







number of major respects. First, the European Commission defines a list of policy priorities in the Annual Growth Survey (AGS) well before national governments have started preparing draft budgets for the following year. Member states are obliged to take the AGS into account when drafting Stability or Convergence Programmes and National Reform Programmes. The new approach to policy coordination also gives the European Commission increased intervention rights in terms of both the areas in which the Commission may intervene and the stringency of that intervention (see Box 2). The Commission's role is strengthened relative to the Council, which in some areas now only opposes a Commission recommendation to impose sanctions on non-performing member states, rather than being required to approve it. The European Semester also changes EU policy coordination in that fiscal and structural reforms are considered jointly

The European Parliament fought rightly – for a stronger role in the European Semester procedure and secured the right to Economic Dialogues (introduced with the

**BOX 1: THE EUROPEAN SEMESTER TIMELINE**

The European Semester begins with the publication by the European Commission of the Annual Growth Survey (AGS), which is a list of general policy priorities for the EU and its member states

The EU Council (grouped in different formations) and the European Parliament debate the AGS until March, when the spring European Council formally endorses it.

Following endorsement by the Spring European Council, EU member states must take EU policy guidance into account when drafting their Stability or Convergence Programmes (SCPs) and National Reform Programmes (NRPs), both of which they must submit to the Commission by 30 April each year

The European Commission evaluates national plans to ensure that proposed measures respect the priorities and objectives identified in the AGS. Around the end of May, the Commission publishes its own assessment of national fiscal and structural plans and releases both country-specific recommendations and euro-area recommendations

The Council then approves draft recommendations, the European Council endorses them, and finally the Council publishes the country-specific recommendations, which are binding on EU member states.

The six pack allows the European Parliament to make use of the Economic Dialogue instrument to engage in a discussion with EU institutions and national representatives on issues relating to the European Semester – whether concerning the Commission's AGS or the country-specific recommendations or the national implementation of the recommendations – at almost any point in time throughout the Semester process (see Table 1).

the six pack, see Box 2). These allow the European Parliament to hold the Commission with the other Parliamentary accountability.

At the end of the European Semester, each country receives its own recommendations. The Commission Member State progress in the implementation and can impose sanctions for non-compliance. Sanctioning applies only to the failure to bring the fiscal deficit below 3% of GDP or to correct large macro-economic imbalances. The AGS or the Commission's AGS or the country-specific recommendations or the national implementation of the recommendations – at almost any point in time throughout the Semester process (see Table 1).

4. National Reform Programmes are submitted at the same time as Stability or Convergence Programmes. The idea is that the Commission should do a joint review of both the macro and micro economic policies the Member State government is proposing.
5. Formally, the AGS is based on the EU2020 strategy progress report, the Macroeconomic Report and the Joint Employment Report.
6. The two pack legislative proposal suggests that the submission of national documents is anticipated to 15 April in the case of euro area countries.

Table 1: European Semester timeline

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
European Commission	Adoption: AC						Adoption: CSRs/ EAR		
EU Council	Debate and orientations on A							Finalisation and adoption of CSRs and EARs	
European Parliament	European Dialogue								
European Council	Endorsement of AC						Endorsement CSRs/ EAR		
Member states	National Parliaments discuss S and NRPs						Submitter SCPs/NRF		

Key: AGS = Annual Growth Survey; CSRs = country-specific recommendations; EARs = euro-area recommendations; SCPs = Stability and Convergence Programmes; NRPs = National Reform Programmes. Source: Bruegel.



# 04

bruegelpolicybrief

9. The German case demonstrates that Member State governments generally 'implement' recommendations they were already doing anyway and ignore recommendations that would involve truly new reforms.

10. Van Rompuy, Herman (2012) and Future of Europe Group (2012).

11. A good press review is 'The eurozone: an ever-deeper democratic deficit', *The Economist* 26 May 2012.

12. At the same time, there is at least some hope that this may be evolving—in a recent special issue of *Electoral Studies* which analysed a set of data from the 2009 European Parliamentary elections, there is some evidence that in Member States where there was a lot of coverage of European issues there was also voting more along European instead of national lines. See *Electoral Studies* March 2011, vol 30 (1), edited by Sara Hobolt and Mark Franklin.



or in reaction to the final country and Convergence Programmes to citizens' welfare. specific recommendations. It is where the programmes are discussed, it is mostly because we therefore conclude that, so far, national parliaments have not sufficiently discussed and debated, let alone provided legitimacy for, the EU Council recommendations. Italy and Portugal are exceptions to this: their parliaments discuss only the 'European' and not 'domestic' documents.

### 3.2 The role of national parliaments

## THREE WAYS TOWARDS MORE EFFECTIVENESS AND LEGITIMACY

The budget is the most important part of the parliamentary decision-making power in each country. Structural reforms in terms of labour market laws, product market policies and competition policies are also discussed either Stability and Convergence Programmes (eg Ireland) or National Reform Programmes (eg Cyprus, UK) or intrusive EU intervention programmes (eg Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Portugal, Slovenia, Sweden).

Second, parliamentary committees are much more involved than in the discussion of European documents. In the new EU economic governance framework (a) enhance the role of the European institutions at member state level while increasing the role of the European Parliament in holding EU institutions to account (b) enhance the role of national parliaments at the EU level, and (c) create a legitimate political union, which would require the role and decision-making powers of the European Parliament to be enhanced in a significant fashion. All three options have in common that they attempt to improve the process of defining the common European interest, which should render the EU more effective and legitimate.

To investigate this issue, in a previous project for the European Parliament, we submitted a survey to the EU27 national parliaments to determine the extent to which they discuss Stability and Convergence Programmes and National Reform Programmes had been discussed, the debate concerned both fiscal recommendations under Stability and Growth Pact provisions, and non-binding structural reform recommendations, and whether national parliaments mostly dealt with by European affairs committees as if they were a matter of the relations with the EU, rather than being

First, only the parliaments of France, Italy, Luxembourg, Portugal, Slovakia, Spain and the United Kingdom discuss Stability

13. We received replies to our survey from all countries except Bulgaria.

example that Commissioners should follow. One can argue, of course, that contact with the European Parliament is enough; contacts with national parliaments would be unduly burdensome in terms of time and expense. Yet the EU is by no means a self-contained mature polity, and the European Parliament is not the sole, or even the main, source of input legitimacy. More outreach to national legislatures by Brussels would relieve national governments from being the main communication channel between the EU and national parliaments. While Hallberg (2012) showed that many national parliaments are active and debate the national documents submitted to the EU, far fewer parliaments debate the recommendations issued by the Council. Yet, that is the stage at which concrete policy measures should be formulated and implemented by national parliaments. A stronger presence by the responsible Commissioner, for example in the form of a hearing at a number of national parliaments each year, would be a strong step towards making EU coordination more effective.

Brussels would go to capitals if the inter-parliamentary cooperation between the European Parliament and national parliaments is exploited to its full potential. The existing Interparliamentary Committee meetings

