IN-DEPTH ANALYSIS

The role of national parliaments in the European Semester for economic policy coordination

This briefing summarises the findings of a survey on the role of national parliaments in the European Semester for economic policy coordination. The survey was conducted by the Economic Governance Support Unit of the European Parliament between 30 January and 8 February 2018.

Most parliaments seem to be well informed on the priorities of the forthcoming Semester Cycle, while only a third of them have adopted an opinion in this respect. However, around a third of the parliaments are only informed by their governments of the substance of the relevant national reform programme after its submission at EU level, and very few parliaments adopt an opinion on it. The same conclusion may be drawn for the stability and convergence programmes, while the situation is slightly better as regards the country-specific recommendations. A clear majority of parliaments appears to be well informed of the Commission’s assessments of the country-specific recommendations adopted under the previous Semester Cycle. As regards the adoption of the draft budgetary plans by the government, many parliaments were only informed after they had been submitted to the EU or were not informed at all.

Based on the survey, a positive relationship between the degree of involvement of national parliaments and the 2017 CSR implementation rate may also be noticed, establishing a link between the two dimensions of the legitimacy and the efficiency of the European Semester.

Introduction

In accordance with EU Treaty provisions (Art. 121 of the Treaty on the Functioning of the European Union (TFEU)), Member States shall consider their economic policies as a matter of common concern, as the economic policies (or the absence of certain policies) of one Member State may have spillover effects on other Member States. This is particularly the case for countries in the euro area. The EU Treaty empowers national parliaments to ‘contribute actively to the good functioning of the Union’ (Art. 12 of the Treaty on European Union (TEU)).

In response to the debt crisis, in particular in the euro area, the governance reforms introduced at EU level have changed the environment for national parliaments in terms of economic policy decision-making. With the further enhancement of EU-level monitoring of national policies, the significance of multilevel economic governance has increased and, as a result, the need for cooperation and mutual understanding between the parliaments involved, including the European
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Parliament at Union level. Currently, debates on how to further strengthen the economic governance framework(s) are also ongoing.

This paper focuses on the European Semester for economic policy coordination and surveillance, and the role played by national parliaments in this context. Since 2010, the European Semester has consisted of an annual cycle of policy guidance, coordination and surveillance of national economic and social policies.

While the European Semester process has evolved over the years, political ownership at both EU and national levels of the decisions taken in common under the Semester cycles has been highlighted as indispensable for the efficiency of the current economic governance framework.

While taking into account the legal and political arrangements of each Member State, national parliaments should be duly involved in the European Semester (in the preparation of stability programmes, convergence programmes and national reform programmes) in order to increase the transparency and ownership of, and accountability for, the decisions taken (Recital 16 of EU Regulation 1175/2011).

In its resolution on the Annual Growth Survey 2018, the European Parliament: (a) expresses its concern about: ‘the low rate of compliance with the CSRs, including those aimed at fostering convergence, increasing competitiveness and reducing macroeconomic imbalances’ and (b) ‘believes that more national ownership through genuine public debates at national level would lead to better implementation of the CSRs; considers it important to ensure that national parliaments debate country reports and CSRs; believes that regional and local authorities should be better involved in the European Semester process; calls on the Commission to use all existing tools to enforce those CSRs aimed at addressing these challenges, which represent a threat to the sustainability of the monetary union’ (emphasis added).

The Commission emphasised in its 2018 European Semester Winter Package that, when the Member States present their economic and social policy priorities in their national reform programmes and stability and/or convergence programmes (setting out budgetary priorities) by mid-April 2018, these programmes should be drawn up with the support of national parliaments and all key stakeholders, such as social partners, regional and local authorities, and civil society organisations as appropriate.

For views expressed by the national parliaments during the previous Semester Cycles, please see the biannual reports by Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC).

1. The scope of the survey

A survey was carried out between 30 January and 8 February 2018 in order to assess the degree of involvement of national parliaments in the European Semester (see Annex 1 for the text of the Survey submitted to national parliaments).¹

The survey was addressed to the staff dealing with the European Semester in the national parliaments, taking into account that there may be more than one chamber/parliament involved at the national level.

Replies to the survey were received from all 28 Member States; three countries provided separate answers from two federal chambers (DE, IE, and ES), while one country provided separate answers for both the federal chamber and one regional chamber (BE). In the analysis, all 33 replies are presented and treated with equal weight (see Table 1 below).

The survey results show that in most parliaments, the lead committee on the European Semester is either the Committee of EU Affairs or the Budget/Finance Committee. Other Committees take part in the European Semester debate based on their specific thematic responsibilities (e.g. for commerce, labour, social affairs, agriculture, transport).

The results of the survey are presented in this document as aggregates, based on measurable questions and answers; some replies provided supplementary information, which described national specificities by definition hidden in the numerical summaries.

The survey did not cover the involvement of national parliaments in the Semester process at supranational level. Interparliamentary meetings are organised on a regular basis between national parliaments and the European Parliament in the framework of the European Semester, such as the meetings organised under the aegis of ‘European Parliamentary Week’ and the ‘Interparliamentary Conference on Stability, Economic Coordination and Governance in the European Union’.

The survey was structured in six sections (30 questions in total) highlighting the role of each national parliament and/or chamber in the adoption process of the:

1. Guidelines (‘priorities’) of the European Semester by the European Council;
2. National Reform Programmes (NRPs) by the government;
3. Stability and Convergence Programmes (SCPs) by the government;
4. Country-specific Recommendations (CSRs) by the Council of the EU;
5. Draft Budgetary Plans (DBPs) by the government (applicable only to the euro area);
6. General Questions on the internal structure of the European Semester.
Table 1: Chambers of national (and regional) parliaments which participated in the survey

<table>
<thead>
<tr>
<th>State</th>
<th>National Parliament - Chamber</th>
<th>Responsible Committees for the EU Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>The Austrian National Council</td>
<td>Budget Committee - Finance Committee, Standing Sub-Committee of the Main Committee on Matters of the European Union</td>
</tr>
<tr>
<td>BE1</td>
<td>The Belgian House of Representatives</td>
<td>Finance Committee, Federal Advisory Committee for European Affairs</td>
</tr>
<tr>
<td>BE2</td>
<td>The Belgian Senate</td>
<td>Federal Advisory Committee for European Affairs</td>
</tr>
<tr>
<td>BE3</td>
<td>Flemish Parliament</td>
<td>Committee on Budget and Finance</td>
</tr>
<tr>
<td>BG</td>
<td>The National Assembly of Bulgaria</td>
<td>Committee on EU Affairs, Committee on Finance, Committee on Budget</td>
</tr>
<tr>
<td>CY</td>
<td>House of Representatives of Cyprus</td>
<td>Committee on Financial and Budgetary Affairs, Committee on Foreign and European Affairs, Committee on Labour, Welfare and Social Insurance</td>
</tr>
<tr>
<td>CZ</td>
<td>The Czech Senate</td>
<td>Committee on EU Affairs and the Committee on National Economy, Agriculture and Transport.</td>
</tr>
<tr>
<td>DE1</td>
<td>The German Bundestag</td>
<td>Leading committee: Committee on the Affairs of the EU; NRP: Committee on Economic Affairs and Energy; SCP and DBP: Budget Committee; Guidelines for the employment policies: Committee on Labour and Social Affairs.</td>
</tr>
<tr>
<td>DE2</td>
<td>The German Bundesrat</td>
<td>EU Affairs Committee</td>
</tr>
<tr>
<td>DK</td>
<td>The Danish Folketinget</td>
<td>European Affairs Committee, Finance Committee</td>
</tr>
<tr>
<td>EE</td>
<td>The Estonian Riigikogu</td>
<td>European Union Affairs Committee, Finance Committee</td>
</tr>
<tr>
<td>EL</td>
<td>The Hellenic Parliament</td>
<td>Special Committee on European Affairs, Committee on Economic Affairs, Committee on Social Affairs</td>
</tr>
<tr>
<td>ES</td>
<td>The Spanish Congress of Deputies</td>
<td>Committee for Economy and Competitiveness</td>
</tr>
<tr>
<td>ES2</td>
<td>The Spanish Senate</td>
<td>Joint Committee for the Europe</td>
</tr>
<tr>
<td>FI</td>
<td>The Finnish Eduskunta – Riksdagen</td>
<td>Grand Committee, Finance Committee, Commerce Committee</td>
</tr>
<tr>
<td>FR</td>
<td>The French National Assembly</td>
<td>Finance Committee and Committee on European Affairs</td>
</tr>
<tr>
<td>HR</td>
<td>The Croatian Parliament - Hrvatski sabor</td>
<td>Finance and Central Budget Committee</td>
</tr>
<tr>
<td>HU</td>
<td>The Hungarian National Assembly</td>
<td>Committee on European Affairs</td>
</tr>
<tr>
<td>IE</td>
<td>Dáil Éireann</td>
<td>Joint Committee on EU Affairs, Joint Committee on Finance, Public Expenditure and Reform, Committee on Budgetary Oversight, sectoral Committees for relevant CSRs</td>
</tr>
<tr>
<td>IE2</td>
<td>Seanad Éireann</td>
<td>Joint Committee on EU Affairs, Joint Committee on Finance, Public Expenditure and Reform, Committee on Budgetary Oversight, sectoral Committees for relevant CSRs</td>
</tr>
<tr>
<td>IT</td>
<td>Italian Senate</td>
<td>Budget Committee</td>
</tr>
<tr>
<td>LT</td>
<td>Lithuanian Seimas or the Lithuanian Parliament</td>
<td>Committee on European Affairs</td>
</tr>
<tr>
<td>LU</td>
<td>The Luxembourg Chamber of Deputies</td>
<td>Finance and Budget Committee</td>
</tr>
<tr>
<td>LV</td>
<td>The Latvian Saeima of the Latvian Republic</td>
<td>European Affairs Committee, Budget and Finance (Taxation) Committee, Social and Employment Matters Committee, Economic, Agricultural, Environmental and Regional Policy Committees</td>
</tr>
<tr>
<td>MT</td>
<td>The Maltese House of Representatives</td>
<td>Economic and Financial Affairs Committee</td>
</tr>
<tr>
<td>NL</td>
<td>The Dutch House of Representatives - Tweede Kamer</td>
<td>Finance committee (lead committee); Economic Affairs Committee; Social Affairs and Employment Committee; European Affairs Committee</td>
</tr>
<tr>
<td>PL</td>
<td>The Polish Senate</td>
<td>EU Affairs, Public Finance, Economic and Development Committees</td>
</tr>
<tr>
<td>PT</td>
<td>The Portuguese Assembly of the Republic</td>
<td>European Affairs Committee, Committee on Budget, Finance and Administrative Modernisation, Committee on Labour and Social Security</td>
</tr>
<tr>
<td>RO</td>
<td>Romanian Senate</td>
<td>Committee on European Affairs, Committee for Budget, Finance and Banks, Committee for Labour and Social Protection, Committee for Economic Policy, Reform and Privatisation</td>
</tr>
<tr>
<td>SE</td>
<td>The Swedish Riksdagen</td>
<td>Committee on Finance, Committee on the Labour Market, Committee on European Union Affairs</td>
</tr>
<tr>
<td>SI</td>
<td>The Slovenian National Assembly</td>
<td>Committee on EU Affairs together with each responsible sectoral Committee</td>
</tr>
<tr>
<td>SK</td>
<td>The Slovak National Council</td>
<td>European Affairs Committee, Financial and Budgetary Committee</td>
</tr>
<tr>
<td>UK</td>
<td>UK House of Commons</td>
<td>European Scrutiny Committee</td>
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</table>
1. The role of national parliaments in the adoption of the European Semester’s guidelines

The European Semester Cycle starts in November with the publication of the Commission’s Annual Growth Survey (AGS), the Alert Mechanism Report (AMR), the draft Joint Employment Report and draft recommendations for the euro area. The AGS presents the Commission’s view of EU policy priorities for the coming year. Based on these reports, the Council of the EU, in its various Council formations, debates the AGS draws conclusions and drafts recommendations in advance of the annual guidelines adopted by the European Council in March each year. In addition, the European Parliament also adopts a resolution in advance of the European Council. Member States are invited to consider these policy guidelines when drawing up their economic policies for the coming year.

The following questions were included in the survey on the European Semester’s priorities:

- When were the priorities of the forthcoming Semester Cycle presented to you by the government?
- Did you provide an opinion/mandate to the government on the annual properties of the forthcoming Semester Cycle?
- Did you discuss the Commission’s assessments on the progress made in the implementation of the priorities of the previous Semester Cycle?

The European Semester shall include:

(a) The formulation, and the surveillance of the implementation of, the broad guidelines of the economic policies of the Member States and of the Union (broad economic policy guidelines) in accordance with Article 121(2) TFEU;

(b) The formulation, and the examination of the implementation, of the employment guidelines that must be taken into account by Member States in accordance with Article 148(2) TFEU (employment guidelines)

(EU Regulation 1175/2011, Art. 2-a(2), emphasis added)

1.1 Dialogue on the EU Semester’s priorities

The first question of the survey asked whether the economic and social priorities of the forthcoming European Semester had been presented to national parliaments before or after their adoption by the European Council. The survey showed that in 17 cases, national governments had presented the Semester’s guidelines to their national parliaments before their adoption in early spring by the European Council, while in six cases the priorities had been presented to national parliaments only after their adoption by the European Council.
1.2 Assessment of the active role of national parliaments in the discussion of the priorities

Some further questions in this section were aimed at assessing the level of ‘active involvement’ by the national parliaments in the discussions on the Semester’s priorities. The survey’s results have shown that in 11 cases, national parliaments delivered an opinion or a mandate to their governments on the priorities of the European Semester, and that in 16 cases, they discussed the Commission’s assessments of the progress made in the implementation of the priorities of the previous Semester Cycle.

The national parliaments provided:
2. The role of national parliaments in the adoption of the national reform programmes (NRPs)

The National Reform Programmes (NRPs) outline the Member States’ structural reform plans, focused on promoting growth and employment. They define the implementation of the Europe 2020 Strategy at national level, and refer to the EU’s targets for its long-term growth strategy in the fields of employment, education, innovation, climate and fight against poverty. NRPs also present the national targets in relation to jointly agreed EU targets, the progresses made towards their achievement, and the measures that will be implemented to achieve them. Member States are expected to submit NRPs preferably by 15 April, but no later than the end of April.

In addition to the role of national parliaments in the adoption procedure for NRPs, this section (as well as section 3 on Stability or Convergence Programmes and section 5 on Draft Budgetary Plans) asks some questions relating to interaction with stakeholders, such as social partners and some relevant national authorities (e.g. national fiscal councils 2 and national productivity boards 3).

The following survey questions were put to NPs on NRPs:

- Was the NRP-programme presented to you by the government?
- Did you provide an opinion on the NRP-programme in question?
- Did you organise a hearing with stakeholders (e.g. social partners, experts etc.) as part of the adoption of the NRP-programme?
- Did you organise a hearing with the national productivity board as part of the adoption of the NRP-programme?
- Did you organise a hearing with the independent national fiscal council as part of the adoption of the NRP-programme?

2.1 Dialogue on the national reform programmes

The survey shows that in eight cases, national governments presented their NRP programmes to their national parliaments before their adoption by the government; in 13 cases NRPs were only presented to national parliaments after their adoption by the government, but before their submission to the Commission, while in eight cases NRPs were only presented to national parliaments after they had been submitted to the Commission.

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2 For an overview of national fiscal councils, see separate EGOV briefing.
3 For an overview of national productivity boards, see separate EGOV briefing.
2.2 Assessment of the active role of national parliaments in the NRPs

Some questions in this section were aimed at assessing the degree of institutional action on the part of national parliaments in the preparation of the National Reform Programmes. The survey showed that in eight cases, national parliaments delivered an opinion or a mandate to their governments on the NRPs; in seven cases, national parliaments held a hearing with social partners, experts, etc., while national parliaments held a hearing with their national fiscal council in three cases, and no hearings were conducted with the national productivity boards.

Q8: The NRP-programme was presented to national parliaments by the government:

- Before adoption by the government
- After adoption by the government, but before submission to the Commission
- After submission to the Commission
- No answer
The national parliaments provided:

Q9: Opinion

- Yes: 24
- No: 8
- No answer: 1

Q10: Hearing with the social partners, experts, etc.

- Yes: 26
- No: 7
- No answer: 0

The national parliaments provided:

Q11: Hearing with the national productivity boards

- Yes: 33
- No: 3
- No answer: 0

Q12: Hearing with the national fiscal council

- Yes: 30
- No: 3
- No answer: 0
3. The role of national parliaments in the adoption of the stability and convergence programmes (SCPs)

The SCPs outline the Member States’ medium-term budgetary objective (MTO). The MTO is the central concept of the preventive arm that serves to ensure sustainable public finances and compliance with the 3% of GDP deficit criterion over the economic cycle. According to the preventive arm of the Stability and Growth Pact (SGP), countries must attain the MTO or be on an appropriate adjustment path.

As part of the surveillance of the MTOs, countries in the euro area submit Stability Programmes, while countries outside the euro area submit Convergence Programmes. The programmes should be submitted to the Commission each year preferably by 15 April, and no later than the end of the month.

The preventive arm of the SGP stipulates that Member States shall update their MTOs every three years. The Member States provide their updated MTOs in their SCPs, based on lower limits proposed by the Commission, or propose a more ambitious target if, in their view, circumstances are deemed to warrant it. Countries undertaking structural reforms with a major impact on the sustainability of public finances may revise their MTOs on a case-by-case basis, in agreement with the Commission. In particular, the introduction of major pension reforms with an impact on long-term fiscal sustainability could result in a revision of the MTOs.

The following questions have been put in the survey in relation to the Stability and Convergence Programmes (SCPs):

- Was the SCP-programme presented to you by the government?
- Did you provide an opinion on the SCP-programme in question?
- Did you organise a hearing with stakeholders (e.g. social partners, experts etc.) as part of the adoption of the SCP-programme?
- Did you organise a hearing with the national competitiveness board as part of the adoption of the SCP-programme?
- Did you organise a hearing with the independent national fiscal council as part of the adoption of the SCP-programme?

The Stability or Convergence Programmes (SCPs) should contain information about the involvement of national parliaments: ‘Each programme shall include information on its status in the context of national procedures, in particular whether the programme was presented to the national parliament, and whether the national parliament had the opportunity to discuss the Council’s opinion on the previous programme or, if relevant, any recommendation or warning, and whether there has been parliamentary approval of the programme.’ (EU Regulation 1466/97, Art. 3(4) and Art. 7(40))

3.1 Dialogue on the SCPs

The survey shows that in five cases, national governments presented their SCPs to their national parliaments before their adoption by the government; in 17 cases, SCPs were presented to national parliaments after their adoption by the government, but before they were submitted to the
Commission, while in nine cases, SCPs were presented to national parliaments only after they had been submitted to the Commission.

Q13: the SCP was presented to national parliaments by the Government:

3.2 Assessment of the active role played by national parliaments in the SCPs

The other questions in this section were aimed at assessing the degree of institutional action on the part of national parliaments in the national discussion of the SCPs. The survey shows that in eight cases, national parliaments delivered an opinion to their governments on the SCPs; in six cases, national parliaments held a hearing with social partners, experts, etc.; national productivity boards were not consulted, and national parliaments held a hearing with their national fiscal councils in five cases.
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The national parliaments provided:

Q14: Opinion
- Yes: 8
- No: 25

Q15: Hearing with the social partners, experts, etc.
- Yes: 6
- No: 27

The national parliaments provided:

Q16: Hearing with the national productivity boards
- Yes: 33
- No: 5

Q17: Hearing with the national fiscal council
- Yes: 28
- No: 5
4. The role of national parliaments in the adoption of the country-specific recommendations (CSRs)

The CSRs are proposed by the Commission and adopted by the Council each year within the framework of the European Semester. CSRs provide guidance to Member States on macroeconomic, budgetary and structural policies. After being endorsed by the European Council and formally adopted in July each year by the ECOFIN Council, CSRs are to be taken into account by Member States in the process of national decision making. The Commission also makes policy recommendations to the euro area based on Article 136 of the TFEU. The Council and the Commission closely monitor the implementation of CSRs and take further action as appropriate.

The CSRs are underpinned by EU primary legislation (Articles 121 and 148 of the TFEU) as well as EU secondary legislation, namely:

- Council Regulation (EC) 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies for CSRs referring to the Stability and Growth Pact (SGP);
- Regulation (EU) 1176/2011 on the prevention and correction of macroeconomic imbalances for CSRs referring to the Macroeconomic Imbalance procedure (MIP);
- Integrated guidelines for implementing the Europe 2020 strategy – these guidelines consist of two legislative documents: (1) a Council recommendation on broad guidelines for the economic policies of the Member States and of the Union and (2) a Council decision on guidelines for the employment policies of the Member States.

Furthermore, the CSRs are politically binding insofar they are endorsed by the European Council and formally adopted by the Council. The Council is expected, as a rule, to follow the Commission’s recommendations and proposals or explain its position publicly (Art. 2-ab(2) of EU Regulation 1175/2011).

The following questions have been put in the survey in relation to the Country-Specific Recommendations:

- Were the CSRs presented to you by the government?
- Did you provide an opinion/mandate to the government on the CSRs before their approval/adoptions in the Council in June/July?
- Did you discuss the Commission assessments on the progress made in the implementation of the previous year’s CSRs?

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4 For a separate briefing on the legal bases for the CSRs, please see this EGOV note.
5 For an overview of the implementation of 2016 CSRs, please see this EGOV note; for 2017 CSRs, please see this separate EGOV note.
6 For an overview of the changes introduced by the Council to the 2017 CSRs as proposed by the Commission, see this EGOV note.
4.1 Dialogue on the CSRs

The survey shows that in 19 cases, national governments presented their CSRs to their national parliaments before their adoption by the Council; in five cases, CSRs were presented to national parliaments after their adoption by the Council.

Q18: the Country-Specific Recommendations were presented to you by the Government:

- Before approval/adoptions of the CSRs by the Council in June/July: 9
- After approval/adoptions of the CSRs by the Council in June/July: 5
- No answer: 19

4.2 Assessment of the active role of national parliaments in the CSRs

The other questions in this section were aimed at measuring the degree of institutional action on the part of national parliaments in the national discussion of the CSRs. The survey shows that in 12 cases, national parliaments delivered an opinion to their governments on the CSRs, while in 21 cases they did not deliver an opinion on the CSRs; in 20 cases, national parliaments discussed the Commission’s assessments of the progress made in the implementation of the previous year’s CSRs.
Q19: opinion

Q20: discussion of Commission’s previous semester assessments

The national parliaments provided:

- Q19: opinion
  - Yes: 21
  - No: 12
  - No answer: 0

- Q20: discussion of Commission’s previous semester assessments
  - Yes: 20
  - No: 12
  - No answer: 1
5. The role of national parliaments in the adoption of the draft budgetary plans (DBPs) - euro area only

Each year in mid-October, the euro area countries submit draft budgetary plans (DBPs) to the Commission, which assesses them in order to ensure economic coordination and compliance with the SGP. The DBPs are assessed by the Commission as ‘compliant’, ‘broadly compliant’, or ‘at risk of non-compliance’ with their obligations under the SGP.

If the Commission assesses that a Member State’s DBP represents a case of particularly serious non-compliance with its obligations under the SGP, it can ask for a revised draft to be submitted. This exercise complements, for euro area Member States, the assessment of the Stability Programmes or the Convergence Programmes that is carried out each spring. However, it is focused on providing concrete ex ante guidance for the budget of the year ahead, rather than on medium-term fiscal plans.

The following questions have been put in the survey in relation to the Draft Budgetary Plans (submitted by 19 Euro Area Member States):

- Was the DBP presented to you by the government?
- Did you organise a hearing with stakeholders (e.g. social partners, experts etc.) as part of the adoption of the DBP?
- Did you organise a hearing with the independent national fiscal council as part of the adoption of the programme?
- Did the government present the Commission opinion on the DBP to the Parliament?
- Did you invite the Commission to present its opinion on the DBPs (if so, when)?

5.1 Dialogue on the DBPs

The survey shows that in four cases, national governments presented their Draft Budgetary Plans to their national parliaments before their adoption; in six cases, DBPs were presented to national parliaments after their adoption by the government but before they were submitted to the Commission and/or the Eurogroup; in six cases, DBPs were presented to national parliaments after they had been submitted to the Commission and/or the Eurogroup.
5.2 Assessment of the active role of national parliaments in DBPs

The other questions in this section were aimed at measuring the degree of institutional action on the part of national parliaments in the national discussion of the Draft Budget Plans (DBPs). The survey shows that in five cases, national parliaments held a hearing with social partners, experts, etc.; in seven cases they held a hearing with their national fiscal councils; in six cases, the national governments invited the Commission to present its opinion on DBPs to their national parliaments, while the national parliaments invited the Commission to present their opinion on the DBPs in only two cases.
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The national parliaments provided:

Q22: Hearing with the social partners, experts, etc.
- Yes: 5
- No: 18
- No answer: 1

Q23: Hearing with the national fiscal council
- Yes: 7
- No: 16
- No answer: 1

The national parliaments provided:

Q24: Did the government present the Commission’s opinion to the parliament?
- Yes: 6
- No: 14
- No answer: 4

Q25: Did you invite the Commission to present its opinion of the DBPs?
- Yes: 20
- No: 2
- No answer: 2
6. Special focus: Implementation of CSRs

This section focuses on the implementation of the annual CSRs as part of the Semester Cycle7. The implementation rate of the 2017 CSRs showed a slight improvement compared to the CSRs implementation rate during the previous cycle, based on the assessment carried out by the Commission of the CSRs adopted in July 2017 by the Council (see Chart below8).

Political ownership, both at EU and national level, of the common decisions taken during the European Semester, has been highlighted on many occasions as an indispensable element in ensuring the efficiency of the current economic governance framework, including the process of adoption and implementation of the CSRs. Optimally, the policy recommendations adopted at European level by the Member States should be regarded as an integral part of national decision making in the area of economic and social policies.

In addition, it may be argued that a strong involvement of national parliaments in the European Semester can be a prerequisite from both a legitimacy and efficiency point of view, taking into account the broad policy areas tackled in the European Semester.

According to the survey results, national parliaments have demonstrated that they are well informed by their national governments of the CSRs in the pipeline and of the degree of implementation of previous CSRs in the course of the Semester (see Section 4 above).

At Member State level, drawing a clear link between the degree of national parliamentary involvement and the CSRs’ implementation rate seems to be more difficult, due to the fact that CSR implementation depends on many factors, of which the degree of parliamentary involvement is only one. However, these two variables seem to be positively correlated (see Annex 2), suggesting that during the previous Semester Cycle higher ‘legitimacy’ was associated with higher ‘efficiency’ of the European Semester.

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For an overview of the legal nature of Country Specific Recommendations, please see separate EGOV note. For an overview of the implementation of the 2017 CSRs, please see this EGOV note. For an overview of the implementation of the 2016 CSRs, please see this EGOV note. For an overview of the implementation of the 2015 CSRs, please see this EGOV note. For an overview of the implementation of the 2014 CSRs, please see this EGOV note.
7. Conclusions

This document explores the national parliaments’ involvement in the various steps of the European Semester Cycle at national level. It is based on a survey launched in early 2018 with replies from all EU28 Member States (three countries provided separate answers from two federal chambers, and one country provided separate answers for both the federal chamber and one regional chamber). In the analysis, all 33 replies have been included and accorded equal weight.

It should be noted that the results of any survey are based on a simplification of reality, and that a more detailed description of the actual role of national parliaments in the European Semester would require deeper country-specific understanding, taking into account national institutional frameworks and traditions.

The survey results have shown that the level of involvement of national parliaments during the European Semester process varies substantially across Member States. The “most involved” parliament scores around seven times better that the “least involved” parliament. The survey shows the existence of a cross-country variation in the degree of involvement of national parliaments over the whole European Semester process.

Using a parliamentary involvement scale ranging between 0 and 1 (see Chart below and Annex 2), where the higher end of the scale is associated with a national parliament that is fully involved in the European Semester (based on the survey used in this document), it can be observed that the degree of involvement of national parliaments in the European Semester seems to be well-distributed within the range from 0.1 to 0.7. According to the survey, 17 parliaments fall within the range from 0.4 to 0.7 (‘most involved’), 11 within the range from 0.2 to 0.4 (‘involved’) and five within the range from 0.0 to 0.2 (‘less involved’). It may also be noted that non-euro area parliaments scored slightly better than euro area parliaments based on these results.

As regards the involvement in the specific procedural steps of the Semester, most parliaments seem to be well informed on the priorities of the forthcoming Semester Cycle, while only a third of them adopt an opinion on this issue. However, around a third of the parliaments are only informed by the government about the substance of the national reform programme after its submission at EU level, and very few parliaments adopt an opinion on it. The same conclusion may be drawn for the Stability and Convergence Programmes, while the degree of involvement is slightly higher as regards to the
Country Specific Recommendations. A clear majority of national parliaments seems to be well informed of the Commission’s assessments of the country-specific recommendations adopted in the course of the previous Semester Cycle. As regards the adoption of the draft budgetary plans by the government, many parliaments were only informed after their submission at EU level or were not informed at all.

Based on the survey results, the involvement of the independent national fiscal councils and national productivity boards in the parliamentary debate seems to be quite limited. The involvement of the national fiscal councils is slightly greater in euro area Member States during the discussion of their annual Draft Budget Plans. From the outset, it could be argued that the role of the national fiscal bodies should be at its most prominent when dealing with annual Stability/Convergence Programmes and Draft Budget Plans, while the productivity boards could have a more prominent role in the preparation of the National Reform Programmes.

At Member State level, drawing a clear link between the degree of national parliamentary involvement and the CSRs’ implementation rate seems to more difficult, probably due to the fact that the implementation rate depends on many factors (of which the degree of parliamentary involvement is only one). However, by using the above-mentioned weighted scale to express in numbers both the degree of involvement of national parliaments and the 2017 CSR implementation rate per Member State (see Annex 2), it can be noted that a higher involvement of national parliaments in the European Semester is slightly associated with a higher implementation rate of the country-specific recommendations.

It also appears based on the survey that the administrative resources dedicated to this policy domain are rather limited in many national parliaments. It shows the potential for national parliaments and the European Parliament to enhance cooperation in the area of multilevel economic governance through knowledge-sharing in addition to existing initiatives, to ensure a better understanding of how the European Semester is evolving, based on joint monitoring at EU level and implementation at national level.

In this context, it may be worth mentioning a recent COSAC letter to the EU institutions (dated 20 December 2017 and based on a Dutch initiative “Making the EU more transparent for its citizens”), which stresses the need to facilitate better public and parliamentary debates before votes take place, and afterwards to ensure that citizens know how their governments voted at the EU-level. They further argue that the Eurogroup should also start to apply the EU Transparency Regulation and to develop rules of procedure that are in line with the standards developed in EU legislation and case law.

Finally, the authors are grateful to all of the representatives of the national parliaments at the European Parliament, and the colleagues at national level, for their very good collaboration in conducting the survey underlying this document.

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Annex 1: The Survey

ECONOMIC GOVERNANCE SUPPORT UNIT

QUESTIONNAIRE ON THE ROLE OF NATIONAL PARLIAMENTS IN THE EUROPEAN SEMESTER CYCLE AT THE NATIONAL LEVEL

Background

The European Semester provides a framework for the coordination of economic policies across the European Union. It allows EU Member States to discuss their economic and budget plans and monitor progress at specific times throughout the year. The Lisbon Treaty has already empowered national parliaments to “contribute actively to the good functioning of the Union” (Art. 12 TEU). The institutional reforms introduced at the EU level and the national level in response to the debt crisis have changed the environment for the European Parliament and the national parliaments to take an active role in the economic governance process.

For instance, while taking into account the legal and political arrangements of each Member State, the national parliaments should be fully involved in the European Semester and in the preparation of stability programmes, convergence programmes and national reform programmes in order to increase the transparency and ownership of, and accountability for, the decisions taken (Recital 16 of EU Regulation No 1175/2011).

Today, country-specific recommendations (CSRs) adopted annually by the Council within the framework of the European Semester provide integrated guidance on macro-fiscal and macro-structural measures to the respective Member States. The Council also addresses policy recommendations to the euro area as a whole in accordance with Article 133 of the Treaty on the Functioning of the European Union. These recommendations are based on the assessments by the European Commission of Member States’ medium-term budgetary plans and economic reform programmes in light of broad policy priorities outlined in the Annual Growth Survey and annual guidance given by the European Council. For an overview, including documents, of the European Semester process in all languages see EP homepage here, the Commission homepage here, and the Council homepage here.

Currently there is limited comparable information available how National Parliaments are practically involved while taking into account the national institutional circumstances in European Semester process across European Member States. Therefore, the objective of this questionnaire is to collect more information about the procedural process of the Semester process. It is directed to the attention of the relevant administrative bodies of National Parliaments. For some Member States this may involve both federal and regional parliaments. In those cases there may be more than one reply from these Member States.

Questions are divided into four compartments reflecting the Semester process: 1) in early spring, when the annual Semester guidance is adopted by the European Council based on the Annual Growth Survey by the Commission; 2) in summer, when the national reform programmes are submitted; 3) in summer, the CSRs are adopted; and 4) in the autumn, when the draft budgetary plans are prepared and adopted (only relevant for Euro Area Member States). In addition, a few more general questions are included in the end. The questions have been drafted in order to enable as much as possible a quick reply (e.g. Yes/No). However, in each set of questions there is an empty space where additional supporting information may be added in order to better frame the national circumstances, such as specifying the relevant committee and the possible role of the plenary.

The draft results of the questionnaire will be shared with all representatives of the National Parliaments and will be open for further comments and feedback.

ECONOMICS GOVERNANCE SUPPORT UNIT
Part 1: The role of the Parliament/Chamber in the adoption by the European Council of the annual guidelines ("priorities") of the forthcoming Semester Cycle

5. When were the priorities of the forthcoming Semester Cycle presented to you by the government?
   Select
   -
   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place)

6. Did you provide an opinion/mandate to the government on the annual properties of the forthcoming Semester Cycle?
   O Yes
   O No
   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place)

7. Did you discuss the Commission assessments on the progress made in the implementation of the priorities of the previous Semester Cycle?
   O Yes
   O No
   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place)

Legal background

"The European Semester shall include: (a) the formulation, and the surveillance of the implementation, of the broad guidelines of the economic policies of the Member States and of the Union (broad economic policy guidelines) in accordance with Article 121(2) TFEU; (b) the formulation, and the examination of the implementation, of the employment guidelines that must be taken into account by Member States in accordance with Article 146(2) TFEU (employment guidelines)" (Art 2-6 of EU Regulation No 1176/2011)
Part 2: The role of the Parliament/Chamber in the government’s adoption process of the annual national reform programme (NRP) and stability/convergence programme (SCP)

The NRP programme:

Was the NRP programme presented to you by the government?

☐ Before the adoption of the programme by the government
☐ After the adoption of the programme by the government, but before the submission of the programme to the Commission and the Council
☐ After the submission of the programme to the Commission and the Council

Did you provide an opinion on the NRP programme in question?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

3. **Did you organise a hearing with stakeholders (e.g., social partners, experts etc) as part of the adoption of the NRP programme?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

1. **Did you organise a hearing with the national productivity board as part of the adoption of the NRP programme?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

2. **Did you organise a hearing with the independent national fiscal council as part of the adoption of the NRP programme?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

You may also refer to any written contributions by the concerned stakeholders/administrative bodies in the case these are part of the formal proceeding of the committee/plenary.

The SCP programme:

3. Was the SCP programme presented to you by the government?

☐ Before the adoption of the programme by the government
☐ After the adoption of the programme by the government, but before the submission of the programme to the Commission and the Council
☐ After the submission of the programme to the Commission and the Council

Did you provide an opinion on the SCP programme in question?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

5. **Did you organise a hearing with stakeholders (e.g., social partners, experts etc) as part of the adoption of the SCP programme?

☐ Yes
☐ No

If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary, reference to time and place):

3. **Did you organise a hearing with the national competitiveness board as part of the adoption of the SCP programme?

☐ Yes
17. **Did you organise a hearing with the independent national fiscal council as part of the adoption of the SCP-programme?**

☐ Yes

☐ No

If you were involved in the above case, could you specify in which sense (e.g. the committee/parliamentary reference to time and place)

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Legal background

The Stability or Convergence Programmes (SCPs) should contain information about the involvement of national parliaments in connection with the SCPs as stated in EU Regulation 1488/97, Art. 3(h) and Art. 7(b). "Each programme shall include information on its status in the context of national procedures, in particular whether the programme was presented to the national parliament, and whether the national parliament had the opportunity to discuss the Council's opinion on the previous programme or, if relevant, any recommendation or warning, and whether there has been parliamentary approval of the programme." Art. 3(h) and Art. 7(b) of the regulation 1488/97 do not cover the National Reform Programmes (NPRs) but similarly to SCPs questions on the role of national parliaments in the preparations of the NPRs are included to this questionnaire.

There are currently four legal bases stipulating that Member States should have independent fiscal bodies in place: EU Directive 2011/85 (part of the "6-pack"), which is applicable to all EU Member States (except the UK), the amended EU Regulation 1488/97 governing the preventive arm of the Stability and Growth Pact, EU Regulation 237/2012 (part of the "2-pack") for euro area Member States and the Interim softer Treaty on Stability, Coordination and Governance in the Economic and Monetary Union. Given that the independent fiscal bodies may fulfill different roles (notably to produce or endorse the macro-economic forecasts underpinning the national budget plans and to assess compliance with the fiscal rules), a Member State may have several independent fiscal bodies, each of them fulfilling different functions.

As regards National Productivity Boards, the Council has adopted a Decision (see Council [homepage](#)).
Part 3: The role of the Parliament/Chamber in the Council’s adoption process of the annual country specific recommendations (CSRs)

18. Were the Country Specific Recommendations presented to you by the government?

   Select

   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary; reference to time and place):

19. Did you provide an opinion/mandate to the governments on the CSRs before their approval/adoption in the Council in June/July?

   ○ Yes
   ○ No

   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary; reference to time and place):

20. Did you discuss the Commission assessments on the progress made in the implementation of the previous year’s CSRs?

   ○ Yes
   ○ No

   If you were involved in the above case, could you specify in which sense (e.g., the committee(s)/plenary; reference to time and place):

Legal background:

“In the course of the European Semester, in order to provide timely and integrated policy advice on macrofiscal and macrostructural policy intentions, the Council shall, as a rule, following the assessment of these programmes on the basis of recommendations from the Commission, address guidance to the Member States making full use of the legal instruments provided under Article 121 and Article 148 TFEU, and under this Regulation and Regulation (EU) No 1175/2011. Member States shall take due account of the guidance addressed to them in the development of their economic, employment and budgetary policies before taking key decisions on their national budgets for the succeeding years. Progress shall be monitored by the Commission” (Art 2-a of EU Regulation No 1175/2011).
Part 4: The role of the Parliament/Chamber in the government's adoption process of the Draft Budgetary Plans (DBPs) (Note: relevant only for Euro Area)

21. Was the DBP presented to you by the government?
   Select
   - Yes
   - No

22. **Did you organise a hearing with stakeholders (e.g. social partners, experts etc) as part of the adoption of the DBP?**
   - Yes
   - No

23. **Did you organise a hearing with the independent national fiscal council as part of the adoption of the programme?**
   - Yes
   - No

24. Did the government present the Commission opinion on the DBP to the Parliament?
   - Yes
   - No

25. Did you invite the Commission to present its opinion of the DBPs (if so when)?
   - Yes
   - No

**Legal background**

"As a first step of that common budgetary timeline, Member States shall make public their national medium-term fiscal plan at the same time as their stability programmes preferably by 15 April and no later than by 30 April. These fiscal plans should include indications on how the reforms and measures set out are expected to contribute to the achievement of the targets and national commitments established within the framework of the Union’s strategy for growth and jobs. The national medium-term fiscal plan and the stability programme can be the same document.

One important milestone of that common budgetary timeline should be the publication of the draft central government budget by 15 December. Since compliance with the rules of the MIPF is to be ensured at the level of the general government and achievement of the budgetary objectives requires consistent budgeting across all subsectors of the general government, the publication of the draft central government budget should be accompanied by the publication of the main parameters of the draft budgets of all the other subsectors of the general government.

The common budgetary timeline also provides for the budget to be adopted or fixed upon annually by 31 December together with the updated main budgetary parameters for the other subsectors of the general government. Where, for objective reasons beyond the control of the government, the budget is not adopted by 31 December, revisionary budget procedures should be put in place to ensure that the government remains able to discharge its essential duties. Such arrangements could include the implementation of the government's draft budget, of the preceding year’s approved budget, or of specific parliament-approved measures.

The Commission’s opinion on the draft budgetary plan should be adopted as soon as possible and in any event by the end of November, taking into account, to the extent possible, the specific national fiscal schedule and parliamentary procedures, in order to ensure that Union’s policy guidance in the budgetary area can be appropriately integrated in the national budgetary preparations. In particular, the opinion should include an assessment of whether the budgetary plans appropriately address the recommendations issued in the context of the European Semester in the budgetary area. At the request of the parliament of the Member State concerned or of the European Parliament, the Commission should be prepared to present its opinion to the parliament raising the request, after it has been made public. Member States are invited to take into account, in the process of adopting their budget laws, the Commission opinion on their draft budgetary plans.” (EU Regulation No 475/2013)
Part 5: Some General Questions

26. Please specify which dedicated committees are in lead on the Semester process in your national parliament:


27. Please specify if you have a dedicated person in your national parliament coordinating the Semester process: If yes, could you please specify his/her role?


28. Would you see it as useful to establish a closer link between national parliamentary administrative bodies dealing with the procedural aspects of the Semester in order to exchange information, including with the respective administrative bodies at the EU-level, with the aim to learn from “best practices” in the context of the Semester process?

- [ ] Yes
- [ ] No

If Yes, what kind of initiatives could be useful from your perspective?


29. Has your Parliament/Chamber taken a recent position on the European Semester process that includes suggestions on how to improve it?

- [ ] Yes
- [ ] No

If Yes, please specify relevant Committee(s)/Plenary and give reference


30. Have you established specific arrangements in relation to the regional level as part of dealing with the European Semester process?

- [ ] Yes
- [ ] No

If yes, could you please specify?


Back: Finish
Annex 2: The synthetic indicator methodology

For the purposes of assessing the existence, based upon this survey’s results, of a possible correlation between the degree of involvement of the respective national parliaments in the European Semester process and the implementation rate of the 2017 country-specific recommendations (CSRs) by Member States as assessed by the Commission in its country reports, we have built two synthetic indicators providing a quantitative measure for the two following aspects:

1. Involvement of national parliaments in the European Semester;

2. CSRs’ implementation rate.

Synthetic indicator assessing the NP’s involvement in the European Semester

To build this indicator, the survey questions were divided into two sets: questions assessing a minimum degree of involvement on the part of national parliaments, and questions assessing a more active degree of involvement on the part of national parliaments in the European Semester debate.

a) Passive involvement

Questions 5, 8, 13, 18 and 21 were aimed at assessing the existence of minimal requirements in the European Semester’s timeline or the agenda of national parliaments, according to the principle that, if a national parliament wants to be involved in a debate, the government, by way of a minimum, has to present it with each Semester’s topic before any final decision is adopted. These questions dealt mainly with the timeline of the presentation of the various aspects of the Semester (priorities, SCPs, CSRs and DBPs) which might have taken place:

- Before their adoption by the government;
- After their adoption, but before their submission to the relevant EU Institution;
- After their submission to the EU Institution.

To each of the above questions we attributed an equally-spaced score between 0 and 1.

Table 2: Example of scores given to questions 5 and 8 on the Semester’s timeline

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. When were the priorities of the forthcoming Semester Cycle presented to you by the government?</td>
<td></td>
</tr>
<tr>
<td>Before adoption by the Council</td>
<td>1.0</td>
</tr>
<tr>
<td>After adoption by the Council</td>
<td>1/2</td>
</tr>
<tr>
<td>No answer</td>
<td>0</td>
</tr>
<tr>
<td>8. Was the NRP-programme presented to you by the government?</td>
<td></td>
</tr>
<tr>
<td>Before adoption by the government</td>
<td>1</td>
</tr>
<tr>
<td>After adoption by the government, but before submission to the EU institution</td>
<td>2/3</td>
</tr>
<tr>
<td>After submission to the EU institution</td>
<td>1/3</td>
</tr>
<tr>
<td>No answer</td>
<td>0</td>
</tr>
</tbody>
</table>

b) Active involvement

Questions 6, 7, 9-12, 14-17, 19-20 and 22-25 were aimed at assessing the evidence of an active degree of involvement on the part of national parliaments in the European Semester debate shown by the active submission of opinions, mandates and/or the organisation of hearings and debates
together with representatives of institutions or social partners. To each of these questions we attributed a binary score of 0 and 1/2.

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Did you provide an opinion/mandate to the governments on the annual properties of the forthcoming Semester Cycle?</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>1/2</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
</tr>
</tbody>
</table>

The weighted average level of NP’s involvement in the European Semester of each Member State was then computed summing all question’s scores normalized to the sum of all maximum scores. It should be noted that questions 21-25, applicable to euro area Member States only, have been excluded from the average NP’s involvement of non-euro area Member States.

**Synthetic indicator assessing the CSR’s implementation rate**

Following a simplified version of Deroose and Griesse (2014), we assumed that the 2017 country-specific recommendation assessments of no progress, limited progress, some progress, substantial progress, full progress had equally-spaced assessment scores of 0.0, 0.25, 0.50, 0.75, and 1.0.