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Erosion of parliamentary democracy during the European financial crisis

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Erosion of parliamentary democracy during the European financial crisis

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What were the effects of the recent European economic crisis on parliamentary democracy in the European Union? Were national parliaments negatively affected? In the aftermath of the crisis these questions generated a very lively academic discussion. In her forthcoming book, PADEMIA member Aleksandra Maatsch makes a significant contribution to that debate by analysing how national parliaments and parliamentary parties performed their legislative, representative, and control functions during the reform of European economic governance. The findings demonstrate that formal powers of national parliaments are limited while the international responsibility among governing parties is prioritised. Nevertheless, parliaments have not become mere 'talking shops' either.

Parliament is a deliberative assembly. ... government and legislation are matters of reason and judgment, and not of inclination; and what sort of reason is that, in which the determination precedes the discussion; in which one set of men deliberate, and another decide; and where those who form the conclusion are perhaps three hundred miles distant from those who hear the arguments?

– Edmund Burke

Burke's '[Speech to the Electors of Bristol](#)' reads as a contemporary opinion picturing the weakness of democratic control in European economic governance. Indeed, in the eurozone, *those who deliberate* became decoupled from *those who decide*; decision-making has not been preceded by deliberation and decision-makers' autonomy has been constrained by external pressures. As a consequence, it has been widely acknowledged (see [here](#) and [here](#)) that the intergovernmental nature of economic reforms has deeply eroded the principle of representative democracy in the European Union.

The reform process of European economic governance constrained the role of national parliaments and the European Parliament. In particular, the ordinary legislative procedure

has not been used in the approval of most anti-crisis measures. Governments, under pressure of time, have frequently opted to ratify anti-crisis measures with fast-track procedures that accelerated the legislative process, but severely limited national parliaments' role. As a consequence, the marginalization of parliaments in the process of reforming European economic governance called into question the process initiated by the Lisbon Treaty that is supposed to promote stronger involvement of parliaments in European policymaking.



The reform process of European economic governance constrained the role of national parliaments and the European Parliament



In my forthcoming book, the empirical analysis focuses on domestic approvals of anti-crisis measures (EFSF, ESM and the Fiscal Compact) in all member states of the eurozone. This aims at establishing to what extent national parliaments and parliamentary parties secured their competences in EU policy-making during that process. In order to address that question the book employs an

interdisciplinary approach and analyses (i) in which states parliaments' formal powers in approval of anti-crisis measures were constrained, (ii) how parliamentary parties voted on the analysed measures, (iii) what were the dominant discourses of their proponents and opponents and (iv) which parties advocated neoliberal and which Keynesian measures. In the methodological dimension the book combines comparative legal analysis with statistics, Qualitative Comparative Analysis (QCA) and discourse analysis.

National parliaments: talking shops?

Have national parliaments been reduced to mere talking shops or are they truly deliberative bodies involved in the reform of European economic governance? In other words, are national parliaments nothing more than venues for superficial discussion? Have MPs become devoid of formal powers and motivation to perform their constitutional roles? Or, on the contrary, have they successfully carried out their legislative, control and representative functions?

In a eurozone struggling with the effects of the financial crisis the conditions for parliamentary democracy have not been particularly favourable. According to Dani Rodrik, the principles of democracy and sovereignty have given way to the demands of financial markets. And these have rather expected *responsible than responsive* behaviour from parliamentary parties. Governing parties, by voting in favour of each and every anti-crisis measure – often against the will of their own constituencies – clearly responded to the demands of financial markets.

Parliamentary democracy suffered most in bailout states, where the involvement of external non-elected actors in national budgetary matters prevented voters and parliamentary parties from holding decision-makers accountable. As a result, subsequent changes of governments, particularly in

Greece, have not been able to produce a domestic policy change. Having signed Memorandums of Understanding, parties in bailout states lost their sovereign powers in budgetary matters and thus found it difficult to act upon their electoral promises regarding national budgets. These circumstances have proven to be particularly frustrating for voters, who quickly realized that their participation in popular elections is almost redundant.



Fast-track procedures not only curbed parliaments' formal powers of approval, but also indirectly influenced their discursive capacities as deliberative institutions



The period of European economic governance's reform has proven to be particularly challenging for national parliaments. First and foremost, national parliaments' formal powers became restricted by national governments that frequently decided to approve anti-crisis measures with fast-track procedures. Fast-track procedures not only curbed parliaments' formal powers of approval, but also indirectly influenced their discursive capacities as deliberative institutions. In particular, if a fast-track procedure reduced or eliminated the standard number of plenary debates; parliamentary parties were deprived of a necessary institutional framework to fulfil their representative and control functions.

However, the assessment of national parliaments' performance during the reform of European economic governance also depends on *how* MPs used their powers in order to approve anti-crisis measures, control their governments and represent and inform their voters. The comparative analysis of parliamentary parties' voting behaviour demonstrates that all governing parties prioritized international *responsibility* and

supported – predominantly unanimously – every anti-crisis measure.

Among opposition parties the most important factor was their position on European integration. In particular, whereas parties in favour of European integration supported anti-crisis measures, Eurosceptic parties voted against. In contrast to governing parties, opposition parties also voted more *responsively* with regard to their voters' preferences. However, the voting behaviour of political parties, both governing and opposition, was devoid of an economic dimension, meaning that parties representing the economic left or right have not voted differently. The absence of the economic left–right dimension in voting behaviour, so central to budgetary matters, can be recognized as an obstacle to domesticating reform of European economic governance at the national level. In other words, parliamentary parties failed to provide policy alternatives to voters with different macroeconomic preferences.

The discourse analysis conducted in this study focused on two questions: first, how parliamentary parties justified their votes on anti-crisis measures, and second, which macroeconomic approaches (Keynesian or neoliberal) they favoured. Both parts of the analysis demonstrated that parliamentary parties were well informed about the matters under discussion. It must be noted, however, that small (or regional) parties usually have not voiced their stance on macroeconomic approaches. Nonetheless, they justified why they voted in favour of or against anti-crisis measures discursively.

This note represents the views of the author and not those of PADEMIA. It is based on Aleksandra Maatsch's forthcoming book, 'Parliaments and the Economic Governance of the European Union. Talking Shops or Deliberative Bodies?', which is being published by Routledge. The book focuses on all eurozone member-states and all major anti-crisis measures (EFSF, ESM, and the Fiscal Compact). Employing a broad variety of methodological approaches, it analyses how the reform of economic governance affected formal powers as well as legislative and discursive spheres of parliaments' activity.

The two dimensions (government versus opposition and pro- versus anti-EU) structuring political conflicts in voting behaviour were reflected in discourses providing justifications for vote outcomes. In this way, national parliaments were oriented mainly towards cooperating with governments; they have not sought confrontation.

However, the analysis of parliamentary parties' discursive positioning on macroeconomic approaches (Keynesian or neoliberal) demonstrated that the major divide arose between left- and right-wing parties, as well as between parties in bailout and creditor states. The finding demonstrated that parliamentary parties were clearly more successful in accommodating relevant cleavages within their discourses rather than in their voting behaviour.



Despite everything, National parliaments have not become mere talking shops



In general, the findings demonstrate that despite the limitation of formal powers and the prioritization of international responsibility among governing parties, national parliaments have not become mere talking shops. Given the fact that discourses played such a central role in the pursuit of control and representative functions, it remains desirable that parliamentary debates are not constrained in the future by extensive application of fast-track procedures.



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