

## Introduction

My first question relates to the fact that both of you mentioned, rightly, that you were not accountable to this Parliament. So Mr. Regling you are accountable to the Eurogroup and the President of the Eurogroup is accountable to his [national] parliament. So it's strange that in Europe we have such a huge European problem [the third financial assistance programme for Greece] with no accountability to the European Parliament.

Elisa Ferreira, cited in European Parliament 2015b

On 10 November 2015, Dutch Finance Minister Jeroen Dijsselbloem appeared before the European Parliament (EP) as part of the regular 'Economic Dialogues' established after the euro crisis. Dijsselbloem's participation in an EP committee meeting was related to his position at the time as President of the Eurogroup – the European Union's (EU's) most powerful economic body and key decision-maker on financial assistance programmes (Craig 2017; Puetter 2006). On this occasion, Dijsselbloem was accompanied by Klaus Regling, the Managing Director of the European Stability Mechanism (ESM). Although the ESM was an intergovernmental organisation created outside the EU Treaty framework, the Eurogroup was (and still is) closely involved in its governance structure. In fact, Eurogroup finance ministers act as the ESM's Board of Governors (ESM Treaty, Article 5). During the Economic Dialogue mentioned earlier, the main topic of discussions was the third financial assistance programme for Greece, a package agreed in the summer of 2015 after months of uncertainty and the rejection of similar bailout conditions by Greek citizens in a referendum (Panke 2019).

Against this background, the comment made by Elisa Ferreira illustrates recurrent complaints by Members of the European Parliament (MEPs) regarding the Eurogroup's lack of accountability and its involvement in the

ESM. In 2014, the EP even adopted a Resolution condemning ‘the absence of EU-level democratic legitimacy and accountability of the Eurogroup when it assumes EU-level executive powers’ (European Parliament 2014f). The crisis in Greece and the 2015 referendum served as a reminder that national electorates (and parliaments) could hold their own governments accountable for ESM decisions but not the Eurogroup as a whole (cf. Brandsma *et al.* 2016: 624–625). Conversely, the EP had no powers in relation to the ESM except for the possibility to ask questions of the Eurogroup President during Economic Dialogues.

As the only directly elected institution in the EU, representing citizens from all Member States, the EP has a legitimate claim to oversee the activities of all EU executive actors – not just the Eurogroup – and ensure that they are held accountable at the appropriate level. There are two concepts crucial to this discussion, namely ‘accountability’ and ‘oversight’. Nowadays, accountability is a ubiquitous term centred on the importance of controls over the exercise of power in a democratic system (Dubnick 2014: 29; Fearon 1999; Strøm 2000). At a basic level, accountability requires public officials – whether elected or not – to justify their conduct in front of a higher authority (Bovens *et al.* 2014; Mulgan 2000a; Philp 2009). In a broader sense, accountability is about making amends for past errors and thus correcting inappropriate conduct or ill-conceived policies (Oliver 1991: 28). The ability to hold public actors accountable is linked to legitimacy considerations, namely the extent to which government decisions are seen as acceptable because they can be justified through rules, evidence, or consent by the population (Beetham 1991: 3). In this respect, the EU is no different than any polity that aspires to be democratic.

Furthermore, accountability is a multi-faceted notion that takes different forms depending on the type of forum demanding an account – which can be political, legal, administrative, professional, and so on (Bovens 2007a: 455–457). In the realm of political accountability, legislative oversight allows members of parliaments to check, verify, inspect, criticise, or challenge the activities of the government and public administration (Gregory 1990: 64; see also Aberbach 1990). The objective of oversight is to prevent abuses by executive actors, including but not limited to dishonesty, waste, arbitrariness, unresponsiveness, or deviation from legislative intent (MacMahon 1943: 162–163). Although definitions vary, the common understanding of ‘oversight’ implies an *ex post* focus (‘review after the fact’), looking at ‘policies that are or have been in effect’ (Harris 1964: 9). In a democratic system, oversight (alongside elections) is meant to help bridge the gap between those who hold political authority (citizens) and those who exercise it on their behalf (Bovens 2007a: 455; Strøm 2000).

*The question whether the EP can hold EU executive actors accountable on a day-to-day basis – by acting as an effective oversight body – is at the centre of this book.* The following pages delineate the purpose and scope of the study and contextualise the topic in relation to the EP. Next, the chapter explains the analytical approach and research design of the book as well as its contribution to the academic literature. The chapter concludes with an overview of the monograph's structure and outline of chapters.

### 1.1 PURPOSE AND SCOPE

This book examines the EP's effectiveness as an accountability forum that oversees EU executive actors on a day-to-day basis. The notion of 'effectiveness' comprises both the performance of the EP as a political oversight body and the extent to which EU executive actors engage with EP oversight. Two aspects are covered here: first, how do MEPs exercise their powers of ex post scrutiny<sup>1</sup> over EU executive actors? Second, how responsive are EU executive actors to oversight by the EP? To address the two dimensions, the book focuses on parliamentary questions as a key accountability mechanism that allows legislators (1) to interact with executive actors on a regular basis (as opposed to an ad hoc basis) and (2) to scrutinise substantive policy and political decisions made by executive actors (as opposed to checking budgetary abuses or violations of the law). Parliamentary questions probe and challenge executive actors, raising different aspects of accountability such as answerability, responsiveness, transparency, non-arbitrariness, effectiveness, or publicness (Dawson and Maricut-Akbik 2020: 7–8; Dubnick 2014: 33). Moreover, while it is acknowledged that MEPs can ask questions for a variety of reasons (Martin 2011a; Wiberg and Koura 1994), this does not diminish their purpose to ensure effective oversight – and thus hold executive actors accountable.

Empirically, the book investigates the Economic and Monetary Union (EMU), a policy area that provoked fierce controversy across Europe following the 2007–2008 global financial crisis. In EU Member States and especially among countries that adopted the euro (the so-called Eurozone), the global financial crisis turned into a protracted sovereign debt crisis that triggered sweeping reforms of the EMU governance framework (Hodson and Puetter 2016). At the EU level, such reforms led to the empowerment of several executive actors – most prominently the Eurogroup, the European Central Bank (ECB), and the European Commission (henceforth 'the Commission') (Bauer and Becker 2014; Braun and Hübner 2019; Curtin 2017). Moreover, the

<sup>1</sup> Throughout the book, the terms oversight and (ex post) scrutiny will be used interchangeably.

crisis laid bare the consequences of introducing a single currency among diverse economies and thus affecting the lives of millions of citizens across Europe. While some faced unemployment or loss of income as a result of austerity-imposing bailout programmes, others failed to understand why their tax money had to support distant governments in other Member States (Copelovitch *et al.* 2016; Fabbrini 2013; Schelkle 2017). In the dichotomy between debtor and creditor countries, EMU governance became linked to politically sensitive questions about redistribution and solidarity (Borger 2013; Chalmers 2012). Despite initial attempts at depoliticising the EU response to the crisis, the outcome was an increase in the salience of EMU decision-making in public debates at the domestic level (Hobolt and Wratil 2015; Kriesi and Grande 2016; Statham and Trezn 2015).

In this context, the need to improve the accountability of EMU institutions became pressing. Unlike in the field of market integration, EU decisions in the EMU started to have tangible redistributive consequences that affected Member States disproportionately (Genschel and Jachtenfuchs 2018: 181–182). Moreover, many citizens became mobilised against the EU response to the crisis – as illustrated by the rise of Eurosceptic parties on both the right and the left of the political spectrum (De Vries 2018; Leruth *et al.* 2017). Under the circumstances, critics pointed to the expansion of executive power in the EMU since the crisis and the need to create commensurate mechanisms of legal and political accountability (Crum and Curtin 2015; Dawson 2015). In addition to the intensification of crisis management meetings by the European Council and the Eurogroup (Fabbrini 2013; Maricut and Puetter 2018), technocratic institutions such as the ECB and the Commission saw their powers expanded since the crisis (Bauer and Becker 2014; Curtin 2017; Dawson *et al.* 2019; Savage and Verdun 2016).

In this context, the book focuses on the scrutiny powers gained by the EP in the new governance instruments created in response to the euro crisis. The EP was an obvious choice to address the accountability gap in the EMU because it already possessed scrutiny functions (*vis-à-vis* the Commission) and could technically act as a political oversight body in a similar way to national parliaments (Crum 2018; Fromage 2018). Since the euro crisis, the EP gained additional powers to scrutinise the activities of several key EMU actors. In banking supervision, the EP has a new accountability framework with the ECB, which is, by all accounts, more comprehensive than corresponding arrangements in monetary policy (Fromage and Ibrido 2018; ter Kuile *et al.* 2015). In economic governance, the EP now holds regular exchanges of views (the Economic Dialogues) with the Commission, the Council, the Eurogroup, and individual Member States with the purpose ‘to ensure greater

transparency and accountability' (de la Parra 2017: 102). The reforms held great promise for the oversight potential of the EP, signalling that EMU governance decisions are open to scrutiny.

Bearing this in mind, the monograph simultaneously explores parliamentary accountability through the EP and the challenges of EMU governance after the crisis. The EMU is a perfect setting for testing EP oversight of EU executive actors for two reasons. On the one hand, the salience of the field is likely to attract public attention and thus encourage MEPs to take advantage of parliamentary questions in order to exercise their political accountability functions. In the context of the crisis, areas of contention included the appropriateness of austerity policies and structural reforms (Busch *et al.* 2013; Hermann 2017), the effectiveness of EU instruments such as the European Semester (Efstathiou and Wolff 2018; Maatsch 2017), the legality of market interventions by the ECB (Goldoni 2017; Sauer 2015; Zilioli 2016), or the legitimacy of EU influence in domestic socio-economic affairs more generally (Kriesi and Grande 2016). On the other hand, the new scrutiny instruments introduced during the euro crisis ensure frequent interactions between the EP and different executive actors in the EMU – and hence provide extensive and comparative data for the empirical analysis of parliamentary questions.

In the academic literature, the EP's accountability powers have received little attention – not least because oversight has never been at the top of the political agenda throughout the EP's history. For a long time, the EP has sought to expand its legislative and budgetary functions and has only recently tried to consolidate its control powers over the Commission. The next sections contextualise the EP's capacity for oversight in relation to its institutional development and scrutiny powers.

## 1.2 THE EUROPEAN PARLIAMENT: A NORMALISING ABNORMAL PARLIAMENT

The history of the EP as a transnational legislature is a history of continuous struggle. From humble beginnings as the unelected Common Assembly of the European Coal and Steel Community, in 1979, the EP became the only directly elected institution of the European Community and later of the EU (Jacobs and Corbett 1990). Since then, the EP has constantly expanded its legislative, budgetary, and scrutiny powers (Burns 2019; Hix and Høyland 2013; Judge and Earnshaw 2003; Rittberger 2003). Invoking a direct mandate from EU voters, MEPs have persistently fought to increase the influence of their institution in the EU political system (Corbett *et al.* 2003: 355–357). In fact,

every time critics complained about the lack of democratic legitimacy in the European Community or the EU, the answer was typically an empowerment of the EP (Blondel *et al.* 1998: 4; Føllesdal and Hix 2006: 554–556; Katz and Wessels 1999: 5–6; Rittberger 2005).

Over time, the EP's expansion of powers occurred in all of its areas of activity. In terms of law-making, the EP evolved from a consultative body – whose opinions could be ignored by the Council – to a co-decider on equal footing with national governments (Hix *et al.* 2007: 18). The Lisbon Treaty (2009) renamed co-decision into the ordinary legislative procedure and extended it to many policy areas (Article 289 of the Treaty on the Functioning of the European Union, TFEU). In relation to budgetary control, EP powers also increased over time: nowadays, the EP must give its consent for the EU's multi-annual financial framework (Article 312(2) TFEU) and has the last word on the annual budgetary discharge for the Commission and other EU institutions and agencies (Article 319 TFEU). In terms of scrutiny functions, the Maastricht Treaty empowered the EP in respect of the appointment of the Commission President and the College of Commissioners (Pavy 2020). Since 2014, the *Spitzenkandidat* process brought additional visibility to EP electoral campaigns, as EU political groups put forth candidates for the position of Commission President (Hobolt 2014, 2019).

In academic studies, the EP's expansion of legislative powers has received the most attention, in parallel to the development of party politics – which is often taken as a sign that the EP has become a 'normal parliament' (Hix *et al.* 2007: 3). Significantly, scholars attested to the emergence of cohesive political groups and coalitions along the left–right dimension, focused on the representation of distinct socio-economic views rather than territorial units (Hix *et al.* 2007; Kreppel 2002; Kreppel and Tsebelis 1999). In the past, the main political groups were the centre-right European People's Party (EPP) and the centre-left Progressive Alliance of Socialists and Democrats in the European Parliament (S&D). For most of the EP's existence, the two pan-European groups benefited from a comfortable majority which allowed them to establish a 'grand coalition' and cooperate on most issues. The dynamic has partially changed in the last two electoral cycles (2014 and 2019), when many voters embraced Eurosceptic parties and the EP became more fragmented (Hobolt 2019; Hobolt and de Vries 2016; Nielsen and Franklin 2017). In itself, however, the fragmentation of political groups does not make the EP less of a 'normal parliament'.

Conversely, authors who challenge the view regarding the normalisation of the EP point to other aspects (Brack and Costa 2018: 3–4; Katz and Wessels 1999: 6). First, unlike national parliaments, the EP lacks the right of legislative

initiative, which formally belongs to the Commission (Article 17(2) Treaty on European Union, TEU). While MEPs can ask the Commission to submit proposals on any matter, the Commission can refuse by simply providing a justification (Article 225 TFEU). Second, the EP still has limited or no decision-making powers in some policy areas – such as taxation or foreign policy. Even in areas of co-decision, the EP has consistently relied on a grand coalition between centre-right and centre-left groups, creating a highly consensual system that ‘dilute[d] ideological differences between left and right’ (Brack and Costa 2018: 4). Third, it is unusual for a legislature to have so many members who oppose the existence of the polity which they are supposed to represent – as shown by the increasing number of Eurosceptic parties (Brack 2017).

Undoubtedly, the EP has more legislative powers than ever before. Yet its empowerment did not automatically reduce the EU’s infamous ‘democratic deficit’ (Føllesdal and Hix 2006; Majone 1998; Moravcsik 2002). In fact, EU legislative decision-making continues to be complex, with multiple veto players at different levels of governance. Most significantly, political competition in EP elections does not translate into control over the EU policy agenda: even if citizens were to endorse a particular political programme, their preferences will be lost in negotiations with other institutions and Member States (Hix and Høyland 2011: 131–133). At the same time, EP elections lack the typical ‘electoral connection’ between members of parliaments and their voters (Hix and Høyland 2013: 184). Technically, EU citizens have the possibility to vote MEPs in and out of office every five years according to their performance; in practice, they tend to vote based on domestic rather than European issues (Hix and Marsh 2011; Mzes 2005; Reif and Schmitt 1980).

In this context, scholars have emphasised the structural deficiencies of political accountability through the EP (Brandsma *et al.* 2016: 624–625; Gustavsson *et al.* 2009: 5). Notably, EP elections allow voters to change the composition of the supranational legislature and indirectly of the College of Commissioners, but this does not guarantee control of the EU policy agenda by citizens with knowledge of European issues. By contrast, intergovernmental bodies such as the European Council and the Council are key decision-makers at the EU level, but they remain accountable to national parliaments and electorates on an individual basis (Article 10(2) TEU). Against this background, it makes sense to shift attention from elections as the main instrument of political accountability to other mechanisms – such as oversight – that allow the EP to hold executive actors accountable, *ex post facto*, for their decisions at the EU level. The next section outlines the type of oversight instruments available to the EP vis-à-vis EU executive actors.

### 1.3 THE EP AS AN ACCOUNTABILITY FORUM

In the EU multi-level governance system, the EP is uniquely placed to oversee the actions of executive bodies. Even in the absence of a strong electoral connection to voters, the advantages of a transnational legislature with cohesive political groups are clear for improving the EU's democratic credentials. First and foremost, the EP offers a venue for the representation of a common European interest as opposed to the national interests of each Member State (Crum 2018; Fasone 2014a; Rittberger 2014). Article 10(2) TEU specifies that the EP is to represent citizens directly at the EU level, while empirical research has shown that ideological divides are more important than national lines in driving the behaviour of MEPs (Hix *et al.* 2007; Scully *et al.* 2012). This is not to say that MEPs ignore territorial constituencies (Raunio 1996; Scully and Farrell 2003), but they are much more likely than national legislators to invoke a 'common European good' in support of their positions (Lord 2013: 255).

Second, in areas of intergovernmental decision-making, the EP has the potential to compensate for the structural limitations of national parliaments in the EU political system. While each national government in the EU is accountable to its respective parliament (Article 10 TEU), intergovernmental decisions are collective – making it difficult to disentangle individual responsibility (Brandsma *et al.* 2016: 625; Hobolt and Tilley 2014). By overseeing the European Council and the Council, the EP could exercise political accountability for decisions that affect the EU as a whole. At the same time, by acting as a strong accountability forum, the EP would not diminish the oversight role of national parliaments, which will continue to remain responsible for scrutinising decisions taken at their own level. In other words, the contribution of the EP to oversight is additive and complementary to national parliaments, 'keeping a watchful eye' (Aberbach 1990) over EU executive decisions.

Procedurally speaking, the EP has several mechanisms to oversee the activities of executive actors. The relationship with the Commission is placed front and centre, although EU executive power is fragmented across several other institutions, including the European Council and the Council, the ECB and EU agencies, as well as committees responsible for implementing decisions (Curtin 2009; Egeberg 2006; Trondal 2010). In relation to the Commission, the concept of 'oversight' excludes the *ex ante* selection of executive members, for example, the election of the Commission President or the investiture of the College of Commissioners (European Parliament 2010b). Conversely, oversight focuses on *ex post* scrutiny of Commission activities – where the strongest instrument is indisputably the potential



dismissal of the College of Commissioners through a motion of censure (Article 234 TFEU). Since the Maastricht Treaty (1993), MEPs have attempted to use the procedure seven times but never succeeded in removing the Commission (Remáč 2019: 26). However, the mere threat of a successful motion of censure can create pressure for the resignation of the Commission – as was the case of the Santer Commission in the late 1990s (Ringe 2005: 677).

Another oversight mechanism specific to the Commission refers to delegated acts, a type of non-legislative instrument that allows the supranational institution ‘to supplement or amend certain non-essential elements’ of EU legislation (Article 290(1) TFEU). The EP (and the Council) can object to a delegated act within a specific time period or revoke it altogether, offering an important avenue of ex post parliamentary control of the executive (Brandsma 2016; Yordanova and Zhelyazkova 2020: 346). In practice, the right to revocation has never been used, while objections by the EP occurred only on eight occasions since 2009 (Remáč 2019: 73). Overall, motions of censure and scrutiny of delegated acts are too infrequent to allow a systematic analysis of the EP’s oversight powers of EU executive actors.

Next, there are instruments available to MEPs on an ad hoc basis, such as committees of enquiry. These allow the investigation of ‘alleged contraventions or maladministration in the implementation of Union law’ (Article 226 TFEU). Enquiry committees are not specific to the Commission – they can be set up against any EU institution, national body, or entity implementing EU law. Over time, the EP has repeatedly complained about the limited powers of enquiry committees and passed two resolutions (in 2014 and 2019) criticising the Commission and the Council for their reluctance to help establish an effective process for EP enquiries (Pavy 2020). The problem is the lack of legal mechanisms to enforce the cooperation of executive actors with EP investigations: unlike enquiry committees at the national level, EP committees cannot summon witnesses or enforce document access (European Parliament 2016g). A similar dynamic can be found in the case of special parliamentary committees, which are also seldom used despite not being limited to enquiries of contravention or maladministration of EU law (Remáč 2019: 45).

Another oversight instrument is the discharge procedure, which is technically part of the EP’s budgetary powers (Pavy 2020) but carries elements of ex post scrutiny of the executive. The discharge procedure allows the EP to monitor and vote on the correct implementation of the EU budget by the Commission and other EU bodies (Committee on Budgetary Control 2020). In this respect, the EP works closely with the European Court of Auditors (ECA) and acts as a forum for financial supervision and control (Bovens 2007a: 456). In practice, the EP’s refusal to grant discharge to an EU body is a rare

occurrence: since 2009, it has happened a couple of times in respect of the Council and EU agencies but not vis-à-vis the Commission (Remáč 2019: 60). Overall, the discharge procedure is an important mechanism where ‘auditing and politics meet’ in the EU system (Laffan 2003: 773), but which ultimately does not go beyond a form of financial accountability. Nonetheless, the political nature of the EP allows it to move easily from budgetary oversight to ex post scrutiny of substantive policy decisions by EU executive actors.

This is where parliamentary questions come into play – the final and most pervasive mechanism of oversight at the disposal of the EP. MEPs can address questions to different EU institutions: the Commission, the Council, the European Council, the ECB, and so on – in line with the Rules of Procedure for each parliamentary term (European Parliament 2020a). In practice, most questions are directed at the Commission (European Parliament Plenary n.d.). In the repertoire of questions, there are some basic distinctions between interpellations and questions, as well as between oral and written questions (Rules 136–41 for the 9th parliamentary term). Interpellations are questions of general interest and are limited to thirty per year, distributed fairly between political groups (Rule 139). By contrast, questions are posed on specific topics and are available to all MEPs but include time limitations for oral questions. Oral questions can be addressed within committees, where they are known as ‘hearings’ or ‘exchanges of views’, as well as in plenary debates. Written questions are the most common because there are fewer or no restrictions for submitting them; individual MEPs can send them directly to the institution of interest without having to go through the structure of committees or party groups (Proksch and Slapin 2011: 60). The advantage of parliamentary questions is that they can scrutinise any area of EU policy at any point; as an accountability tool, they can ‘request information’, ‘press for action’, ‘demand an explanation’, ‘test’ or ‘attack’ executive actors on controversial policy issues, or simply ‘demonstrate [the] fault’ of a course of action (Wiberg and Koura 1994: 30–31).

In EP studies, parliamentary questions have attracted considerable attention, albeit from the perspective of the profile of questioners rather than for the value of questions as an oversight mechanism. Previous research found that MEPs from opposition parties at the national level are more likely to ask questions of the Commission and signal violations of EU law in their respective countries (Jensen *et al.* 2013; Proksch and Slapin 2011). From this perspective, parliamentary questions can function as a ‘two-way information channel’, allowing MEPs to receive answers about the activity of executive actors and, at the same time, make the Commission aware of specific problems in EU countries (Raunio 1996: 379). Another finding is that there is variation in the

use of parliamentary questions depending on the type of electoral system in each Member State and the rules regarding access to questions. Based on the premise that parliamentary questions allow MEPs to build a reputation and potentially facilitate their re-election, Sozzi shows that there is a difference between electoral systems that are candidate-centred and those that are party-centred (Sozzi 2016).

While this line of research is useful to reveal political and institutional dynamics behind the use of parliamentary questions, it offers few insights into the role of parliamentary questions for political oversight. *To what extent do parliamentary questions allow MEPs to oversee effectively the activity of EU executive actors?* This question provides the starting point of the book. Its approach and research design are described in the next section.

#### 1.4 ANALYTICAL APPROACH AND RESEARCH DESIGN

To investigate the EP's effectiveness as an accountability forum in the EMU, the book proposes a new analytical framework for evaluating parliamentary questions as an oversight tool. The basic premise is that the study of parliamentary questions (Q) needs to be linked to their respective answers (A) and analysed together at the micro level (Q&A) in order to assess their effectiveness as an oversight instrument. Drawing on insights from principal-agent theory (Fearon 1999; Strøm 2000), the public administration literature on accountability (Bovens 2007a; Mulgan 2000a), and communication research (Bull and Mayer 1993; Bull and Strawson 2020), the framework offers a step-by-step guide for qualitative content analysis – specifically claims analysis (De Wilde *et al.* 2014; Koopmans and Statham 1999) – of Q&A applicable to diverse settings. The key argument is that the effectiveness of parliamentary questions depends on: (1) the strength of questions asked by members of legislatures for the purposes of oversight and (2) the extent to which executive actors respond to the questions raised. The two dimensions are correspondingly operationalised and developed into six possible scenarios of oversight interactions, ranging from 'High control' to 'No control' over the executive (cf. Maricut-Akbik 2021). The goal of the framework is to provide a theoretically and methodologically consistent toolkit for analysing and evaluating oversight interactions, which can also be applied beyond the EP to other contexts of legislative-executive relations at different levels of governance.

In terms of case selection, the institutionalisation of new oversight mechanisms in the EMU offers an ideal venue for analysing the EP's ex post powers of scrutiny through parliamentary questions. The specific bodies under investigation are the EP's Economic and Monetary Affairs Committee (ECON) as

a political accountability forum and three different executive actors at the heart of EMU: (1) the ECB (in its banking supervision capacity), (2) the Commission – in particular the Directorate-General (DG) for Economic and Financial Affairs (DG ECFIN) and the DG for Employment, Social Affairs and Inclusion (DG EMPL) – and finally, (3) the Council, specifically the Economic and Financial Affairs Council (ECOFIN) and the Eurogroup. The reason why these institutions were selected relates to their centrality and permanent activity as the EU's fragmented executive in the EMU. In terms of technocratic bodies, the ECB and the Commission have a much higher profile in the EMU than single-purpose agencies such as the European Banking Authority (EBA) or the Single Resolution Board (SRB). In terms of intergovernmental bodies, the Eurogroup and the ECOFIN Council are active in economic governance on a permanent basis – unlike the European Council, which only intervenes in times of crisis or reform when its leadership is needed (Puetter 2013, 2014). At the same time, MEPs do not have proper mechanisms to ask questions of the European Council: although the European Council President appears before the EP after each meeting of heads of state and government, the format of plenary debates is geared towards information-sharing and political declarations rather than oversight (European Parliament 2010a; see Chapter 2.2.2).

Furthermore, given the influence and scale of governance measures introduced during the euro crisis, the book examines the functioning of the Single Supervisory Mechanism (SSM) and the European Semester as two of the most far-reaching institutionalised instruments of EMU reform. The SSM (created in 2013) empowered an already powerful monetary policy institution, the ECB, in the field of banking supervision (Alexander 2015; Braun 2017; Fromage and Ibrido 2018). The launch of the European Semester (2010) provided an extensive toolkit for macroeconomic and budgetary coordination in the EU, with significant consequences on the socio-economic policies of the Member States (Copeland and Daly 2018; Verdun and Zeitlin 2018). Taking this into consideration, the case studies of the monograph will investigate the EP's (1) relationship with the ECB in banking supervision, (2) Economic Dialogues with the European Commission in relation to the European Semester, and (3) Economic Dialogues with the Eurogroup and the ECOFIN Council in the framework of the European Semester. While all case studies cover the period 2010–2019 (the first decade after the euro crisis), the time frames of individual chapters differ in order to take into account when the EP introduced new mechanisms of accountability vis-à-vis each institution (see Section 1.6). To sum up, the cases of the book were selected based on logic that if the EP can demonstrably show that it is able to hold EMU executive

actors accountable, these are the relevant institutions and policy instruments to consider.

## 1.5 CONTRIBUTION

The book contributes in at least three ways to the academic literature on democratic accountability in the EU and parliamentary oversight more broadly. First, in respect of EU institutional issues, the book expands the scope of research on the EP by examining its powers to scrutinise the executive on a day-to-day basis. Previous studies on the EP have focused on legislative and budgetary competences, especially in terms of analysing the dynamics of party politics in coalition formation (Hix *et al.* 2007; Hix and Høyland 2011; Kreppel 2002; Tsebelis 1994) or its evolution over time (Corbett 1998; Katz and Wessels 1999; Rittberger 2005). But if the empowerment of the EP as a legislative body has been thoroughly covered in the academic literature (for a general review, see Hix and Høyland 2013), its performance as an accountability forum is yet to be explored. In relation to parliamentary control of the executive, the EP attracted attention in the late 1990s for its role in the resignation of the Santer Commission (Judge and Earnshaw 2002; Magnette 2001) as well as in the 2014 appointment of the Juncker Commission (Christiansen 2016; Hobolt 2014). However, there is a significant difference between ‘grand’ events such as the appointment or dismissal of the College of Commissioners and regular accountability interactions designed to oversee routine executive decisions. The only relevant literature here concerns the effectiveness of the Monetary Dialogue with the ECB, a field of research that remains disjointed – as reflected by the few academic articles on the topic (e.g. Amtenbrink and van Duin 2009; Collignon and Diessner 2016; Eijffinger and Mujagic 2004). The novelty of the monograph lies in its comprehensive, methodical overview of the EP’s performance as an accountability forum in relation to different executive actors across EMU policy subfields.

Second, in respect of EMU in particular, the book offers the first systematic qualitative study of the functioning of political structures of accountability created at the EU level in response to the euro crisis. The emphasis on the implementation of political accountability goes beyond existing analyses of legal provisions (Cygan 2017; Estella 2018; Fromage and Ibrido 2018; Jančić 2016; Markakis 2020; ter Kuile *et al.* 2015; Tuori and Tuori 2014) or general studies criticising the post-crisis accountability deficit in EU economic governance (Barrett 2018; Crum and Merlo 2020; Dawson 2015; Naert 2016). Furthermore, the bulk of the literature on democratic accountability in the euro area focuses on the reduced role of

national parliaments in scrutinising budgetary and fiscal decisions of their respective Member State (Auel and Höing 2015; Hallerberg *et al.* 2018; Heffler and Wessels 2013; Kreilinger 2018b; Maatsch 2017; Rasmussen 2018). However, most studies are limited to examining the frequency of parliamentary activities – such as the number of debates, resolutions, opinions, and votes in the plenary on EU-related decisions – rather than analysing the content and effect of specific interactions between parliaments and executive actors.

To address this gap, the monograph places oversight interactions at the centre of empirical research, based on the assumption that what matters for political accountability is not how often issues are discussed, but how members of parliaments oversee executive decisions (through parliamentary questions) and with what result. Moreover, considering the EP's empowerment in the EMU after the crisis, it makes sense to shift the focus from the national to the EU level. Unlike national parliaments – which have a long-standing tradition as 'government watchdogs' – the EP is currently building its profile as an accountability forum. Under the circumstances, the subject has so far received little attention from scholars (Crum 2018; de la Parra 2017; Fasone 2014a; Fromage 2018; Kluger Dionigi 2020; Markakis 2020). For this reason, the monograph is set to make a timely and necessary contribution to the literature on political accountability in post-crisis EMU.

Third, the book moves beyond EU studies by making a distinct theoretical and methodological contribution to the general literature on the effectiveness of parliamentary oversight. Theoretically, the book offers an original framework for analysing parliamentary questions that combines insights from principal-agent theory, the public administration literature on accountability, and communication research. While the framework has been developed in relation to the EP, there is nothing specific about its elements that prevents it from being applied to other parliaments at different levels of governance. The categories of Q&A envisaged in the analytical framework are not unique to the EMU; conversely, they can occur in any oversight interaction between legislators and executive actors. From a methodological perspective, the case studies reveal the systematicity and broad applicability of the framework. Chapter 3.4.1 summarises the coding guide that allows other researchers to replicate the method proposed in the book. Finally, from a practical standpoint, the case studies illustrate the problem-solving value of the analytical framework, facilitating the identification of concrete shortcomings in the oversight relationship under focus. In the case of the EP in the EMU, future reforms should simultaneously take into account problems of weak oversight questions and the limited responsiveness of (some) executive actors. For

scholars and practitioners interested in fixing accountability deficits, such insights can easily generate concrete policy recommendations.

## 1.6 OUTLINE

The remainder of the book is organised as follows. Chapter 2 provides an overview of EMU as the testing ground for the effectiveness of the EP as an accountability forum. The idea is that any discussion about EP oversight in the field needs to be positioned in the EMU institutional and substantive policy context. Accordingly, the first part of the chapter describes the historical development of EMU as well as the institutional and policy reforms introduced as a result of the euro crisis. The second part problematises the political accountability framework of EMU before and after the crisis, focusing on national parliaments and the EP in particular. Taking into account the EP's new scrutiny powers acquired during the crisis, the chapter sets the scene for the subsequent case studies.

Chapter 3 describes the theoretical and methodological approach of the study. The starting points are definitions of accountability from the public administration literature, which connect oversight to the broader point of checks and balances in a democratic system. While oversight has been extensively theorised in political science through the lens of principal–agent theory, there are few systematic applications examining its effectiveness in practice. Narrowing down on parliamentary questions as an essential tool of legislative oversight, the chapter introduces a comprehensive analytical framework for the analysis of Q&A in parliamentary oversight. The framework includes clear criteria for establishing the effectiveness of oversight in practice, based on the strength of the questions asked and the responsiveness of answers provided. The criteria are then combined to develop six possible scenarios of oversight interactions, ranging from 'High control' to 'No control' over the executive. The chapter concludes with methodological considerations of the framework and the coding guide used for the empirical analysis.

Chapters 4–6 constitute the empirical section of the book. They follow a common structure, as the presentation of oversight interactions between the EP and various executive actors in the EMU requires similar elements: first, a background on the policy and institutional characteristics of the subfield; second, an overview of the issues likely to arise in the exercise of political accountability; third, a summary of the results of the empirical analysis (which includes the profiles of MEPs who ask questions, types of questions, and types of answers); fourth, an evaluation of the EP's capacity to hold each actor accountable in that particular field, in line with scenarios of

legislative oversight delineated in the analytical framework. The comparability of chapters is facilitated by the use of identical methodology, namely the claims analysis of letters exchanged between institutions and/or transcripts of public hearings or exchanges of views held at the ECON Committee.

Accordingly, Chapter 4 presents the first case study on EP oversight of the ECB in banking supervision. The analysis shows the establishment and functioning of a frequently used infrastructure of political accountability that is, however, limited in ensuring effective oversight by the EP. The findings reveal important shortcomings in the performance of MEPs, who often ask questions that are outside the ECB's competence in banking supervision or that simply do not challenge anything about the ECB's decisions in the SSM. However, the results are treated with caution: there are structural flaws in the SSM legal framework that allow the ECB to evade questions on many politically salient issues by invoking confidentiality requirements. Moreover, when MEPs receive an unsatisfactory answer, there is little they can do to pursue the matter further. The time frame covered is from October 2013 – when the SSM Regulation was adopted – until April 2018.

Chapter 5 sets forth the second case study on EP oversight of the Commission in the framework of the European Semester. The analysis illustrates a close accountability relationship embedded in the EP's treaty competence to exercise political control over the Commission. On multiple occasions, MEPs in the ECON Committee clearly rejected the Commission's justification for failing to take further action against some Member States on matters related to excessive deficits and macroeconomic imbalances. Yet the Commission did not change its decision as a result of the EP's accusations of preferential treatment. Overall, despite steady progress in the institutionalisation of the Economic Dialogues, EP oversight of the Commission remains limited. The findings are based on transcripts of Economic Dialogues with the relevant Commissioners and letters exchanged between the two institutions from 2010 (since the launch of the European Semester) until the EP elections of May 2019.

Chapter 6 presents the third case study on the Economic Dialogues between the EP and the ECOFIN Council and the Eurogroup. The two executive bodies are discussed together owing to their overlapping composition – bringing together finance ministers of all Member States and Eurozone countries, respectively. However, the Economic Dialogues with the two institutions vary considerably: while interactions with ECOFIN often focus on the legislative priorities of the Council Presidency, the interactions with the Eurogroup President revolve around financial assistance programmes and multi-lateral surveillance of public finances in Eurozone countries.



Economic Dialogues with the Eurogroup are thus much more confrontational than Dialogues with ECOFIN. Given the different topics of discussion, the responsiveness of the two institutions is surprising. In fact, despite recurrent criticism for its informality and secrecy of proceedings (Braun and Hübner 2019; Craig 2017), the Eurogroup is the institution that is most answerable to the EP, meaning it is willing to justify and defend its decisions before MEPs in the ECON Committee. However, as in the case of the Commission, the Eurogroup does not change its conduct if the EP rejects the validity of its justifications. Taking into account the entry into force of the Six-Pack (2011) and the Two-Pack (2013), the analysis is based on transcripts of Economic Dialogues since they were first established – in 2012 (for ECOFIN) and in 2013 (for the Eurogroup) – until the EP elections of May 2019.

Chapter 7 concludes with a comparison of the interactions between the EP and the different executive bodies under analysis. Taking into account the expectations of the analytical framework, the first section shows that the EP has the strongest accountability record when it comes to overseeing the Eurogroup, followed by the Commission, the ECB in banking supervision, and finally the ECOFIN Council. But there are important limitations even in the case of the Eurogroup, which means that the setting where the EP acts the strongest as an accountability forum is far from being strong enough: more specifically, the Eurogroup is answerable to the EP, but MEPs have no control over Eurogroup decisions. The second section is forward-looking and examines the general outlook of the EP in overseeing EMU for the foreseeable future. Focusing on policy recommendations, the conclusion outlines concrete ways to improve the performance of the EP as an accountability forum and increase the responsiveness of executive actors. The final section provides insights into the broader implications of the monograph for the study of accountability in the EU's multi-level system.