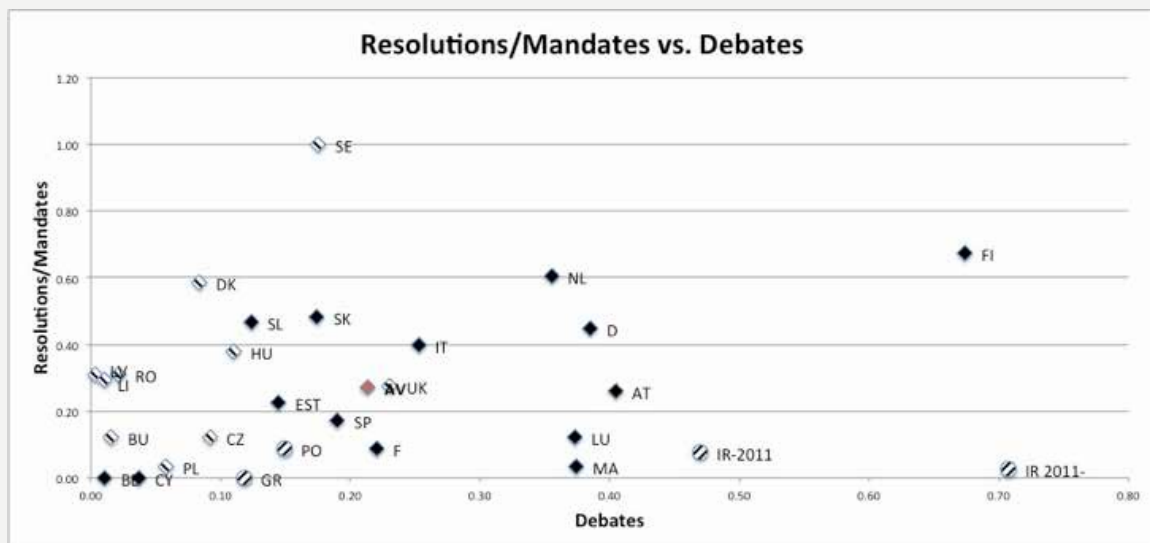
the level of activity, albeit at a weak level. Apart from the very active Swedish Riksdag and, to a much lesser extent, the Danish Folketing and the Romanian Camera Deputaţilor, all non-eurozone parliaments (indicated by the striped diamond marker) remain below the average level of activity. Within the eurozone, however, differences between the donor and debtor countries are striking: here, the powerful parliaments of Finland, Germany, Italy and the Netherlands form a group of the most active parliaments. Among the debtor countries (circular striped markers), by contrast, only the Irish parliament has been fairly active, and this is since the reform of its scrutiny procedures in 2011. The other debtor countries (Greece and Portugal), together with Cyprus and Spain (two member states that became debtors in late 2012 and early 2013, respectively), are amongst the least active when it comes to the crisis, given that the activity of the Portuguese Assembleia is based almost exclusively on supportive (and thus completely inconsequential) opinions sent to the Commission within the Political Dialogue. And as the values for institutional strength in EU affairs in general indicate (on the y axis), these parliaments are also among those that are already the weakest in the EU.

Eurozone membership also explains – at least partly – the mode of scrutiny within national parliaments. As figure 6 demonstrates, eurozone membership

has little impact on the mandating activity, but in all non-eurozone members (striped markers) – with the exception of the UK – plenary debates concerning crisis-related issues play a far smaller role than they do in eurozone members, and this is especially the case for those countries where the adoption of the common currency is planned. This does suggest that the parliaments of member states that are preparing to enter the eurozone in the foreseeable future may have been somewhat less willing to debate crisis issues.

In addition, the figure again illustrates very clearly the striking differences between debtor and donor parliaments within the eurozone. None of the parliaments of the debtor or programme countries of Greece, Ireland and Portugal (indicated by the circular striped markers) is very active in trying to influence its government by issuing resolutions on crisis issues. And while these parliaments do debate crisis issues more regularly than many of the non-eurozone parliaments, they remain well below average here as well. Only the Irish parliament is a rather active Debating Arena, especially since the strengthening of its scrutiny procedures in June 2011. Since that time, the Dáil Éireann has regularly debated, for example, statements of the Taoiseach on formal and informal European Council meetings as well as Eurozone Summits (see also Wessels and Rozenberg 2013).

**Figure 6: ‘Relevance’ of the management of the crisis for debates and mandates/resolutions**



Note: Black diamond markers indicate eurozone member states, striped diamond markers non-eurozone member states and circular striped markers debtor countries.

## 5 Discussion and Conclusions

Unsurprisingly, our data shows that there is no easy answer to the question raised in the introduction, namely whether parliaments have been active in scrutinising the European management of the crisis and the economic governance reforms, or whether they have been marginalised by the crisis. The level of activity shows that we can find both quite active parliaments and scrutiny laggards – and a large field in between. However, the assessment depends not only on an investigation of the level of their engagement in EU affairs, but also on the prior definition of what this role ought to consist of (Auel 2007; Raunio 2011). Clearly, if the ability of parliaments to control and influence their governments is considered to be most important, the Policy Shapers seem to perform especially well – always bearing mind the caveats regarding the actual influence discussed above. However, when the assessment takes into account the communication function of national parliaments, things look slightly different. In fact, we find few chambers that score highly on both types of activity. The most prominent exceptions are the Finnish Eduskunta, and also the German Bundestag and the Dutch Tweede Kamer. Finally, the Scrutiny Laggards may be fairly active when it comes to dealing with EU affairs within their committees. However, although they may try to fulfil their parliamentary functions in a more indirect and possibly in an informal manner, the fact that they neither try to exert influence through mandates/resolutions or opinions nor provide plenary debates means that the overall added value of this activity in terms of the parliamentary legitimation of EU politics at the domestic level remains questionable.

A second finding is that parliaments have indeed dealt overall with the crisis in a roughly similar way to the way they deal with other EU affairs. Thus, at least regarding the scrutiny of the management of the crisis, to speak of a general ‘de-parliamentarisation’ is too simplistic. While the crisis did not lead to a dramatic increase in parliamentary mandates or resolutions, it did not shock parliaments into inertia. Whether parliaments actually had an *influence* on the decision-making remains – admittedly – an open question. As Puntischer Riekmann and Wydra argue for Germany, Italy and Austria, ‘despite highly controversial debates ... majorities voted in favour of government’s legislative proposals’ due to their ‘entrapment in the European rescue discourse’ (Puntischer Riekmann and Wydra 2013: 579). We also found that the

crisis had an impact on the debating activity. And while our data does not allow us to investigate whether the crisis has actually led to an *increase* in debates compared to the period before 2010, findings from other studies suggest not only that this is indeed the case (Auel and Raunio 2014), but also that the crisis has led to an increased politicisation within national parliaments (Puntischer Riekmann and Wydra 2013; Wendler 2012). A large majority of parliaments seem more willing to poke the famous ‘sleeping giant’ (Van der Eijk and Franklin 2004) when it comes to crisis issues. However, the poking must also not be overemphasised: on average, parliaments used little over 2% of their overall plenary time to debate crisis-related EU issues, and thus still perform fairly poorly when it comes to their communication function in this area. The Debating Arenas, all of them parliaments of eurozone members, perform slightly better than the others, but still only reach 4.2% on average. Finally, in the parliaments of those member states preparing to enter the eurozone, the crisis played the smallest role, with only an average of 0.5% of the overall plenary time being devoted to crisis issues. This could suggest that these states prefer to keep the giant sedated, to avoid debates where potential dangers and challenges related to adopting the common currency might be emphasised publicly.

Finally, our data confirms Benz’s (2012) argument about the asymmetric impact of the crisis on national parliaments: while the institutionally strong parliaments were able to assert or even strengthen their institutional position when it came to the management of the crisis, institutionally weaker parliaments remained marginalised. What is more, the crisis clearly hit hardest those member states with the institutionally weakest parliaments in the EU. While we do not, of course, want to draw any conclusions on a potential relationship between parliamentary strength in EU affairs and being hit by the financial crisis, we do note that the Irish Dáil Éireann is the only parliament that has increased its institutional strength. And although the scrutiny reform in June 2011 was not a direct reaction to the crisis,<sup>18</sup> the Dáil has undoubtedly become more actively involved in crisis-related and other EU affairs since that time. All the other parliaments of crisis member states, including Spain (a debtor since late 2012) and Cyprus (a debtor since early 2013), have not (yet) been able to catch up institutionally with the challenges of either EU integration over the recent decades or the recent crisis. Should Slovenia decide to accept financial support, we will be able to observe whether this has an impact

<sup>18</sup> Personal interviews with two members of the Oireachtas, 8 October 2013

on the activities of an otherwise powerful and rather active parliament in EU affairs. So far, the crisis has clearly cemented the gap between stronger and weaker parliaments. And the fact that the weaker parliaments of the debtor countries are also severely weakened by

their financial and economic situation and by having to comply with external requirements and constraints, such as those set by the Memoranda of Understanding, does indeed raise the worrying spectre of a development towards 'second class parliaments' in the EU.

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