

REVIEW OF STABILITY AND CONVERGENCE PROGRAMMES BY NATIONAL PARLIAMENTS WITHIN THE FRAMEWORK OF THE EUROPEAN SEMESTER

On 6 June 2014, the French National Assembly submitted a request to the ECPRD concerning the scrutiny powers of national Parliaments over the Stability and Convergence Programmes (SCP) that each Member State must present to the European Commission in the framework of the European Semester. The request, addressed to euro area members only, focused on three different questions: 1. What is the procedure followed by each national Parliament to examine the SCP before its submission to the European Commission? 2. Are national MPs allowed to modify its content? and 3. If so, how are they allowed to do it?

Below is a summary of replies received from 15 out of 18 Member States and which cover the large majority of euro area Member States; only Cyprus, Ireland and Malta are missing.

1. Timing and procedure of the review

In most of the euro area Member States there is no special procedure in place for the review of the Stability and Convergence Programmes. In general, scrutiny falls within the context of the normal parliamentary control over the government's action at European level, and for this reason, the review of Stability and Convergence Programmes does not differ much from the examination of any other European matter.

In **Austria, Belgium, Finland, France, Germany, Latvia, Luxembourg, the Netherlands, Portugal, Slovakia and Slovenia**, Parliaments can focus their scrutiny on the Stability and Convergence Programmes individually in the context of the European Semester, albeit with different powers and with different degrees of effectiveness. In this case the timing by which Parliaments receive the Stability and Convergence Programmes from the respective national governments is of great importance, since much depends on their capacity to examine and offer their input on the draft Stability and Convergence Programmes before they are sent to the European Commission.

However, in **Austria, Belgium and Luxembourg**, national Parliaments receive the Stability and Convergence Programmes at the same time as the European Commission, thus greatly limiting their capacity of scrutiny. In **Belgium** the *Chambre des Représentants* retains an *ex-post* scrutiny on the government through oral and written questions and through the possibility of bringing up the subject at the same time as the national budget is examined.

In **Finland, France, Germany, Latvia, the Netherlands, Portugal, Slovakia and Slovenia**, national Parliaments are notified of the Stability and Convergence Programmes before the European Commission is notified, and they can thus express their position *ex-ante* on the draft program.

Moreover, in some cases, the review of such programmes intertwines with the annual assessment of the national budgetary laws. In **Italy and Estonia**, for example, the procedure regarding Stability and Convergence Programmes is explicitly connected to the examination of national budgetary laws. Therefore, in both the **Italian and Estonian** Parliaments the Stability and Convergence Programmes are not formally analyzed on an individual basis, but as part of the broader Economic and Fiscal Document (*Documento di Economia e Finanza* - DEF) in Italy and the *State Budget Act* (SBA) in Estonia. In **Greece**, the Hellenic Parliament has not adopted any special procedures regarding the scrutiny of the European Semester and its programmes. The Hellenic Parliament exerts its power of scrutiny on the *Medium-Term Fiscal Strategy Programme*, the main national budgetary legislative document.

Spain represents an exception in this panoply due to its procedures and the level of control of the national Parliament may vary from one year to another. In 2013, for example, a debate in the plenary took place on national economic policy, but only after the government had sent the Stability and Convergence Programme to the European Commission. On the other hand, in 2014, there was no plenary debate concerning the Stability and Convergence Programme.

Finally, one has to consider the possibility for national Parliaments to be involved at a later stage, not only at the moment of the presentation of the Stability and Convergence Programme but also at the moment of its revision following notification of Council's recommendations. In this case, only the Italian *Chamber of Deputies* and the *Senate* retain a *de facto* scrutiny power at this stage through the examination of the updated DEF.

2. Voting and amending powers

For the scrutiny of the SGP to be most effective, all depends on the possibility of national Parliaments having a vote on the Draft Stability and Convergence Programme, or even amending it. Once again, the situation varies considerably amongst Member States.

In countries such **Belgium, Luxembourg** and the **Netherlands**, national Parliaments have a debate but they cannot vote on the Stability and Convergence Programmes, nor can they modify its content.

A specific case is represented by **France** where the Government, before sending the Stability and Convergence Programme to the European Commission, makes a Declaration on the Stability and Convergence Programme to both the National Assembly and the Senate. The declaration is followed by a debate in both Chambers. Only the National Assembly can vote to approve or reject the declaration of the Government, but cannot modify the content of the programme.

On the other hand, the **Estonian Riigikogu**, the **Italian Chamber of Deputies and the Senate** and the **Portuguese Assembly of the Republic** can express themselves with a vote rejecting, amending and/or approving the document in the context of the European Semester. Only in **Portugal** the vote, that cannot amend the SGP, is linked directly to the Stability and Convergence Programme, while in the other countries it is a vote that takes place in the context of the broader examination of national budgetary documents.

There are then Member States where national Parliaments put forth their position by offering an opinion on the programme: such is the case in **Finland, Germany (Bundestag)** and **Slovenia**, although only in **Finland** is this opinion binding for the government.

Finally, **Latvia** represents the only case where the national Parliament can not only vote on the Stability and Convergence Programme, but can also propose amendments to the text.

3. Specific parliamentary committee involved

To conclude, one has also to consider which parliamentary committee has the responsibility to conduct the scrutiny. Generally, it is the European Union Affairs Committee which is informed of the Stability and Convergence Programme and which is in charge of its scrutiny.

However, in **Austria, Belgium, France, Greece, Luxembourg, the Netherlands, Portugal** and **Spain**, the debate and the eventual vote of the Stability and Convergence Programme take place in a plenary session.

In **Italy** it is the Budget Committee which is responsible for the examination of the DEF, whilst in the **German Bundesrat**, it is the Conference of Ministers of Finance which is informed of the text.

Finally, in **Finland, Estonia** and **Slovenia**, the European Union Affairs Committees are the sole bodies responsible for the entire process of scrutiny, while in **Latvia** and **Slovakia** the EU Affairs Committees are joined by the Budget Committees in the responsibility to propose amendments to the text.

Country	Information to the Parliament	Scope of action of the Parliament
Austria	Sent to the European Commission and to the Nationalrat at the same time	Only the Nationalrat (2nd Chamber) receives the document.
Belgium	Sent for information to the Chambre des représentants.	The Chamber can hold a debate.
Estonia	The government informs the Riigikogu in the framework of the State Budget Act. The Committee on EU Affairs is informed by the government before the final adoption of the SCP. The government takes the opinions of the Riigikogu into consideration.	Formally only the budget strategy is submitted to the Riigikogu.
Finland	The Government must present the draft SCP to the Grand Committee (Committee on EU Affairs).	If the Grand Committee (Committee on EU Affairs) issues an opinion, this is normative for the Government.
France	The Government makes a declaration to both Chambers on the SCP before sending it to the EC.	The Assemblée Nationale can vote on the declaration but cannot modify the content of the programme.
Germany	The Government must provide information to the Bundestag. Specific organs coordinated by the Bundesrat (Stability Council and the Conference of the Ministers of Finance) are submitted the SCP before it is sent to the European Commission.	The Bundestag may deliver an opinion which the Federal Government shall use as basis for negotiations. The bodies coordinated by the Bundesrat cannot modify the SCP.
Greece	No special procedures were adopted.	The Parliament (Economic Affairs Committee and the Plenary) discuss and adopt the Medium term Fiscal Strategy Program 2015-2018.
Italy	The SCP is part of the DEF (Economic and Fiscal Document) and both the Camera and the Senato receive the draft from the Government	The Parliament can modify the content of the DEF before sending it to the EU institutions, and the DEF once updated following the recommendations of the EU Council.
Latvia	The European Affairs Committee of the Saeima examines the SCP prepared by the Ministry of Finance	The European Affairs Committee of the Saeima can decide on amendments to the document and gives approval for the communication to the European Commission.
Luxembourg	The Government presents the SCP to the Finance and Budget Committees jointly.	The Parliament cannot change the SCP.
Netherlands	The 1st and 2nd Chamber are informed about the SCP before the governments sends it to the EC	The two Chambers can have a debate on the SCP but cannot modify it.
Portugal	The SCP is sent to the Assembleia before the Government sends it to the EC	The Parliament can debate the SCP in the Plenary Session and vote motions to either approve or reject it.
Slovakia	The Government submits the SCP to the Národnej Rady before sending it to the EC.	The Národnej Rady can debate the proposed draft document both in Committees (EU Affairs and Finance and Budget) and Plenary.
Slovenia	The Government forwards the SCP to the Drzavni Zbor	A general decision can be taken and the Committee on EU Affairs calls upon the Government to examine the proposals adopted and integrate them into the final text.
Spain	The Government informs the Parliament after sending the SCP to the EC	The Congreso can debate the SCP at committee or Plenary level but cannot modify the SCP and there is no voting unless a motion on the SCP is set-up.

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