

THESEUS Conference

Building an inter-parliamentary bridge for more economic integration¹ **Conference Paper**

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The higher degree of economic integration between the EU member states whose currency is the euro should, in theory, require a higher degree of democratic legitimacy and accountability within the Economic and Monetary Union (EMU), but, in practice, in the successive reports discussed at European Council meetings in 2012, this fourth building block has remained weak. The creation of an Inter-Parliamentary Conference for Economic and Financial Governance on the basis of Article 13 TSCG is the only visible result of the efforts to improve democratic legitimacy and accountability in the EMU. Meeting for the first time in Vilnius on 16 and 17 October 2013, and despite some shortcomings with respect to its institutional design, this conference could help to strengthen political awareness for the link between more economic integration and political union.

This paper analyses the different positions of national actors and EU institutions on a specific element of political union – the role of inter-parliamentary cooperation in a genuine EMU. In the second half of 2012, more and more national and European actors addressed the issue: the main reports on the deepening of the EMU elaborated by EU institutions (European Council President, European Commission, and European Parliament) assessed possibilities to create an inter-parliamentary conference, and in early 2013 different “subgroups” of national parliaments (Speakers of parliament and chairpersons of European affairs committees) drafted working papers and wrote letters. Individual national parliaments also voted resolutions and adopted reports on the issue.

The paper is structured into two parts: Its first part examines the negotiations on Article 13 TSCG and the final wording left room for interpretation, but together with Protocol n°1 of the EU treaties it provides a sufficient legal basis in order to establish the Inter-parliamentary Conference on Economic and Financial Governance; when the ratification process of the TSCG was on its way, national and European actors articulated their preferences and tried to build coalitions in order to implement the treaty article (part 1). Its second part analyses the agreement that was reached at the Speakers’ conference in Nicosia in April 2013 and the Rules of Procedure that were drafted before the first meeting of the Inter-parliamentary Conference for Economic and Financial Governance: there are still many open questions and there is a need for clarifying and enhancing the role of this conference.

¹ For a more detailed analysis and a broader contextualisation, please see my forthcoming Policy Paper for *Notre Europe – Jacques Delors Institute* with the title “The new Inter-parliamentary Conference for Economic and Financial Governance” (tentative date of publication 15 October 2013).

1. The preferences of the actors involved in the discussions on building this inter-parliamentary bridge

1.1 The negotiations on Article 13 TSCG

The ideas to have a higher degree of cooperation between the European Parliament and national parliaments in Economic and Financial Governance emerged during the negotiations² that led to the Treaty on Stability, Coordination and Governance (TSCG)³ in December 2011 and January 2012. Article 13 TSCG is the product of the intergovernmental negotiations and has undergone significant changes during the negotiating process which indicate that it was difficult to reach an agreement.⁴ The treaty article was completely revised twice and was finally agreed as follows:

“As provided for in Title II of Protocol (No 1) on the role of national Parliaments in the European Union annexed to the European Union Treaties, the European Parliament and the national Parliaments of the Contracting Parties will together determine the organisation and promotion of a conference of representatives of the relevant committees of the European Parliament and representatives of the relevant committees of national Parliaments in order to discuss budgetary policies and other issues covered by this Treaty.” (Article 13 TSCG)

The Protocol on the role of National Parliaments in the European Union annexed to the European Union Treaties⁵ (to which Article 13 TSCG makes a reference) wants “to encourage greater involvement of National Parliaments in the activities of the European Union and to enhance their ability to express their views on draft legislative acts of the Union as well as on other matters which may be of particular interest to them.” Article 9 of its Title II on “Inter-parliamentary Cooperation” says that “the organisation and promotion of effective and regular inter-parliamentary cooperation within the Union shall be determined by the European Parliament and National Parliaments.”

The following article assigns a great responsibility to COSAC: Article 10 specifies that a “conference of Parliamentary Committees for Union Affairs [...] shall [...] promote the exchange of information and best practice between national Parliaments and the European Parliament, including their special committees. It may also organise inter-parliamentary conferences on specific topics [...]. Contributions from the conference shall not bind national Parliaments and shall not prejudge their positions.” Together with Article 13 TSCG, the Protocol n°1 to the EU treaties is thus the basis for the future deliberations.

In the end, the wording of Article 13 TSCG had been revised completely and inter-parliamentary cooperation had been clearly linked to the EU treaties – the wording is very similar and Protocol n°1 explicitly mentioned. This is in line with the objective to incorporate the substance of the TSCG into the EU legal framework within five years (Article 16 TSCG). Consequently, much of the determination to establish a powerful inter-parliamentary control steered by national parliaments had been lost during the negotiations.

² Kreiling, Valentin (2012), The making of a new treaty: Six rounds of political bargaining, Policy Brief n°32, *Notre Europe*, http://www.notre-europe.eu/media/NewTreaty_V.Kreiling_NE_Feb2012.pdf (last retrieved: 06/08/2013).

³ Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, http://www.consilium.europa.eu/media/1478399/07_-_tscg.en12.pdf (last retrieved: 06/08/2013).

⁴ Three MEPs were observers at these intergovernmental negotiations (Brok, Gualtieri, Verhofstadt). The Heads of State or Government reached political agreement on 30 January 2012 and the treaty was signed at the European Council of 2 March 2013 by 25 member states. It entered into force on 1 January 2013 after being ratified by 12 Contracting Parties.

⁵ Official Journal of the European Union, C 83/203-205 (30/03/2010).

1.2 Conflict lines between the EU institutions

The work by the President of the European Council (in cooperation with the Presidents of the European Commission, the Euro Group and the European Central Bank) addressed the issue “to determine the organisation and promotion” of an inter-parliamentary conference and showed conflict lines between actors at the EU level (notably between the President of the European Council, favourable towards inter-parliamentary cooperation, and the European Parliament, opposed to a stronger role of national parliaments. The comparison between the June 2012 report, the October 2012 interim report and the December 2012 (final) report, all prepared by the President of the European Council with the title “towards a genuine EMU” also reveals that the role foreseen for national parliaments was reduced step-by-step.

With respect to the “building block” of strengthening democratic legitimacy and accountability, Herman Van Rompuy’s June 2012 report floated the idea of “joint [inter-parliamentary] decision-making”. The President’s October 2012 interim report lowered the level of ambition: It abandoned the idea of “joint decision-making” and only called for an increase in “the level of cooperation between national parliaments and the European Parliament”. His final report of 5 December 2012 put the role of the European Parliament for democratic legitimacy and accountability at the centre; National parliaments were rather side-lined.

Table 1 Article 13 TSCG-related content in the reports “Towards a genuine Economic and Monetary Union” (2012)

PHRASING IN THE THREE REPORTS “TOWARDS A GENUINE EMU” PREPARED BY THE PRESIDENT OF THE EUROPEAN COUNCIL (June-December 2012)	
June 2012 report	“Moving towards more integrated fiscal and economic decision-making between countries will [...] require strong mechanisms for legitimate and accountable joint decision-making . [...] Close involvement of the European parliament and national parliaments will be central , in the respect of the community method. Protocol 1 TFEU on the role of national parliaments in the EU offers an appropriate framework for inter-parliamentary cooperation.” ⁶
October 2012 interim report	“As a general principle, democratic control and accountability should occur at the level at which the decisions are taken. This implies relying on the European Parliament as regards accountability for decisions at European level but also maintaining and securing the pivotal role of national parliaments, as appropriate. The Lisbon Treaty has already introduced improvements to the EU’s democratic accountability, both for the European Parliament and for national parliaments. A further strengthened role of EU institutions must be accompanied with a commensurate involvement of the European Parliament in the EU procedures. A number of concrete steps to increase the level of cooperation between national parliaments and the European Parliament can also be taken , building on Article 13 of the Treaty on Stability, Coordination and Governance and on Protocol 1 of the Treaty on the Functioning of the European Union, in the respect of the Community method.” ⁷
December 2012 (final) report	“Decisions on national budgets are at the heart of Member States’ parliamentary democracies. At the same time, the provisions for democratic legitimacy and accountability should ensure that the common interest of the union is duly taken into account; yet national parliaments are not in the best position to take it into account fully . This implies that further integration of policy making and a greater pooling of competences at the European level should first and foremost be accompanied with a commensurate involvement of the European Parliament in the integrated frameworks for a genuine EMU. [...] New mechanisms to increase the level of cooperation between national and European parliaments, for example building on Article 13 of the TSCG and Protocol 1 of the Treaty, could contribute to enhancing democratic legitimacy and accountability. Their precise organisation and modalities are a responsibility of the European Parliament and national parliaments to determine jointly.” ⁸

⁶ European Council (2012a), Towards a genuine Economic and Monetary Union, EUCO 120/12, 26 June 2012, http://ec.europa.eu/economy_finance/focuson/crisis/documents/131201_en.pdf, here: p. 6 (last retrieved: 06/08/2013), my emphasis.

⁷ European Council (2012b), Towards a genuine Economic and Monetary Union. Interim Report, 12 October 2012, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/132809.pdf, here: p. 8 (last retrieved: 06/08/2013), my emphasis.

⁸ European Council (2012c), Towards a genuine Economic and Monetary Union, 5 December 2012, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/134069.pdf, here: pp. 16-17 (last retrieved: 06/08/2013), my emphasis.

In the meantime the European Parliament adopted its own report in November 2012 (drafted by Marianne Thyssen), where the possibility of creating a mixed parliamentary body was described as “both ineffective and illegitimate”:

“While reaffirming its intention to intensify the cooperation with national parliaments on the basis of Protocol No 1, [it] stresses that such a cooperation should not be seen as the creation of a new mixed parliamentary body which would be both ineffective and illegitimate on a democratic and constitutional point of view; [it also] stresses the full legitimacy of the European Parliament, as parliamentary body at the Union level for a reinforced and democratic EMU governance.”⁹

In its “Blueprint for a deep and genuine EMU”, published in November 2012, too, the European Commission also took a critical view on inter-parliamentary cooperation. The communication states that

“The role of national parliaments will always remain crucial in ensuring legitimacy of Member States’ action [...]. Cooperation between the European Parliament and national parliaments is also valuable: it builds up mutual understanding and common ownership for EMU as a multilevel governance system [...]. Inter-parliamentary cooperation as such does not, however, ensure democratic legitimacy for EU decisions. That requires a parliamentary assembly representatively composed in which votes can be taken. The European Parliament, and only it, is that assembly for the EU and hence for the euro.”¹⁰

Finally, the European Council conclusions of 13-14 December 2012 affirmed that “[t]he European Parliament and national parliaments will determine together the organisation and promotion of a conference of their representatives to discuss EMU related issues.”¹¹ This is exactly the wording of Article 13 TSCG as it had emerged in the 4th draft of the treaty in January 2012.

More far-reaching ideas at the beginning were deleted in subsequent steps of the deliberations. We can wonder whether many Heads of State and Government as the main recipients of the different EMU reports may have had little interest in facing more parliamentary control, even less by a collective and possibly powerful body. The result has been a “back to the lowest common denominator” of the existing legal basis: inter-parliamentary control is too divisive to move beyond the status quo of Protocol N°1 and Article 13 TSCG.

1.3 Conflict lines between national parliaments

In addition to the EU institutions, national parliaments had the possibility to articulate their positions individually and in sub-groups. If they had, however, agreed on one collective position, an inter-parliamentary conference could have been established more rapidly. The French National Assembly was able to set the agenda with a report drafted by MP Christophe Caresche.¹² Among the competences of the “conference of representatives of the relevant committees of the European Parliament

⁹ European Parliament (2012), Report with recommendations to the Commission on the report of the Presidents of the European Council, the European Commission, the European Central Bank and the Eurogroup “Towards a genuine Economic and Monetary Union” 24/10/2012 (2012/2151(INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0339+0+DOC+PDF+V0//EN> (last retrieved: 20/09/2013), here: p. 19.

¹⁰ European Commission (2012), A blueprint for a deep and genuine economic and monetary union. Launching a European Debate, COM(2012) 777 final, http://ec.europa.eu/commission_2010-2014/president/news/archives/2012/11/pdf/blueprint_en.pdf, here: p. 35 (last retrieved: 20/09/2013).

¹¹ European Council, Conclusions of 13/14 December 2012, EUCO 205/12, http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/134353.pdf, here: point 14, p. 5 (last retrieved: 20/09/2013).

¹² Assemblée nationale (2012), Rapport d’information sur le projet de loi de ratification du Traité sur la stabilité, la coordination et la gouvernance au sein de l’Union économique et monétaire, <http://www.assemblee-nationale.fr/14/europe/rap-info/0202.asp> (last retrieved: 20/09/2013).

and representatives of the relevant committees of national parliaments” would be the effective monitoring of the TSCG, of its executive bodies and implementation measures. It would be modelled following the inter-parliamentary conference on CFSP and CSDP with 6 MPs per national parliament and 16 MEPs in total and the conference would also accompany and control the process of the European semester. For Eurozone matters, Caresche proposes to establish (within that conference) a “Joint Conference Committee” composed of 6 MPs per national parliament from member states whose currency is the euro and the 16 MEPs as full members and with MPs from “pre-in” (member states that have not yet joined the euro, but the legal obligation to do so in the future) and “out” member states as observers.

After France, Denmark took the initiative¹³: The Danish Parliament organised a meeting between 11 chairpersons of European affairs committees of national parliaments in November 2012 and a letter to the President of the European Council was drafted. While they welcomed that the question of democratic control and accountability had been included, they voiced their concern about a “worrying lack of proposals as to how the role of national parliaments can be strengthened more concretely”¹⁴. A follow-up meeting took place in March 2013.

The Speakers of Parliament of the six EEC founding member states and a representative of the European Parliament met in Luxembourg in January 2013 to discuss the issue. It endorses many of the ideas in the “Caresche report” of the French National Assembly, but the idea of a separate body for Eurozone matters was seen as too controversial and the working paper does not call to establish such a body. With respect to inter-parliamentary cooperation and democratic oversight of the EMU, the Speakers of Parliament signing the Luxembourg “working paper” of 11 January 2013

- “consider that, in order that this deepened Economic and Monetary Union is subject to parliamentary oversight, a conference in line with Article 13 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union must be set up. [...] This conference ought to be comparable to the Interparliamentary Conference for the Common Foreign and Security Policy and the Common Security and Defence Policy [...]”¹⁵
- “underline that the conference would discuss topical issues of Economic and Monetary Union, including agreements in the framework of the European Semester”;¹⁶
- “propose to this end, that the Conference will meet at least twice a year, notably before the European Council in June, before or after the adoption of the relevant documents - namely the recommendations on the stability and reform programmes, the orientation of economic policies, the Growth Survey and the Alert Mechanism Report;”¹⁷
- propose that “the Members of the Conference could also hear the President of the European Commission, the President of the European Council, the President of the Eurogroup, the President of the European Central Bank, as well as any relevant Commissioner;”¹⁸

¹³ In a forthcoming analysis for the Foundation for European Progressive Studies, Christian Deubner (2013) also includes a paper from German Bundestag MP Alex Schäfer as “an (inofficial) German proposal [that] at least implicitly reacts to the earlier (official) French one”. It was not exchanged through IPEX. It is not included in this comparison of “official” positions of national parliaments.

¹⁴ Folketinget - Parliament of Denmark (2012), Letter of 11 Chairpersons of European affairs committees to Herman Van Rompuy: <http://www.ft.dk/samling/20121/almdele/eu/bilag/134/1196311.pdf> (last retrieved: 20/09/2013).

¹⁵ Working Paper of 11 January 2013, <http://www.ipex.eu/IPEXL-WEB/dossier/files/download/082dbcc53b70d1c2013ccdb9a8692a61.do>, p. 2, para. 6 (last retrieved: 20/09/2013).

¹⁶ Working Paper of 11 January 2013, <http://www.ipex.eu/IPEXL-WEB/dossier/files/download/082dbcc53b70d1c2013ccdb9a8692a61.do>, p. 2, para. 7 (last retrieved: 20/09/2013).

¹⁷ Working Paper of 11 January 2013, <http://www.ipex.eu/IPEXL-WEB/dossier/files/download/082dbcc53b70d1c2013ccdb9a8692a61.do>, p. 2, para. 8 (last retrieved: 20/09/2013).

¹⁸ Working Paper of 11 January 2013, <http://www.ipex.eu/IPEXL-WEB/dossier/files/download/082dbcc53b70d1c2013ccdb9a8692a61.do>, p. 3, para. 8, point cc. (last retrieved: 20/09/2013).

Thus the inter-parliamentary conference would be tasked to discuss EMU matters and the European Semester, would meet at least twice a year and would be allowed to hear the Presidents of EU institutions and Commissioners.

However, not all national parliaments shared that position. Their division concerns the very nature of an inter-parliamentary conference on the basis of Article 13 TSCG and the timetable to establish it. Some national parliaments have general objections against creating new structures. 16 Chairpersons of European affairs committees in 15 member states (mainly from Nordic¹⁹, Baltic and Central European countries) gathered in Copenhagen and voiced their objections in a letter dated 8 April 2013:

“We [...] have no desire to build new inter-parliamentary bodies. Instead, we believe that existing structures and resources should be exploited to their full potential. We therefore invite Speakers to consider the possibility of establishing a small effective conference focused on substantial issues – to be held in the margins of the biannual COSAC-meetings – using the existing venue and conference facilities and existing resources.”²⁰

With respect to the timetable, the Speaker of the Polish Senate saw “an urgent need”²¹, the Committee on EU affairs of the Czech Senate supported “a quick establishment”²² and the Speakers of Parliament of the Visegrad Countries expressed “their expectation of a swift establishment”²³ of an inter-parliamentary conference. But a letter from the Speaker of the Swedish Riksdag indicated that the Speakers of five Nordic and Baltic countries (Denmark, Estonia, Latvia, Lithuania and Sweden) preferred to “consider the opportunities offered by existing structures of cooperation” and suggested that only a mandate “for the responsible parliamentary committee chairs of the current and upcoming presidencies”²⁴ should be agreed at the Speakers’ Conference in Nicosia and that these chairpersons²⁵ should work on a proposal in close cooperation with their colleagues.

The analysis of preferences and coalition building among the 40 national parliaments of the 27 member states has shown that a compromise was not guaranteed. Their diverging positions and profound disagreement about how to implement the provision about a “conference” that has the objective to “discuss” meant that it would be difficult to reach a consensus that was acceptable to all national parliaments and to the European Parliament that had taken a very lukewarm position²⁶ earlier.

¹⁹ See also a resolution of the Finnish Parliament, cited in Deubner, Christian (2013, forthcoming), *The Difficult Role of Parliaments in the Reformed Governance of the European Economic and Monetary Union*, Foundation for European Progressive Studies (FEPS), p. 42.

²⁰ Joint letter to Speakers’ Conference (2013), <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53dbcb6ed013e07d2d31930a6.do> (last retrieved: 20/09/2013). Representatives of the Belgian Senate and of Luxembourg’s Chamber of Deputies signed both the “Working Paper of 11 January 2013” of the Speakers and the letter of Chairpersons to the Speakers.

²¹ Bogdan Borusewicz [Marshal of the Senate of the Republic of Poland] (2013), Letter to Claude Bartolone [President of the French National Assembly], <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53dbcb6ed013e17ce766c3b29.do> (last retrieved: 20/09/2013).

²² Czech Senate - EU affairs committee (2013): Resolution on the Fiscal Compact Inter-parliamentary Conference, <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53d6d6937013d8c60d6c4139c.do> (last retrieved: 20/09/2013).

²³ Visegrad countries (2013), Declaration of Parliaments, <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53dbcb6ed013e17cf476a3b2a.do> (last retrieved: 20/09/2013).

²⁴ Per Westerberg [Speaker of the Swedish Riksdag] (2013), Letter on Article 13 TSCG, <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53d58ebfd013d63a3794a06fa.do> (last retrieved: 20/09/2013).

²⁵ The Speaker of the Lithuanian Parliament whose country holds the Council presidency during the second half of 2013 was consulted by the Speaker of the Swedish Riksdag, according to the letter.

²⁶ European Parliament (2012), Report with recommendations to the Commission on the report of the Presidents of the European Council, the European Commission, the European Central Bank and the Eurogroup “Towards a genuine Economic and Monetary Union” 24/10/2012 (2012/2151(INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0339+0+DOC+PDF+V0//EN> (last retrieved: 20/09/2013).

2. The agreement on the creation of the Inter-parliamentary Conference for Economic and Financial Governance

2.1 The Speakers' conclusions and the Rules of Procedure

The creation of an Inter-parliamentary Conference for Economic and Financial Governance on the basis of Article 13 TSCG was agreed at the meeting of the Speakers of EU Parliaments in Nicosia from 21 to 23 April 2013. The Lithuanian Council Presidency made a draft of the Rules of Procedure available at the beginning of October 2013. The Rules of Procedure are expected to be adopted at the first meeting of the Inter-parliamentary Conference.

Regardless their nationality, all national parliaments and MEPs are allowed to participate in the conference: with a provision that “the conference should consist of representatives from all the national parliaments of member countries of the European Union and the European Parliament”²⁷, the compromise avoided the exclusion of member states that have not signed the TSCG or “pre-ins”²⁸.

Making a reference to the conclusions of their 2010 conference, the Speakers noted that “according to a previous decision of EU Speakers it is important to *develop established structures* to meet future needs of parliamentary cooperation.”²⁹ This justifies replacing the meetings of the Chairpersons of relevant (probably finance) committees³⁰, since these might have overlapped with the new conference. Cost-effectiveness is mentioned in that context:

“The new mechanism could be built upon the formula of the Conference on CFSP and CSDP [the successor of the WEU Assembly], replacing the meetings of the Chairpersons of relevant Committees, organised by each Presidency, thus rendering it cost-effective. The composition and size of each delegation rests upon each Parliament.”³¹

This does not necessarily mean that each member state sends 6 MPs and the European Parliament designates a total of 16 MEPs (like in the case of the inter-parliamentary conference on CFSP and CSDP), but that composition and size of the individual delegations are not pre-determined.

The frequency of the conference and its presidency were also agreed: two meetings are foreseen, linked to the European semester and the Council Presidency:

“The Conference shall meet twice a year and be coordinated with the European Semester cycle. In the first semester of each year, the Conference shall be held in Brussels [...], while in the second semester, the Conference shall be held in [...] the country holding the six-monthly Council Presidency.”³²

Thus there shall be a co-presidency over the conference of the first semester by the European Parliament and the Parliament of the country holding the Presidency of the Council of the European Union. In the second semester, the presidency shall be held by the Parliament of the country holding

²⁷ Presidency Conclusions of the Conference of Speakers of EU Parliaments, Nicosia 21-23 April 2013, <http://www.ipex.eu/PEX-WEBSITE/dossier/files/download/082dbcc53dbcb6ed013e3b68418b5327.do> (last retrieved: 10/10/2013), p. 5, para. 8.

²⁸ Member states that have not yet joined the euro, but the legal obligation to do so in the future.

²⁹ Presidency Conclusions of the Conference of Speakers of EU Parliaments, Nicosia 21-23 April 2013, <http://www.ipex.eu/PEX-WEBSITE/dossier/files/download/082dbcc53dbcb6ed013e3b68418b5327.do> (last retrieved: 10/10/2013), p. 5, para. 7 and footnote 1. My emphasis.

³⁰ The last meeting of the chairs of finance committees took place in Dublin in February 2013: <http://www.parleu2013.ie/meetings/meeting-of-chairpersons-of-finance-committees-of-eu-member-states-and-the-european-parliament/#.UY52i4lpPot> (last retrieved: 10/10/2013).

³¹ Presidency Conclusions of the Conference of Speakers of EU Parliaments, Nicosia 21-23 April 2013, <http://www.ipex.eu/PEX-WEBSITE/dossier/files/download/082dbcc53dbcb6ed013e3b68418b5327.do> (last retrieved: 10/10/2013), p. 5, para. 8.

³² Presidency Conclusions of the Conference of Speakers of EU Parliaments, Nicosia 21-23 April 2013, <http://www.ipex.eu/PEX-WEBSITE/dossier/files/download/082dbcc53dbcb6ed013e3b68418b5327.do> (last retrieved: 10/10/2013), p. 6, para. 9.

the Council Presidency. “The Speakers propose that the first Conference be held during the Lithuanian Presidency and the second in the beginning of 2014, at the European Parliament.”³³

Table 2 Key provisions of the Inter-parliamentary conference on Economic and Financial Governance

THE “ARTICLE 13 TSCG” INTER-PARLIAMENTARY CONFERENCE					
Name	Presidency	Composition	Creation	Frequency	Competences
Inter-parliamentary conference on Economic and Financial Governance	shared between EP and National Parliament of the Council Presidency	flexible	2013	twice a year	not defined yet

The draft of the Rules of Procedure for the Inter-parliamentary conference³⁴ provides several important clarifications: The inter-parliamentary conference

- shall be a “framework for debate and exchange of information and best practices on matters of economic and financial governance of the EU and shall maintain a special focus on the budgetary issues and procedures covered by the TSCG” (Article 1.1)
- replaces the European Parliamentary Week of the European Semester organised by the European Parliament in the first semester of each year. (Article 1.2)
- “may [...] adopt Conclusions on matters related to economic and financial governance of the EU, particularly the budgetary matters covered by the TSCG” (Article 1.3)
- “shall seek to take decisions, including on the adoption of the Conclusions, by consensus. If this is not possible, decisions shall be taken with a qualified majority of at least 3/4 of the votes cast. The majority of 3/4 of the votes cast must at the same time constitute at least half of all votes. Each Parliament has two votes. In the case of bicameral Parliaments, each Chamber is given one vote.” (Article 3.7)

2.2 Clarifying and enhancing the role of the Inter-parliamentary Conference

The compromise is based on many elements that were put forward in the Luxembourg working paper, but it is less precise, particularly with respect to the composition. All negotiating parties had to make concessions. It is striking to see the French National Assembly as “almost completely isolated”³⁵ when asking for a special committee for Eurozone issues, but as able to set and maintain the item of inter-parliamentary control on the agenda. “The proposed modesty of the Conference’s mission [...] appears to be the common ground on which the national parliaments and the European Parliament are able to adhere to an equally modest and consensual conference concept[.]”³⁶

³³ Presidency Conclusions of the Conference of Speakers of EU Parliaments, Nicosia 21-23 April 2013, <http://www.ipex.eu/PEXL-WEB/dossier/files/download/082dbcc53dbcb6ed013e3b68418b5327.do> (last retrieved: 10/10/2013), p. 6, para. 9.

³⁴ Interparliamentary Conference on Economic and Financial Governance (2013): Draft Rules of Procedure of the Interparliamentary Conference on Economic and Financial Governance of the European Union, dated 01/10/2013, <http://renginai.lrs.lt/renginai/EventDocument/0f6147e3-6125-40b9-93d8-edc7c31e085f/EN%20draft%20Article%2013%20RoP%20-%2001-10-2013.pdf> (last retrieved 02/10/2013).

³⁵ Deubner, Christian (2013, forthcoming), The Difficult Role of Parliaments in the Reformed Governance of the European Economic and Monetary Union, Foundation for European Progressive Studies (FEPS), p. 44.

³⁶ Deubner, Christian (2013, forthcoming), The Difficult Role of Parliaments in the Reformed Governance of the European Economic and Monetary Union, Foundation for European Progressive Studies (FEPS), p. 45.

But the conclusions of the Speakers' Conference and the draft of the Rules of Procedure still leave important questions unanswered and can be assessed as a missed opportunity, because they do not meet the two most basic elements necessary for the smooth functioning of such a conference: a clear composition and a comprehensive definition of powers and competences. National parliaments have not been able to act together in this case of setting up an inter-parliamentary conference and have thus, once again, failed to be a collective actor at the EU level. Establishing an inter-parliamentary conference would have been an opportunity

- to ensure a higher level of parliamentary control of fiscal and economic policies and decisions taken at the EU level,
- to counter-weight the decline of national parliamentary sovereignty on budgets (and the restriction of possible policy choices taken by parliamentary majorities in national parliaments),
- to find an institutional expression of political support and opposition for the EU policy decisions in the context of budgetary and economic coordination,
- and to socialize MPs in order to Europeanize the control exercised at the national level that is highly nationally framed.³⁷

The model of the CFSP/CSDP conference appears well-fitted for all inter-parliamentary conferences since it allows having in each delegation representatives from all major political parties as well as specialized budget policy MPs (like committee chairs) and from neighbouring policy areas able to develop new perspectives on budget issues. The optimal delegation size that the hosting Parliament(s) may suggest, should build on that. The inter-parliamentary conference puts an end to the existing inter-parliamentary meetings of the chairpersons of finance committees that are a functioning coordination mechanism. The case of replacing the European Parliamentary Week of the European Semester organised by the European Parliament in the first semester of each year³⁸, however, seems reasonable and avoids duplication.

In terms of competences, the inter-parliamentary conference will have the possibility to adopt non-binding conclusions, even by a qualified majority of 3/4, if consensus cannot be achieved. It should use that possibility in an ambitious and pro-active way. The key activity of such conference lies in its capacity to implement a genuine accountability mechanism rather than taking binding decisions. European decision-makers should be publicly heard, questioned and even criticized by the conference.

The conference could meet more often than twice a year and shortly before ordinary European Council meetings that address ECOFIN issues in order to allow the Conference to give input on the agenda of the summits. This timing would also constitute a strong incentive for MPs to participate actively in the conference.

³⁷ See Hefftl, Claudia, Valentin Kreiling, Olivier Rozenberg, Wolfgang Wessels (2013), National parliaments: their emerging control over the European Council, *Notre Europe-Jacques Delors Institute*, Policy Paper n°89, <http://www.eng.notre-europe.eu/media/parliamentarycontrol-hefftlkreilingerozenbergwessels-ne-jdi-mar13.pdf> (last retrieved: 20/09/2013).

³⁸ Interparliamentary Conference on Economic and Financial Governance (2013): Draft Rules of Procedure of the Interparliamentary Conference on Economic and Financial Governance of the European Union, dated 01/10/2013, <http://renginai.lrs.lt/renginai/EventDocument/0f6147e3-6125-40b9-93d8-edc7c31e085f/EN%20Draft%20Article%2013%20RoP%20-%2001-10-2013.pdf> (last retrieved 02/10/2013), Article 1.2.

Finally, the idea of a review of the working of the conference by an “ad hoc review committee which would, in the second semester of 2015, to evaluate the workings of the Inter-parliamentary Conference [...] with specific recommendations to be deliberated upon by the Conference of Speakers of European Union Parliaments in 2016”³⁹ is certainly a good idea (inspired from a provision in the Rules of Procedure of the conference on CSFP/CSDP), but could be brought forward.

Conclusion

The way from the TSCG to Vilnius, where the first meeting of the Inter-parliamentary conference on Economic and Financial Governance takes place on 16 and 17 October 2013, was long and stony: this Paper analysed the preferences of key actors at the EU and the national level. The compromise of the Speakers’ Conference in Nicosia in April 2013 leaves many questions unanswered and can – at this stage – be assessed as a “missed opportunity”. This is still true when looking at the draft of the Rules of Procedure, although they remedy some issues.

In summary, the efforts to build an inter-parliamentary bridge for more economic cooperation are an example for the conflict lines with respect to the role of national parliaments in a political union: for conflict lines between different sub-groups of national parliaments (e.g. six founding member states versus other member states), between the EU institutions (e.g. the European Parliament versus the European Council) and between the EU level and the national level. The understanding of inter-parliamentary cooperation as a part of a political union and the perception of its potential benefits vary largely. It also seems that while the general level of ambition has stagnated since June 2012 (fiscal union, economic union, banking union); the level of ambition to build a political union has decreased – instead of catching up.

This Inter-parliamentary Conference on Economic and Financial Governance constitutes a first step towards genuine parliamentary control in the EMU. Taking into account all the hesitations, a consensus on more inter-parliamentary cooperation and stronger inter-parliamentary conferences will obviously not be easy to achieve. But such a more ambitious approach would help reduce the existing weakness in democratic accountability and legitimacy in general and especially in that linked to a genuine EMU in the making. An inter-parliamentary conference as a place to “discuss” could gradually develop into an arena for political competition where battles are fought about the direction of the Union’s economic policy. The broader picture shows that “[m]any of the institutional adjustments needed by the euro area have already been implemented in a flexible manner”⁴⁰ – the Inter-parliamentary Conference on Economic and Financial Governance can now be added to that list.

³⁹ Interparliamentary Conference on Economic and Financial Governance (2013): Draft Rules of Procedure of the Interparliamentary Conference on Economic and Financial Governance of the European Union, dated 01/10/2013, <http://renginiai.lrs.lt/renginiai/EventDocument/0f6147e3-6125-40b9-93d8-edc7c31e085f/EN%20Draft%20Article%2013%20RoP%20-%2001-10-2013.pdf> (last retrieved 02/10/2013), Article 9.1.

⁴⁰ Vitorino, António (2012), Which Institutions for the Euro Area?, *Notre Europe-Jacques Delors Institute*, Tribune, http://www.eng.notre-europe.eu/media/InstitutionsEuro_Viewpoint_NE_Sept12_01.pdf (last retrieved 10/10/2013).

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