



OVERVIEWS

SPECIAL SECTION – DEMOCRATISING THE EURO AREA THROUGH A TREATY?

TAKING DEMOCRACY SERIOUSLY IN THE EURO AREA: REINVIGORATING THE EUROPEAN PARLIAMENT'S FUNCTIONS AND RESPONSIBILITIES

TABLE OF CONTENTS: I. T-Dem or the democratic question put back at the heart of economic governance. – II. The European Parliament, rather than an assembly of the Euro area. – III. The ways of strengthening the powers of the European Parliament. – IV. Taking into account the interest of the Euro area as a whole. – V. From democratic frustration to parliamentary challenge.

I. A few days before the celebration of 60 years of the signing of the Rome Treaties and against the backdrop of the French presidential campaign, an interdisciplinary team led by Thomas Piketty and Antoine Vauchez published a short book on European economic governance: *Draft Treaty on the Democratisation of the Governance of the Euro Area* (or T-Dem).¹ In less than 100 pages, the book develops a reasoned critique of the economic governance of the Euro area, rightly stressing the weakness of the legislative and oversight powers of national and European parliaments. In order to initiate a political debate on concrete elements, the authors provide the readers with a draft Treaty long of twenty-two articles.

Thomas Piketty's initiative is to be welcomed in many ways. It puts the democratic question at the very heart of the debate on the functioning of the Economic and Monetary Union (EMU). Since its inception by the Maastricht Treaty (1992), EMU differs from the other policies of the European Union (hereinafter the Union) by the marginal responsibilities attributed to the national parliaments and the European Parliament. Sometimes referred to as the "Treaty of parliaments",² the Lisbon Treaty, which came into force in 2009, did not open a new era for democracy and citizenship in the EMU area.³ The management of the sovereign debt crisis and the reforms of the governance of

¹ S. HENNETTE, T. PIKETTY, G. SACRISTE, A. VAUCHEZ, *Pour un traité de démocratisation de l'Europe*, Paris: Seuil, 2017.

² N. LAMMERT, *Europa der Bürger – Parlamentarische Perspektiven der Union nach dem Lissabon-Vertrag*, speech delivered at Humboldt University, Berlin, 2009.

³ The legal position of the European Parliament remains largely unchanged in the Lisbon Treaty. Within the economic pillar, the adoption of the most important measures are still governed by specific

EMU (including the Euro area) have brought out original flaws of the Maastricht Treaty.⁴ The institutions and bodies already in charge of economic and monetary policy⁵ (European Council/Euro Summit, Council/Eurogroup, Commission and European Central Bank, hereinafter ECB) gained more responsibilities. This is particularly true with respect to the *ad hoc* arrangements set up outside the scope of EU law to provide financial assistance to the Euro area Member States (European Financial Stability Fund, European Stability Mechanism, hereinafter ESM) and to enhance fiscal discipline (Fiscal Compact). The phenomenon is the exact opposite for the European Parliament and the national parliaments: they faced further relegation in the EU decision-making process. This observation, however, deserves to be tempered: parliaments benefited from a strengthening of their oversight powers.⁶ On the model of the monetary dialogue between the ECB and the European Parliament,⁷ the legislative reform package of November 2011 (Six Pack) establishes an economic dialogue between the representatives of the executive institutions (Council, Commission and, *where appropriate*, European Council and Eurogroup) and the European Parliament.⁸ In the framework of the Banking Union, the ECB is bound by a specific obligation to report to the European Parliament,⁹ as well as an obligation to inform the national parliaments.¹⁰

The T-Dem advocates the creation of an Assembly of the Euro area composed of representatives appointed by the national parliaments and by the European Parliament. It is inspired by the Interparliamentary Conference on Stability, Coordination and

procedures according to which the Parliament is consulted before (e.g. Art. 125, para. 2, TFEU; Art. 126, para. 14, TFEU, or Art. 140, para. 2, TFEU), informed after the decisions is taken by the Council (e.g. Art. 121, para. 5, TFEU, Art. 122, para. 2, TFEU) or totally ignored (e.g. Art. 138 TFEU).

⁴ S. HENNETTE, T. PIKETY, G. SACRISTE, A. VAUCHEZ, *Pour un traité de démocratisation de l'Europe*, cit., p. 47 *et seq.*

⁵ See F. ALLEMAND, *More or Less Intergovernmental Cooperation Within the New EMU?*, in L. DANIELE, P. SIMONE, R. CISOTTA (eds), *Democracy in the Aftermath of the Crisis*, Cham: Springer, 2017, pp. 73-99.

⁶ F. ALLEMAND, F. MARTUCCI, *The Democratic Legitimacy of European Economic Governance: The Change of the Parliamentary Function*, in *Revue de l'OFCE*, 2014, p. 119.

⁷ The monetary dialogue is based on the obligation of the ECB to report to the European Parliament, as provided for by Art. 284, para. 3, TFEU; its modalities laid out in Art. 126, para. 3 of the Rules of Procedure of the European Parliament.

⁸ For example Art. 2-ab of Regulation (EC) 1466/97 of the European Council of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies; as last amended by Regulation (EU) 1175/2011 of the European Parliament and of the Council of 16 November 2011.

⁹ Art. 20 of Regulation (EU) 1024/2013 of the Council of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The practical arrangements for the exchanges with the European Parliament are laid out in the Interinstitutional Agreement 2013/694/EU between the European Parliament and the European Central Bank of 6 November 2013 on the practical modalities of the exercise of democratic accountability and oversight over the exercise of the tasks conferred on the ECB within the framework of the Single Supervisory Mechanism.

¹⁰ Art. 21 of Regulation 1024/2013, cit.

Governance (SCG), based on Art. 13 of the Treaty on SCG. This forum aims to promote debate on topics of common interest, primarily budgetary policies, and information exchange. This conference has no legislative or oversight powers and it has not yet demonstrated any usefulness. At most, it helps restore a regular link between national and European parliamentarians. The T-Dem intends to fill the gaps by giving the Assembly of the Euro area the traditional functions of a parliament.

Thomas Piketty and his co-authors are also right to relate this topic to some concrete issues.¹¹ The economic policies adopted by the Member States under the programmes agreed with the European authorities have major financial, economic and social consequences, without the national parliaments or the European Parliament really having the right to discuss the content and the scope of these policies. As the democratic debate cannot stand in the assemblies, it takes place in the streets¹² or before the courts.¹³ These democratic deprivations have fuelled a sense of democratic denial, political dispossession and frustration among an ever-growing part of European citizens.¹⁴ In the context of the French presidential debate, the authors' initiative took on a particular significance and we should be pleased that it aroused the interest of some candidates.

Finally, the four authors are inspired when they put a draft Treaty – and not general proposals on the democratic reinforcement of EMU – into the debate. Repeated calls for political consolidation of governance reforms in the Euro area through “sustainable, equitable and democratically legitimate solutions”¹⁵ amount to ideas with fuzzy outlines. Opening the debate and taking democracy seriously imply to go beyond general principles and to imagine the details of the future EMU governance, as Thomas Piketty and the other authors did.

II. The establishment of a Euro area Assembly, with legislative and oversight powers, superimposed on existing parliamentary representations,¹⁶ is interesting in many ways.

¹¹ S. HENNETTE, T. PIKETTY, G. SACRISTE, A. VAUCHEZ, *Pour un traité de démocratisation de l'Europe*, cit., p. 8.

¹² See the (violent) street demonstrations in Athens or the Indignados movement in Spain.

¹³ C. FASONE, *Constitutional Courts Facing the Euro Crisis. Italy, Portugal and Spain in a Comparative Perspective*, in *EUI Working Papers*, no. 25, 2014.

¹⁴ For the replacement of permissive consensus by public hostile reactions, see G. MAJONE, *Rethinking the Union of Europe Post-Crisis. Has the Integration Gone too Far?*, Cambridge: Cambridge University Press, 2014; also H. KRIESI, T. PAPPAS, *European Populism in the Shadow of the Great Recession*, Colchester: CEPR, 2015, who addressed the specific situation of the rise of populism in relation to the (mis)management of the economic crisis.

¹⁵ European Commission, *Completing Europe's Economic and Monetary Union – Report by J-C Juncker in close cooperation with D. Tusk, M. Draghi, J. Dijsselbloem and M. Schulz*, 22 June 2015 (Report of the Five Presidents).

¹⁶ F. ALLEMAND, F. MARTUCCI, *The Democratic Legitimacy of European Economic Governance: The Change of the Parliamentary Function*, cit., p. 121.

However, it does not seem appropriate to the specific features of the European integration process.

The governance of the Euro area is of course complex enough, so that it is not necessary to add a new institution even on a temporary basis. More fundamentally, the creation of such an Assembly runs counter to the principle of unity of the institutional framework and the representation of European citizens, as well as the unitary character of the European citizenship regime.¹⁷ The Court of Justice ritually recalls that the Union's citizenship "is destined to be the fundamental status of nationals of the Member States".¹⁸ The situation where the citizens of the Member States of the Euro area could be represented twice, once at the Assembly of the Euro area *and* at the European Parliament to discuss the same subject, for example the appointment of members of the Executive Board of the European Central Bank,¹⁹ would thus be in clear conflict with EU law.

The duplication of parliamentary assemblies would also increase the risks of conflicts of competences, political contradictions and rivalries between them. Sixty years ago, the same considerations²⁰ led the authors of the Founding Treaties to establish an Assembly common to the three European Communities rather than a single Assembly for each Community.²¹ One may observe that the Assembly of the Council of Europe already existed at the time of negotiating the Paris Treaty and then the Rome Treaties. However, it could not be drawn on this precedent, as the Council of Europe and the European Communities differ in their nature (cooperation *v.* integration organization). The situation is different in the present case: the Euro area represents a specific level of integration and cooperation between the Member States *within* the Union; it is not an autonomous entity separate from the Union. Economic and monetary policy is a Union policy and is subject to compliance with the values, principles and objectives set out in Arts 2, 3 *et seq.*, TEU. The European Parliament is one of the EU institutions and, as such, shall act within the

¹⁷ European citizens can participate in the functioning of the Union via a dual channel of representation: directly through the European Parliament and indirectly through the European Council and the Council (Art. 10 TEU). *No other form of political representation of European citizens at Union level is envisaged.* This principle of representation is related to the right of the citizen to participate in the democratic life of the Union. Read in conjunction with the principle of equality (Art. 9 TEU), the right to be represented in the European Parliament means that no citizen can vote more than once (Art. 9 of the Act concerning the election of the representatives of the Assembly by direct universal suffrage of 20 September 1976). The opportunity for citizens of the Euro area Member States to be represented in other structures associated with the functioning of the Union, would contravene both the exclusive character of representations of channels referred to in Art. 10 and the principle of equality of citizens.

¹⁸ Court of Justice, judgment of 20 September 2001, case C-184/99, *Grzelczyk*, para. 31.

¹⁹ Art. 17 of the T-Dem and Art. 283, para. 2, TFEU.

²⁰ See for example: Working Group Memorandum of Joint Assembly of the ECSC on European revival, 7 January 1957, www.cvce.eu; Mémorandum de la délégation des Bureaux des trois Assemblées européennes, 2 February 1957, www.cvce.eu.

²¹ Arts 1 and 2 of the Convention on certain institutions common to the European Communities, annexed to the Treaty establishing the European Economic Community.

limits of the powers conferred on it in the Treaties, and in conformity with the procedures, conditions and objectives set out in them.²² Its powers apply irrespective of the territorial scope of the policies or measures to be adopted by the Union.

Finally, one can reasonably question the reaction of the European citizens to the creation of this new assembly and the political impact on the European Parliament's image. This initiative highlights the little influence that the European Parliament has in the definition and conduct of the economic governance of the Euro area and it supports the establishment of a new transnational parliamentary institution rather than proposing improvements of the Parliament's powers. Is there not a risk of increasing voters' disaffection in the next European elections?

Once again, the T-Dem initiative should deserve serious consideration. However, multiple parliamentary assemblies, endowed with powers, coherent and complementary with one another, do not form a modern parliamentary institution that meets contemporary democratic requirements. The whole is not equal to the sum of the parts. The Court of Justice has devoted the "fundamental democratic principle that the peoples should take part in the exercise of power through the intermediary of a representative assembly".²³ According to this principle, the European Parliament must participate *effectively* in the EU legislative process.²⁴ The democratic principle also implies that the power to adopt a non-legislative act must be exercised by a European democratically accountable institution.²⁵ In a dispute over the voting rights of British citizens of Gibraltar in European elections, the European Court of Human Rights acknowledged the existence of a "truly democratic political system" in the Union, although of a *sui generis* nature.²⁶ The European Parliament was considered by the Court as the institution of the Union, which best reflects the need to ensure such a democratic regime.²⁷

III. Taking seriously the issue of democracy in the functioning of the Euro area requires major efforts to strengthen the powers of the European Parliament, by using all the elements of flexibility contained in EU law. Many evolutions can take place without triggering a heavy revision procedure, which is always risky with regard to its political outcomes.

²² Art. 13 TFEU.

²³ Court of Justice, judgment of 29 October 1980, case 138/79, *Roquette Frères v. Council*, para. 33; Court of Justice, judgment of 11 June 1991, case C-300/89, *Commission v. Council* (titanium dioxide), para. 20.

²⁴ Court of Justice, judgment of 30 March 1995, case C-65/93, *Parliament v. Council*, para. 21; Court of Justice, judgment of 6 November 2008, case C-155/07, *Parliament v. Council*, para. 78.

²⁵ Court of Justice, judgment of 12 September 2013, case C-270/12, *UK v. Council and Parliament*, para. 85.

²⁶ European Court of Human Rights, judgment of 18 February 1999, no. 24833/94, *Matthews v. United Kingdom*, para. 48.

²⁷ *Ibidem*.

The promotion of the European Parliament as a genuine legislative authority first requires to abstain from supplementing EU law with new instruments of international law. The intergovernmental logic exercises all its control over the negotiation modalities and the content of the agreement. In the light of experiences, such agreements were characterized by the marginalization of the European Parliament. After a hard-fought battle, the Parliament obtained to send four observers (including a substitute) to the intergovernmental conference on the Treaty on SCG and to present its position at the special meeting of the ministers of 18 February 2014 on the intergovernmental agreement establishing the Single Resolution Fund. However, its responsibilities remain minor in each of these agreements. This does not mean that using international law to complement EU legal framework should be definitely prohibited: we rather suggest that it should merely be considered as a last resort solution to think about to overcome deadlock negotiations at EU level.²⁸

Secondly, the special legislative procedures for the implementation of economic and monetary policy should give way to the ordinary legislative procedure, through the application of the bridging clause of Art. 48, para. 7, TEU. This concerns Art. 125, para. 2, TFEU (definitions for the prohibitions stipulated in Arts 123 to 125, para. 1, TFEU), Art. 127, para. 6 (specific tasks to the ECB in the area of prudential supervision), Art. 128, para. 2 (measures to harmonize unit values and technical specifications of euro coins), Art. 129, para. 4 (revision of provisions of the Statute of the European System of Central Banks), Art. 132, para. 3 (powers of the ECB to impose sanctions) and Art. 134, para. 3 (Statute of the Economic and Financial Committee). All these special legislative procedures reflect political concerns expressed by the Member States in the early 1990s when nobody knew if the EMU would ever fly. Thirty years later, their relevance has to be reviewed in the light of the current developments and democratic requirements of the EMU.

The implementation of the bridging clause is a delicate exercise as there are many safeguards. The procedure requires a unanimous decision of the European Council. This difficulty can be mitigated by application of Art. 333 TFEU. This provision makes it possible to change the legislative procedure from special to ordinary when it comes to the adoption of legislative measures in the context of enhanced cooperation. Unanimity within the Council is still required to approve this change, although the vote is open only to those Member States participating in the enhanced cooperation.

In addition, Art. 7 of the Treaty on SCG lays down a voting clause, under which the Contracting Parties whose currency is the euro commit to supporting proposals submitted by the Commission with regard to implementation of the excessive deficit proce-

²⁸ The T-Dem retains the opposite perspective, as well as Wolfgang Schäuble in his non-paper presented at the Eurogroup meeting of 15 September 2017: "As long as there is little willingness for treaty changes, we should follow a pragmatic two-step approach: intergovernmental solution now to be transposed into EU law later".

ture.²⁹ The Six-Pack has also introduced the principle of reversed qualified majority voting in Union law.³⁰ None of these two mechanisms could apply in a binding way to a voting procedure laid down in the Treaties: the first one is international law, while the other is secondary law. They could nevertheless be introduced in EU law as *soft law* under the form of a resolution of the Council or a political commitment taken by the Member States.

The T-Dem calls for a close association of the Euro Area Assembly with the implementation of economic and monetary policy in the Member States whose currency is the euro (Arts 8 and 9): review of the Commission's reports on the alert mechanism of the macroeconomic imbalance procedure, monitoring of the discussions on draft budget plans. These proposals could be applied for the benefit of the European Parliament, for those not yet provided for by EU law. In addition, a specific attention should be paid to the development of a fiscal stance³¹ for the Euro area, as this new tool could eventually reverse the way budgetary discipline is implemented.³²

Until recently, the fiscal stance resulted from the aggregation of the budgetary objectives defined by the Member States in the context of the economic policy coordination procedure. Such an approach leads to seeing what is going to happen rather than pointing the way forward in a timely and proactive manner. It does not favour the emergence of an optimal *policy mix* for the Euro area. Under the procedure for discussing draft budgetary plans, the Commission now recommends a prescriptive approach:³³ the Euro area's fiscal stance, developed in the light of the economic outlook for the Euro area as a whole, is the baseline from which the national fiscal stances must be drawn. Implemented since November 2016, this new approach where the common interest prevails over national interests has generated strong resistance from the Eurogroup. To prevent and counter criticism about the alleged economic and political bias of the stance, the Commission submits its draft position to the European Fiscal Board (EFB) –

²⁹ Under this provision, the contracting Member States undertake to support proposals or recommendations submitted by the Commission where it considers that a Euro area Member State is in breach of the deficit criterion in the framework of an excessive deficit procedure. This arrangement is to avoid any repetition of the political and legal crisis opened in the fall of 2003 between the Council and the Commission, following the suspension of the procedure against Germany and France.

³⁰ See for details: F. ALLEMAND, F. MARTUCCI, *La nouvelle gouvernance économique européenne (part 1)*, in *Cahiers de droit européen*, 2012, p. 75 et seq.

³¹ The "fiscal stance" corresponds to the expected impact on the future economy due to fiscal and budgetary policy. See K. BANKOWSKI, M. FERDINANDUSSE, *Euro Area Fiscal Stance*, in *ECB Occasional Paper Series*, no. 182, 2017.

³² F. ALLEMAND, *Les politiques budgétaires des États membres de la zone euro: nationales et communes*, in J.-M. FERRY (ed.), *Europe. Le partage public-privé en question*, Rennes: Presses Universitaires de Rennes, 2018 (forthcoming).

³³ Communication COM(2016) 727 final of 16 November 2016 from the Commission, *Towards a positive fiscal stance for the Euro area*.

an advisory committee set up in October 2015.³⁴ Composed of a chairperson – Niels Thygesen and four experts – the EFB must base its view on an “economic judgment” – hopefully without bias. As “science replaces politics”, the European Parliament is not directly involved in the process of defining this new tool. At most, it assesses the fiscal stance for the Euro area in its resolutions on the European Semester.³⁵ The importance of the fiscal stance for the European *policy mix* and the conduct of fiscal policies would justify that the Commission submits it to the Eurogroup *and* the European Parliament as far upstream as possible of the opening of the national budgetary procedures, i.e. at the beginning of September and not in mid-November.

Finally, restoring the European Parliament’s legislative and oversight functions would remain an uncomplete process, as long as no similar progress is made on its negotiation capacity with the Council. Some practical arrangements could be easily introduced in that way: the parliamentary committee responsible for economic and monetary affairs (ECON committee) could benefit from the support of external and multidisciplinary experts on economic governance on a more regular basis, for example prior to any discussion on a major topic or legislative proposal. A task force could be set up within the “ECON” committee for the duration of the mandate, with the mission to provide the rapporteurs with meaningful advice. It should be composed of Members of the European Parliament (hereinafter MEPs) appointed by their peers on the basis of their skills, experience and/or knowledge relevant to macroeconomics, public finances, financial services monetary policy, etc. These advisory tasks could also be conferred on a Parliamentary Office for the evaluation of economic choices, as proposed in the T-Dem (Art. 11, para. 1).

IV. If the powers of the European Parliament were reinforced, one may be surprised that all the members of the European Parliament could contribute to the exercise of the legislative functions, especially when measures applicable only to the Euro Area Member States are concerned. Unlike the situation of the representatives of non Euro area Member States within the Council, the Treaty provides for no limitation of the voting right for those MEP elected outside the Euro area. The same critique applies to the possible adoption of a Euro area budget,³⁶ as well as to the exercise of its oversight functions in respect of fora composed of the representatives of the Member States of the Euro area, e.g. meeting of Heads of State or Government of the Euro area, Eurogroup,

³⁴ Commission Decision (EU) 2015/1937 of the 21 October 2015 establishing an independent advisory European Fiscal Board, p. 37.

³⁵ European Parliament Resolution P8_TA(2017)0038 of 15 February 2017 on the European Semester for economic policy coordination: Annual Growth Survey 2017, paras 44-51.

³⁶ A. VON BOGDANDY, C. GALLIES, H. ENDERLEIN, M. FRATZSCHER, C. FUEST, F.C. MAYER, D. SCHWARZER, M. STEINBEIS, C. STELZENMÜLLER, J. VON WEIZSÄCKER, G. WOLFF (“Glienecker Gruppe”), *Towards a Euro Union*, in *Bruegel*, 25 August 2014, bruegel.org.

ESM.³⁷ This is paradoxical, given the current needs and trends to foster the Euro area's own interests within the EMU.

Again, EU law provides some resources to resolve this apparent conflict.³⁸ Nothing prevents that various accommodations be found in the European Parliament to allow MEPs elected in the Euro area Member States to address issues of common interest. The ECON committee could establish within it a sub-committee comprising its members elected in the Euro area.³⁹ During the parliamentary debates on the allocation of specific tasks on the ECB in prudential supervision, it was proposed that Parliament establishes a standing committee composed of members from the Member States whose currency is the euro: the function of this committee was to hear the chairman of the Supervisory Board and to examine issues related to the performance of supervisory tasks by the ECB.⁴⁰ In a similar vein, the EU regulation establishing the Single Resolution Fund provides that the Chair of the Single Resolution Board shall hold oral discussions behind closed doors with a small group of representative members of the ECON committee (e.g. chair and vice-chairs of the committee, accompanied by two members of Parliament's secretariat).⁴¹ In addition, like the intergroup "Baltic Europe" which brings together MEPs coming from the Baltic Sea area, an intergroup "Euro area" could be established at the Parliament or at parliamentary committee level.⁴² The legislative or initiative reports concerning the Euro area should also, as a matter of principle, be assigned to MEPs from Member States participating in the single currency... what is already being done in practice. For topics likely to affect non-Euro area Member States (e.g. competitiveness), a co-rapporteur from these countries would be appointed. Finally, only the parliaments of the Member States of the Euro area should ensure compli-

³⁷ The European Parliament's control can be exercised only in respect of institutions, bodies and fora established within the EU legal order. The control of the ESM would thus require amendment of the existing Treaty establishing it and the adoption of a Memorandum of Understanding between the ESM and the European Parliament. Another solution would be to incorporate the ESM into the legal framework of the European Union.

³⁸ See F. ALLEMAND, F. MARTUCCI, *The Democratic Legitimacy of European Economic Governance: The Change of the Parliamentary Function*, cit., p. 122 *et seq.*

³⁹ J.-C. PIRIS, *The Future of Europe: Towards a Two-Speed EU?*, Cambridge: Cambridge University Press, 2012.

⁴⁰ European Parliament, Committee on Economic and Monetary Affairs, Report COM(2012)0511 – C7-0314/2012 – 2012/0242(CNS) of 3 December 2012 on the proposal for a Council regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions – Rapporteur Marianne Thyssen, Amendment No. 888 submitted by Werner Langen to Art. 21, para. 3.

⁴¹ Art. 45, para. 7, of Regulation (EU) 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) 1093/2010.

⁴² Art. 32 of the Rules of Procedure of the European Parliament.

ance with the principle of subsidiarity when legislative measures under review are based on Art. 136 TFEU. At present, parliaments of non-Euro area Member States have sufficient votes to request a review of measures applicable to the Euro area.⁴³

V. The proposals outlined above do not exhaust the question of the democratisation of EMU. The European Union operates on the basis of a “constitutionally integrated structure” that interacts with its Member States.⁴⁴ The organisation of European and national competences by the EU creates an “overall responsibility” with regard to its own ability and the ability of the Member States to achieve shared goals, as laid down in Art. 3 TEU, or broad economic policy guidelines in the specific field of EMU. This overall responsibility does not lead to a blurring of roles: each party remains responsible for implementing the powers within its remit. In practice, however, the sharing of responsibilities based on the distribution of powers is a difficult task. The prevailing intergovernmental logic in EMU, with significant responsibilities attributed to institutions representing the interests of the Member States (the European Council, the Council and the Eurogroup) does nothing to disentangle these complexities. The perception is that everyone is responsible for everything, but no one is responsible for anyone else. We soon find ourselves in a situation where in fact no one is responsible for anything, except taking credit for various economic achievements.⁴⁵

In this integration Union, the mechanisms of political responsibility are organized by each level, according to principles and arrangements of its own. Under Art. 4 TEU, the EU shall respect the national identities of Member States, inherent in their fundamental structures, political and constitutional. In this respect, it is up to each Member State to design its own oversight and accountability mechanisms. In general, over the past thirty years we have witnessed a constant erosion in the budgetary authority and oversight power of national parliaments,⁴⁶ as a result of the highly technical nature of debates and the influence of majority rule. This raises the risk that strengthening the supervisory powers of the European Parliament will only resolve the *European* aspect

⁴³ Each Parliament has two votes. The parliaments of the Member States outside the zone have a total of twenty votes. The threshold required to trigger the review procedure of a legislative proposal by the Commission is equal to the total number of votes in the third, namely sixteen.

⁴⁴ F. ALLEMAND, F. MARTUCCI, *La mutation de la fonction parlementaire: le rôle des parlements dans la gouvernance économique*, in L. IDOUX, J.-B. AUBY (eds), *Le gouvernement économique européen*, Brussels: Bruylant, 2017, p. 315.

⁴⁵ For a detailed analysis, see V. KLAUS, *Sauver les démocraties en Europe*, Paris: François-Xavier de Guibert Editeur, 2012.

⁴⁶ A. SCHICK, *Les parlements nationaux peuvent-ils retrouver un rôle effectif dans la politique budgétaire?*, conference *L'évolution du rôle du Parlement dans le processus budgétaire*, Senate, Paris, 24-25 January 2001.

of the democratic deficit in the Euro area and that the question of the national responsibility of governments will remain unanswered.

This point is addressed by the Six Pack and the Two Pack, which strengthen the requirements for transparency and sincerity imposed on Member States in the preparation and implementation of their budgetary policies.⁴⁷ Given the lack of technical expertise within national parliaments, the Member States have to set up independent advisory bodies responsible for monitoring budgetary rules.⁴⁸ In France, this body is the High Council for Public Finance attached to the Court of Auditors. More generally, EU law recommends that the national parliaments should be duly involved in the European Semester and in the preparation of the documentation submitted to the Commission for assessment (stability programmes, national reform programmes).⁴⁹ However, these rules are enacted in provisions with no binding effect. This incantatory character can be regretted. But we should remember that European integration is a gradual process. This invitation should therefore be seen as a sign of the EU's intention to address the matter again if no progress is observed. Indeed, a subsequent Council Regulation indicates that "reinforced coordination and surveillance should be accompanied by commensurate involvement of the European Parliament and of national parliaments as appropriate".⁵⁰ It is to be hoped that these concerns will not be forgotten in the forthcoming reforms of European economic governance. To this end, we may presume that the authors of the Draft Treaty on the democratisation of the governance of the Euro area will continue their efforts to raise the alarm as widely as possible that the Euro area is in a state of democratic emergency.

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⁴⁷ Arts 9 to 14 of Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States.

⁴⁸ Art. 5 of Regulation (EU) 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

⁴⁹ Recital 16 of Regulation 1175/2011, cit.

⁵⁰ Recital 6 of Regulation 473/2013, cit.

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