

Scrutiny by means of debate: the Dutch parliamentary debate about the Banking Union

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Abstract This paper suggests a new approach to analyze the level of scrutiny of EU affairs provided by national parliaments. We develop a fine-grained measurement of how parliaments responded to the Eurozone crisis, by means of an in-depth analysis of the debate in the Dutch Lower House about the Banking Union. We use a mixed method design to determine whether parliament(arian)s succeeded in giving the government a hard time—by being informed on the topic, asking valid questions, knowing the state of play in Brussels, or by committing and confronting the government on their negotiation behavior. We uncover variation in the level of scrutiny that so far was neglected by the literature. Our analyses furthermore reveal a punctuated pattern of the level of scrutiny that is related to media attention, the varying sensitivity of different parts of the dossier and the proximity to relevant meetings in Brussels.

Keywords National parliaments · European Union · Economic crisis · The Netherlands · Banking Union

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Introduction

The ability of national parliaments to oversee major developments in European integration has undergone changes in the last decade. Institutional developments, specifically the coming into force of the Lisbon Treaty, have enhanced the role of national parliaments in European integration (Auel and Christensen 2015). Political developments, such as the Eurozone and migration crises, constitute a challenge to recently established scrutiny practices (e.g., Auel and Höing 2015; Puntsher Riekman and Wydra 2013). On the other hand, the fact that EU decision-making has become more politically controversial means that members of national parliaments (MPs) have every incentive to intensify their oversight.

Scholars interested in parliamentary scrutiny of EU affairs have until now assessed the degree of scrutiny either by looking at the formal instruments available to national parliaments (e.g., Winzen 2012; Finke and Herbel 2015), or used aggregate measures of the volume of activities, such as the number of committee meetings on EU affairs or the duration of plenary debates (e.g., Hefftl et al. 2015). While these measures are good proxies for measuring the *amount* of scrutiny, they do not take into account the full range of interactions between MPs and the government and how these debates unravel over time. In other words, the literature so far neglected the varying *level* of scrutiny on EU affairs. The latter reflects the degree to which MPs are willing and able to give the government a hard time, by being informed on the topic, asking valid questions, and/or committing and confronting the government on their negotiation behavior.

The goal of this paper is to reveal the different dynamics that become visible when we look at the specific level, rather than the total amount, of scrutiny. A focus on the level of scrutiny is particularly relevant when assessing MPs ability to oversee the major developments in the EU, like the Eurozone crisis, the migration crisis or the Brexit negotiations. This is where formal instruments and institutionalized routines (which are tailored to scrutinizing ordinary legislative procedures) do not come up to the mark, and ‘debate’ is the primary means MPs have at their disposal. This is why we provide an in-depth analysis of such a debate in the Dutch Lower House about the EU Banking Union. The Banking Union is generally considered as one of the biggest steps in European integration since the Treaty of Maastricht (De Rynck 2016; Howarth and Quaglia 2014; Nielsen and Smeets 2017). We use a mixed method design, combining a quantitative analysis of the level of scrutiny of all the interventions made by MPs on the Banking Union in plenary debates and (oral or written) committee meetings, with a qualitative reconstruction of the debate and interviews with the most prominent MPs.

In the next section, we discuss some of the main developments and challenges for national parliaments in scrutinizing politicized EU negotiations. Subsequently, we show how scholars generally measured the amount of scrutiny of EU affairs, and introduce our innovative approach which focuses on the level of scrutiny. We then present our hypotheses. In the methods section, we describe how we collected and coded the statements by MPs in parliamentary debates on the Banking



Union. The results indicate that *party characteristics* are not the main trigger for higher levels of scrutiny. Instead, the scrutiny level is primarily related to *salience*, stemming from the degree of politicization of the dossier, which stems from media attention, issue sensitivity, and temporal factors. In the conclusion, we discuss the methodological and substantive implications of these findings for the role of national parliaments in EU decision-making processes.

Domestic parliamentary scrutiny in a politicized EU

Successive crises, like the Eurozone and migration crises and the Brexit vote, have led to publically salient and polarized debates about European integration (Statham and Trenz 2015, p. 287). It also created vibrant scholarly debates about the politicization of EU decision-making (De Wilde and Zürn 2012; Kriesi and Grande 2016). This debate has moved beyond the original post-functionalist conjecture that domestic contestation has a simple constraining effect on European integration. Scholars now speak of ‘punctuated politicization’, a process that is driven by political agents making use of strategic opportunities to launch a debate about Europe (Grande and Kriesi 2016, p. 279). Together with domestic media, national parliaments are considered to be the crucial link between secluded high-level intergovernmental bargaining and domestic audiences (Hutter and Grande 2014, p. 1006; Statham and Trenz 2015, p. 291).

However, there is considerable debate about whether MPs have been able to perform this role as a political agent. Puntsher Riekmann and Wydra (2013, p. 579) for instance note that during the Eurozone crisis parliaments generally only became active at the ratification stage and thus ended up endorsing agreed measures and selling the sacrifices to their constituencies (see also Kriesi and Grande 2016, p. 261). This might be the reason why scholarly analyses have focused mostly on the effect that EU-related crises have on national parliaments, rather than the other way around, noticing an overall increase in activity, but no real change of practices (Auel and Höing 2015, p. 390). Part of the problem seems to be that parliaments stuck to established institutional practices and routines, and therefore had difficulty coping with the (new) intergovernmentalist characteristics of crisis decision-making (Bickerton et al. 2015).

This does not mean that national parliaments have failed entirely to adapt to these developments. MPs employed the primary means that they have at their disposal, which is the ability to engage in debates about EU matters (Maatsch 2014, 2016). These debates have become increasingly vibrant, particularly when they concern the transfer of sovereignty and/or when there are budgetary implications (Puntsher Riekmann and Wydra 2013, p. 579; Miklin 2014a, b, p. 1199). Moreover, scholars noted a backlash from the ‘emergency politics’ of the Eurozone crisis (White 2015), leading to a delayed re-politicization of European integration (Grande and Kriesi 2016, pp. 295–297). National MPs play a crucial role in determining what this politicization process will look like.



Measuring the level of scrutiny: a need for a new approach

In the previous section, we noted that MPs have increased incentives but also face considerable obstacles, to control their governments' negotiation behavior. The remainder of this paper focuses on their ability to provide effective scrutiny in practice. Scholars often observe that there is a lack of empirical evidence on the behavior of MPs in parliamentary debates on EU issues, even highly politicized ones such as the Eurozone crisis (Raunio 2009, p. 321; Auel et al. 2015, pp. 283, 287). Scholars so far have used semi-structured interviewing (e.g., Miklin 2014a, b) or aggregate indicators, often with equal weight, to measure the EU-related scrutiny activity. Examples of the latter are the amount of meetings on EU affairs, the number of resolutions, the duration of the EU-related debates, or references by individual MPs to policies of the EU (e.g., Auel and Höing 2015; Rauh 2015, p. 124). Others use dichotomous indicators for the involvement of national parliaments in EU affairs, for example the referral of EU law proposals to national parliamentary committees (Finke and Herbel 2015) or when a chamber has provided a reasoned opinion (Gatterman and Heftler 2015). These indicators provide interesting comparative information, but in our view they need to be supported by a fine-grained measure that includes more activities, gives varying weight to these activities, and thereby takes into account what MPs actually say and do in these meetings.

We measure the level of parliamentary scrutiny of EU affairs with a slightly amended version of the scrutiny ladder developed by Mastenbroek et al. (2014). The authors use a ladder to analyze the *ex post* involvement of MPs, i.e., in the implementation phase of EU legislation. The authors proposed a ladder of scrutiny comprising of five goals of scrutiny by MPs: (1) expressing support; (2) gathering information; (3) signaling their position; (4) expressing disagreement; and (5) exerting influence (Mastenbroek et al. 2014, p. 756). In contrast to Mastenbroek et al. (2014), we apply a ladder of scrutiny to the *ex ante* scrutiny of EU level negotiations. Moreover, we have removed the implicit bias in favor of opposition parties present in the original version of the ladder, where expressing disagreement scored higher than expressing support, irrespective of the substantive reasoning behind it. In our version of the scrutiny ladder, the steps on the ladder represent the kind of contribution that an MP is willing and able to make to the debate. We distinguish between steps related to *monitoring* scrutiny (i.e., the demand for information on the agent's action and their context to reduce information asymmetries) and steps related to *political* scrutiny (i.e., political judgement on the appropriateness of the government's decision and the respective outcome of European negotiations (Auel 2007, p. 500). A higher level of scrutiny is generally more demanding both for the MP, who has to prepare the intervention, and for the (prime) minister, who has to offer a response. Table 1 provides an overview of the four levels and related demands. The lowest step on the scrutiny ladder comes down to expressing support or disagreement by MPs with what the government states as their position in the EU level negotiations. Noting disagreement or support is obviously the least demanding for the MP and



Table 1 overview of steps on the scrutiny ladder and related demands for the MP

| Type of scrutiny → Scrutiny level → Demands for MP ↓ | Monitoring scrutiny | | Political scrutiny | |
|--|---|--------------------------|--|--------------------------------|
| | Step 1: expressing support/disagreement | Step 2: asking questions | Step 3: taking up alternative position | Step 4: providing instructions |
| Knowledge of gov. position on issue | X | X | X | X |
| Analysis of gov. position and argumentation | | X | X | X |
| Own information or expertise on issue | | | X | X |
| Overview state of play in negotiations | | | | X |

for the (prime) minister. Asking questions, by which we mean genuine attempts to acquire information, is step two on the ladder. Formulating informative questions is a bit more demanding for MPs because they need to analyze the government's stated position and argumentation, and identify parts that are unclear or unconvincing. However, MPs do not need to come up with their own counter-argument at this step. They are primarily monitoring, not yet challenging the government's position.

Presenting an alternative position, which means a substantive opinion that is sufficiently distinct from the government's stated position, represents step three on the ladder. This step presumes that the MP has already acquired the necessary information (requested in step two) and is able to use this information to take up such an alternative position. It requires an investment on the side of the MP to acquire the necessary expertise, but it is also more demanding for the (prime) minister, who has to come up with a rebuttal. Such positions tend to remain rather general, reflecting the MPs or party's stance on a certain topic. The fourth step on the ladder is to provide specific instructions to the government. Instructions serve to influence/steer a government's negotiation behavior. They are relatively clear-cut and detailed directions on what a government should actually do at a particular meeting at EU level, on a specific agenda item. To be able to provide instructions MPs need to be informed about the current state of play in Brussels' negotiations, and suggest (feasible) alternative positions.

Explaining variation in the level of scrutiny

Our research goal results in two sets of hypotheses. Hypotheses 1–3 are based on the existing literature explaining the amount of scrutiny on the basis of party characteristics and serve to juxtapose our analysis of the level of scrutiny to existing analyses of the amount of scrutiny. Hypothesis 4–7 serve to test the effect of the different political salience factors.



Level versus amount of scrutiny

First, MPs from political parties with a strong pro-EU stance or MPs from Eurosceptic political parties can be considered issue owners in the eyes of voters (Budge and Farlie 1983; Rauh 2015). These political parties can gain votes by making their issue prominent in political debates, distinguish themselves from other parties, and make use of the institutional capacity of a parliament to influence policy (Auel et al. 2015).

H1 MPs from political parties whom are either Eurosceptic or have a strong pro-EU stance are likely to use higher steps on the scrutiny ladder with regard to EU-related activities of the government than MPs from political parties whom have a less clear pro- or contra position on European integration.

Second, government parties are more likely than opposition parties to hold back when scrutinizing government activities, because they want their government to stay in office and out of trouble, and be able to show results in the run-up to elections (Auel 2007, p. 494). Monitoring scrutiny (step 1 and 2 on our scrutiny ladder) is rather neutral and can be employed both by parties in government and opposition without any political consequences (Auel 2007, p. 500). Political scrutiny (step 3 and 4) consists of political judgment on the appropriateness of the government's decision (Auel 2007, p. 500), and therefore is expected to be used more by opposition parties.

H2 MPs from opposition parties are likely to use higher steps on the scrutiny ladder with regard to EU-related activities of the government than MPs from government parties.

Third, scholars have claimed that EU policies are increasingly becoming part of 'normal politics,' reflecting traditional left–right cleavages, thereby providing left and right parties with an incentive to move beyond their consensual views on EU integration (Hooghe and Marks 2009, p. 9; Miklin 2014a, p. 1200). It is interesting to test this claim for the case of the Banking Union (Statham and Trenz 2015, p. 299). Although the banking union as such cannot be characterized as a typical left or right dossier, the negotiations about the Banking Union coincided with a general backlash against the 'neo- or ordoliberal characteristics' of EU integration, specifically the EMU deepening project. This would lead us to expect that leftist parties have more to gain from providing higher levels of scrutiny.

H3 MPs from leftist parties are more likely to use higher steps on the scrutiny ladder with regard to the EU-related activities of the government than MPs from rightist parties.



The effect of political salience

First, several studies showed that media coverage is an important source of information for MPs to ask questions to the government on national and EU issues (e.g., Van Aelst and Vliegenthart 2014). Moreover, media coverage increases their chances of getting their message through to the general public (Vliegenthart and Walgrave 2010). Hence, it is likely that mediatized EU dossiers increase the interest of MPs to pay attention to those issues.

H4 More attention in national media outlets for EU level negotiations increases the likelihood that MPs are using higher steps on the scrutiny ladder with regard to EU-related activities of the government.

A second indicator for salience is related to sensitivity of (different parts of) the EU dossier. Obviously, not all aspects of a large EU dossier such as the Banking Union can be scrutinized to the same degree. MPs will allocate their limited time and resources to those aspects they consider most relevant or rewarding. EU topics gain in relevance if they move beyond the realm of ‘negative integration’ i.e., the removal of barriers to free movement of people, goods, production factors and (financial) services. From the literature, we would expect that EU topics become particularly sensitive when they touch upon the transfer of competences (from the national to the European level), or if they have (re)distributive consequences (Miklin 2014a, p. 1199; Puntischer Riekmann and Wydra 2013, p. 579).

H5 MPs are likely to use higher steps on the scrutiny ladder with regard to EU-related activities of the government when the EU negotiations touch upon issues involving a shift of competences from the national to the EU level and/or a transfer of money from member states to the supranational level.

The third indicator of salience is related to temporal factors and the attention span of political actors. When the negotiations on EU dossiers start at the EU level, it is likely that MPs at the national level lack knowledge on the topic of the negotiations. Instead, they question the government on the basics of the negotiations in order to scrutinize more severely later on in the negotiation process (De Wilde 2011, p. 677). The first phase in the scrutiny process is for information gathering, whereas later on in the negotiation process there is more clarity in which direction the negotiations are going and more detailed instructions can be given by MPs to the government on how (not) to negotiate at the EU level.

H6 MPs are likely to use higher steps on the scrutiny ladder with regard to EU-related activities of the government later in the EU level negotiation process than earlier in this process.

Finally, we include a fine-grained temporal factor that fits with the *punctuated* pattern of politicization, as suggested in the literature (Grande and Kriesi 2016). We



assess the varying salience by looking at the number of workdays between national parliamentary debates and related meetings in Brussels. According to De Wilde (2011), debates taking place before Council meetings are often used for providing instructions, while debates directly afterwards are used for holding governments accountable. However, in ‘iterated games’ like the ongoing negotiations about the Banking Union, debates about the output of the latest round of negotiations provide the input for the next, which makes the distinction between before and after artificial.¹ We therefore look at overall proximity, in terms of the number of workdays between a committee meeting or plenary debate and a relevant European Council or Council meetings on this topic. In short, debates in parliament which are close in time to the EU meetings are likely to have higher levels of scrutiny.

H7 MPs are likely to use higher steps on the scrutiny ladder with regard to EU-related activities of the government in debates taking place directly before or after a meeting of the European Council or the Council of Ministers than in debates that take place further away in time from such meetings.

Case selection, data collection and analysis

We study scrutiny by the Dutch Lower House in the negotiations on the Banking Union. A focus on a single, but typical, case allows us to measure the scrutiny in a more fine-grained manner than was done in previous studies on national parliaments and EU decision-making. While exceptional in scope, a study of the parliamentary activity on the Banking Union can be considered representative for the scrutiny of other politicized EU dossiers. The Banking Union entails a range of new legislative and non-legislative acts that are likely to be scrutinized more than EU legislation which is ‘only’ amending or repealing existing legislation. The Dutch Lower House is medium active, when compared to other parliaments with a considerable degree of variation between scrutiny activities of government and opposition parties (Mastenbroek et al. 2014). It occupies a median position in classifications of European national parliaments with regard to the strength of the available formal scrutiny rights (Winzen 2012).

The four levels of scrutiny on our scrutiny ladder are scored at the level of interventions. An intervention is defined as a unified body of text (usually a paragraph or subsection) that serves to make one particular point on an issue. These points can take the form of explicit statements, questions, positions or instructions to the government. In the debate about Banking Union, which lasted from May 2012 to June 2014, we coded 699 interventions, divided over 50 meetings. To check the reliability of the coding, six of the ten biggest debates on banking union were independently coded by two coders. The Krippendorff’s Alpha for this sample of 197 (28% of the

¹ Moreover, in the routines of the Dutch parliament, the debate about the latest and the upcoming Eurogroup and Ecofin Council are generally combined in one Committee meeting.



total) interventions was high: $c\alpha_{\text{ordinal}} .932$ (Krippendorff 2013, p. 289).² We coded only the statements that were directed at the government representative(s) present, and not the interactions/discussions between MPs. A meeting typically started with a round of prepared statements (in which we coded the interventions on the Banking Union), followed by a round of discussions (not coded) and the answers by the (prime) minister (not coded). Quite regularly, there would be a second round of plenary statements, in which we coded only the *new* points raised on the Banking Union. Since we are interested in the highest level of scrutiny that an MP was willing/able to reach, interventions that contained multiple levels of scrutiny were scored at the highest level.

We used the Chapel Hill expert survey dataset to measure whether a party was pro- or contra European integration and whether a party is on the left or right of the political spectrum (H1–3, see also Bakker et al. 2012). The media attention (fourth hypothesis) was measured by counting the number of articles published in national newspapers (i.e., both quality and tabloid-like newspapers: NRC, Volkskrant, Trouw, Algemeen Dagblad, Telegraaf) 3 days prior to the meeting in the Dutch Tweede Kamer. Articles were counted when the term ‘Banking Union’—or one of its main components—occurred in the header or the main text of the article.³ 133 articles were published on the Banking Union in the period under study, with a maximum of 15 articles a week on the Banking Union for all newspapers together. For the fifth hypothesis, we ranked the different constitutive elements of the Banking Union, according to how politically controversial and therefore sensitive they are. Next to debates about the Banking Union in general (ranked as the first element), the project consisted of four pillars. The second element was the single supervisory mechanism (SSM), which was negotiated roughly between September 2012 and April 2013. The SSM represents a transfer of (supervisory) competences to the European level (i.e., the ECB). The third element, the single rulebook, was a regulatory matter, but with potentially large implications for national taxpayers. The main dossier at the time, the bank recovery and resolution directive (BRRD), is about shifting the burden for saving banks from taxpayers to share- and bondholders (by means of a bail in), albeit still within national boundaries. The fourth element, the single resolution mechanism (SRM) and fund (SRF), takes this burden-sharing/bail-in principle to the European level. The SRM/SRF therefore represents a transfer of competences *with* redistributive consequences across member states, albeit still of private sector contributions.⁴ The fifth and final element refers to the role of the European Stability Mechanism (ESM) in the Banking Union, either to recapitalize banks or to serve as a public backstop. Since the ESM involved taxpayers money, we

² The arguably more conservative Krippendorff’s Alpha for nominal data $c\alpha_{\text{nominal}}$ was 0.901. See web-appendix 1 for a detailed discussion of the coding scheme and measures to ensure validity and intercoder reliability.

³ Web-appendix 1 contains an overview of these components.

⁴ The SRF is filled with contributions of banks in different member states. For example, contributions made by banks in Germany can be used to restructure banks in Italy (and vice versa).



Table 2 Descriptive statistics

| | Mean | Standard deviation | Minimum | Maximum |
|--|---------|--------------------|---------|---------|
| Score on ladder of scrutiny level | 2.38 | 0.903 | 1 | 4 |
| Euroscepticism/pro-EU stance party | 4.56 | 1.89 | 1.09 | 6.82 |
| Party in government or opposition | 0.67 | 0.472 | 0 | 1 |
| Left/right party | 5.45 | 2.53 | 1 | 9.25 |
| Media attention for Banking Union dossier | 1.61 | 2.176 | 1 | 8 |
| Topic sensitivity Banking Union | 3.08 | 1.36 | 1 | 5 |
| Days pasted after the first debate on the Banking Union | 393.72 | 192.149 | 0 | 759 |
| Proximity of parliamentary debates to meetings of the Council/European Council | 4.03 | 5.032 | 0 | 41 |
| Degree of distrust in European integration | 54.42 | 3.017 | 48 | 58 |
| MP is party leader | 0.09 | 0.283 | 0 | 1 |
| Minority government | 0.14 | 0.347 | 0 | 1 |
| Seat share party of MP intervening/parties jointly intervening via questions/resolutions | 15.75 | 11.33 | 1.30 | 70.51 |
| Days in parliament of MP till meeting of intervention | 1506.75 | 1325.18 | 20 | 5609 |

are dealing with redistributive consequences of public funds across member states, which is arguably the most sensitive.

For the sixth hypothesis, we included a time-variant index for each day since the start of the debates, with a 0 for when the Banking Union was debated for the first time, and 759 days for the last debate. For the seventh hypothesis, we look at the planning and the agendas of (European) Council and national parliamentary meetings. The Ecofin and Eurogroup meetings are preceded by background briefings, which are covered in the international press (a.o. Agence Europe, Reuters, Eurocomment). The agenda items can also be recovered from the annotated agenda's and reports provided by the Dutch government (www.overheid.nl). The descriptive statistics of the dependent, main independent, and control variables are included in Table 2.⁵

Given the ordinal level of measurement of our dependent variable, we report the results of ordered logistic regression models. We ran several other (ordinary least square and multi-level) regression models to check for the robustness of the results. In these models, the same variables have a significant effect (in the same direction) as in the ordered logistic models. We triangulated the findings of our quantitative analysis by interviewing MPs from five of the six main parties to the debate, which together were responsible for 75% of the interventions.

⁵ See web-appendix 2 for information on and analysis of the control variables.



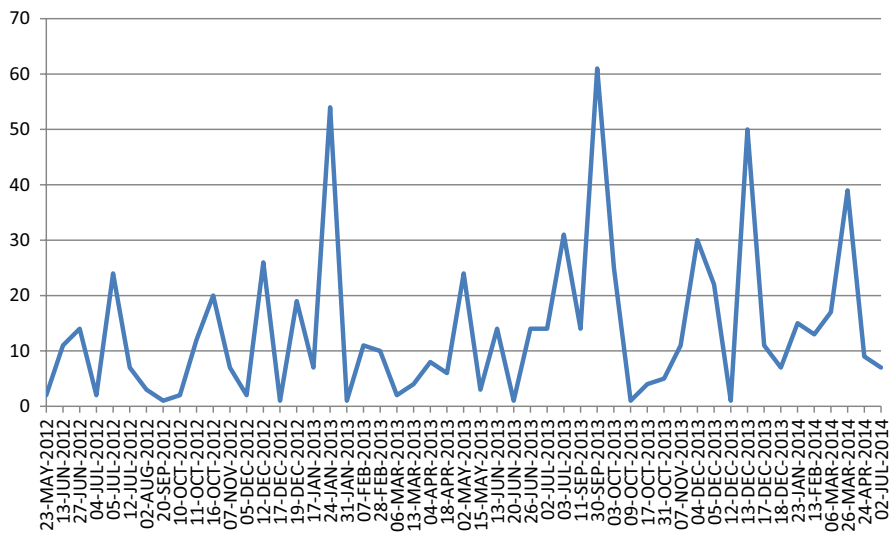


Fig. 1 Amount: total number of interventions on the Banking Union by meeting

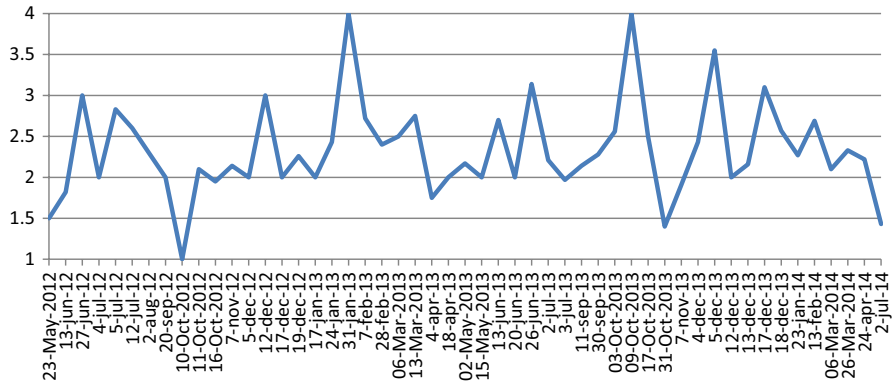


Fig. 2 Level: average score on the scrutiny ladder of all interventions by meeting

Results

In the first part of this section, we compare the results of our analysis of the *level* of scrutiny to what we know from the literature about the factors explaining the *amount* of scrutiny. In the second part, we assess the impact of the three salience factors on the level of scrutiny.



Table 3 Dependent variable: the level of scrutiny by MPs of government activity in debates on the Banking Union, all debates

| | Estimates | Standard errors | Odd ratios |
|--|-----------|-----------------|------------|
| Euroscepticism/pro-EU stance party | 0.026 | 0.040 | 1.026 |
| Party in government or opposition | −0.265 | 0.164 | 0.767 |
| Left/right party | −0.056* | 0.030 | 0.946 |
| Media attention for Banking Union dossier | 0.031 | 0.036 | 1.031 |
| Topic sensitivity 0: Banking Union discussed in general terms | −1.656*** | 0.258 | 0.191 |
| Topic sensitivity 1: single supervisory mechanism | −0.652** | 0.260 | 0.521 |
| Topic sensitivity 2: single rulebook (BRRD) | −0.360 | 0.251 | 0.698 |
| Topic sensitivity 3: single resolution mechanism and fund | −0.375 | 0.247 | 0.687 |
| Days pasted after the first debate on the Banking Union | 0.000 | 0.001 | 1 |
| Proximity of parliamentary debates to meetings of the Council/European Council | −0.064*** | 0.016 | 0.938 |
| Degree of distrust in European integration | −0.001 | 0.028 | 0.999 |
| MP is party leader | −1.432*** | 0.293 | 0.239 |
| Minority government | 0.467 | 0.312 | 1.595 |

Ordered logistic regression, $N=699$; * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$ significance

Different dynamics: level versus amount

When comparing the total number of interventions on the Banking Union by meeting (see Fig. 1) to the average score on the scrutiny ladder of all interventions (see Fig. 2), it becomes clear that adding a measure for the level of scrutiny uncovers variation that so far was neglected in the literature on the amount of scrutiny. For example, in the committee meeting on July 3 2013 MPs were very active, resulting in a high count of the number of interventions on the Banking Union. However, these interventions consisted mainly of expressing support or disagreement with the government, resulting in low scores on the ladder of scrutiny. In other words, this was a long, but not particularly difficult debate for the minister. Quite to the contrary, in Fig. 2 we can observe a peak for the plenary debate on December 5 2013, which is absent for this meeting in Fig. 1. In this meeting, there were very few interventions by MPs but these interventions primarily consisted of providing instructions to the government on how to negotiate at the EU level—the highest step on the scrutiny ladder and resulting in the adoption of a resolution submitted by MP Harbers (VVD), with support of MPs Merkies (SP) and Van Hijum (CDA). Here, the Dutch parliament came closest to actually steering the government's behavior, by providing them with clear-cut instructions—on the modalities of the SRM/SRF and ESM involvement—which would have been hard for the government to ignore. The timing of these instructions was crucial, coming right before the decisive Ecofin meetings.

The quantitative analysis confirms that different logics are at work for the level of scrutiny in comparison with the amount of scrutiny (Table 3). First, there is no difference in level of scrutiny between MPs from political parties who are either

Table 4 overview of the contributions by the six main parties

| Party | Highest score on scrutiny ladder (in %) | | | |
|-------|---|------------------|------------------------------|------------------------|
| | Expressing support or disagreement | Asking questions | Present alternative position | Providing instructions |
| VVD | 17.2 | 44.0 | 22.4 | 16.4 |
| PvdA | 23.2 | 40.8 | 26.4 | 9.6 |
| CDA | 14.0 | 43.0 | 16.1 | 26.9 |
| D'66 | 16.5 | 53.4 | 21.4 | 8.7 |
| SP | 2.2 | 58.2 | 23.1 | 16.5 |
| PVV | 10.0 | 68.9 | 13.3 | 7.8 |

Eurosceptic or have a strong pro-EU stance compared to other political parties. This refutes hypothesis 1. Both pro- (D66) or anti-EU (SP, PVV) parties tend to opt for interventions in the form of questions (the second level of scrutiny) (see Table 3). The interviewees indicated that the number of interventions was related to interest/incentives as well as institutional capacities. Larger/governing parties tend to have more resources to acquire information and keep an overview of what is going on in Brussels. The Christen Democraten (CDA) for instance had one of their MEPs (Corien Wortmann) as rapporteur on the SRM/SRF, which helps explain why they could provide detailed instructions to their national government on this dossier.

The reason that Eurosceptic parties opted for questions, interviewees indicated, was because they considered it their primary tool for keeping up with developments. Auel and Raunio (2014) explain the weak relation between anti-EU positions and EU-related activities by the often de-politicized way of addressing EU issues in parliament. Our analyses indicate that the Banking Union dossier was *not* de-politicized. Eurosceptic parties were perfectly willing to keep a close eye on the government's behavior in the EU level negotiations. However, they had more difficulty reaching higher steps on the ladder, because they generally lacked inside information on what was going on in the Brussels' negotiations and the (time to acquire the) expertise on the details of the dossier. With regard to the pro-EU parties something else was going on. The main pro-EU party (D'66) was largely in agreement with the government position at the EU level. D'66 did raise the Banking Union issue in parliamentary debates, but provided considerable less instructions to the government than other parties (see Table 4).

Second, the quantitative analysis reports different results on the effect of government-opposition dynamics on the level of scrutiny (H2, see Tables 3, 5). The quantitative analysis of all interventions in written meetings, committee meetings, and plenary debates shows that there is no significant effect of being in the opposition as a political party on the level of scrutiny ($\beta = -0.265$, $p = 0.105$). The absence of a government-opposition effect may partly be explained by diverging views within the coalition government, consisting of one more EU-positive and center-left (PvdA), the other more critical of European integration and center-right (VVD), and a willingness to express these differences. The VVD thus provided high levels of scrutiny



Table 5 Dependent variable: the level of scrutiny by MPs of government activity in debates on the Banking Union, only plenary debates

| | Estimates | Standard errors | Odd ratios |
|--|-----------|-----------------|------------|
| Euroscepticism/pro-EU stance party | 0.053 | 0.115 | 1.054 |
| Party in government or opposition | −1.207*** | 0.391 | 0.299 |
| Left/right party | −0.042 | 0.082 | 0.959 |
| Media attention for Banking Union dossier | 0.519*** | 0.130 | 1.680 |
| Topic sensitivity 0: Banking Union discussed in general terms | −1.657*** | 0.449 | 0.191 |
| Topic sensitivity 1: single supervisory mechanism | −1.126** | 0.528 | 0.324 |
| Topic sensitivity 2: single rulebook (BRRD) | −0.345 | 0.578 | 0.708 |
| Topic sensitivity 3: single resolution mechanism and fund | 0.343 | 0.658 | 1.409 |
| Days pasted after the first debate on the Banking Union | −0.002 | 0.002 | 0.998 |
| Proximity of parliamentary debates to meetings of the Council/European Council | −0.069 | 0.061 | 0.933 |
| Degree of distrust in European integration | −0.005 | 0.095 | 0.995 |
| MP is party leader | −0.297 | 0.474 | 0.743 |
| Minority government | 1.060 | 0.688 | 2.886 |

Ordered logistic regression, $N = 158$; * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$ significance

on elements (SRM/SRF) on which the PvdA was willing to be more lenient, and vice versa.⁶ However, this finding seems to be related also to the type of parliamentary meeting an MP decides to make a statement on the Banking Union. When we run the regression models for the separate arena's in which interventions by MPs can take place, the government-opposition variable *does* reach significance in the case of plenary debates (see Table 5).

Interviewed MPs explain why the dynamics were different for plenary debates, which are often 'spontaneously' organized around European Councils, and committee meetings—which are regular occurrences around every Ecofin Council. The process of decision-making at the European Councils is more diffuse and therefore less visible for national parliamentarians, especially from opposition parties. The opposition MPs therefore use the plenary debates to control the government.⁷ The odds of MPs in government parties making use of a higher level of scrutiny in plenary debates are approximately 1/3 the odds for MPs in opposition parties (Odds ratio = 0.299). Clearly, MPs of opposition parties are triggered to give the government a hard time when debates are more visible for the public, whereas committee meetings and written meetings tend to be used for obtaining information from the government.

Third, the odds of MPs making use of a higher level of scrutiny in parliament increases with approximately 1 when MPs are more left wing (see Table 3). This

⁶ Authors interviews, the Hague 23-1 & 25-2-2017.

⁷ Authors interview, the Hague, 21-12-2016.



provides ground for accepting hypothesis 3. It confirms the findings in earlier analyses that left wing political parties pay considerably more attention to EU issues *when* the issue is coinciding with the left–right cleavage in parliament (Miklin 2014a, b). Several MPs indicated that there was cross-party support for more effective monitoring of banks and reducing the dependence on tax payers money for saving private banks. However, the left wing parties had the additional incentive to deal with ‘greedy’ banks and their bonuses.

Scrutiny and salience

Our second set of hypotheses focuses on salience. First, the analysis of all interventions in committee meetings, written meetings, and plenary debates shows that newspaper coverage on the Banking Union in the 3 days prior to a parliamentary meeting does not have a significant effect on the level of scrutiny by MPs (see Table 3). However, in the interviews, several MPs indicated that media coverage on the EU level negotiations on the Banking Union did trigger parliamentary attention on this dossier, but mainly in the case of plenary debates. When we run ordered logistic regressions only for the interventions in plenary debates the coefficient for the media attention is positive and significant (see Table 5). The odds of MPs making use of a higher level of scrutiny in plenary debates increases with roughly one and a half when one article more is published in national newspapers on the Banking Union in three days prior to the meeting. This finding provides support for H4, but only when it comes to interventions by MPs in plenary debates. A detailed look at the substance of the newspaper coverage shows that the coverage is, without exception, on the EU level negotiations, discussing key elements of the banking union. These same elements are subsequently covered in the plenary debates—quite regularly with a direct reference to the newspaper coverage. Hence, our quantitative analysis shows that MPs are more likely to use media coverage to put pressure on the government when debates are more visible for the public, i.e., in plenary debates, whereas committee meetings and written meetings tend to be used for obtaining information from the government. In the interviews, MPs characterized media attention as erratic and focused only on key EU-level meetings rather than in-depth debates over a longer period of time. MPs from both government and opposition parties considered this punctuated pattern as a political handicap, because the absence of media coverage on the substance of the debates made it more difficult for them to put pressure on the government.⁸

Second, our results show how scrutiny is directly related to the domestic sensitivity of particular parts of the dossier (see H5). The sensitivity and therefore scrutiny of the different elements of Banking Union reflect a clear hierarchy. First, when MPs discuss the principles of the Banking Union in general terms, MPs are significantly less likely to use higher levels of scrutiny. MPs considered the concept of a Banking

⁸ Authors interviews, The Hague 14-12-2016, 25-1-2017.



Union rather abstract and vague, particularly in the first phase (i.e., 2012). As one participant put it:

‘In European circles there is a tendency to think in terms of big solutions, or ‘unions... For us as national parliament such grand projects only really come to life once there are concrete Commission proposals on the table.’⁹

Some MPs even feel that the real debate about the Banking Union began only in 2013, long after the European Council had endorsed the project and the Council had agreed on the SSM.¹⁰ The quantitative analyses confirm this (see Table 3). The odds of debates on the Banking Union in general end up higher on the scrutiny ladder are $\exp(-1.656)=0.191$ the odds for debates on the ESM, or less than 1/5th.

While the single supervisory mechanism (SSM) is arguably the most far-reaching step in terms of furthering European integration, interview data suggest that it was considered relatively uncontroversial. The transfer of competences, in this case the ability to oversee banks, was made easier by the fact the government was transferring competences it did not really possess in the first place.¹¹ Again, the quantitative analyses confirm this finding. There is a significant negative coefficient for a topic only involving a transfer of sovereignty (i.e., the single supervisory mechanism, SSM) indicating that debates on the SSM are $\exp(-0.652)=0.521$ times less likely than debates on ESM involvement to use higher levels of scrutiny when holding the government to account.

The other three pillars of the Banking Union, the single rulebook (SRB), the single resolution mechanism and fund (SRM/SRF), and the role of the ESM, involve the transfer of competences, but they also have redistributive consequences. While the single rulebook is a regulatory matter, the bank recovery and resolution directive (BRRD) is about shifting the burden for bailing out domestic banks from taxpayers to share- and bondholders (by means of a bail in). The SRM and SRF carry this bail in principle to the European level. The SRM and SRF thus have redistributive consequences between member states, but this is still only about private sector money, i.e., contributions made by German or Italian banks to a single European fund. This explains why there are no differences between the single rulebook and the SRM/SRF when it comes to the level of scrutiny. There are notable, close to significant, differences between these two elements and the role of the ESM in the Banking Union. This is because the ESM is about redistributing public (taxpayers) money. These findings lead to a partial confirmation of the fifth hypothesis: EU level negotiations on the transfer of (public) funds increase the level of scrutiny in debates, but the transfer of sovereignty does not.

Our third main finding of the effect of salience on the level of scrutiny is related to the time frame, more specifically how the parliamentary process is organized around meetings in Brussels. The results of the ordered logistic regression models indicate that there is no significant linear effect of the unraveling of the debates over time on

⁹ Authors interviews, the Hague, 25-1-2017.

¹⁰ Authors interviews, the Hague, 12-1-2017.

¹¹ Rather, it was the competence of national supervisors.



the level of scrutiny (estimate=0.000, $p > 0.1$). This finding leads to a rejection of H6. Instead, the level of scrutiny shows a punctuated pattern. The odds of MPs making use of a higher level of scrutiny in debates increases with approximately 1 for every day that this debate is closer to the meeting of the Council of ministers or the European Council. This finding supports H7. MPs react to how the decision-making process at the EU level unravels, but do not anticipate decisions made in this process and, hence, are not proactive. The punctuated pattern thus results not only from media attention, but also from the way in which the domestic debate is organized. Interviewed MPs noted that they are stuck in organizational routines, which limit their ability to react to important ad hoc developments:

‘In the early stages of the Commission proposal, a lot is still unclear and we simply do not know enough about where things might be heading. Then nothing happens for a long time, as the negotiations in Brussels take place at the working party and Coreper level. Then we find ourselves already at the end of the process, when a draft directive is being discussed by the Ecofin Council. The process in between is largely invisible to us.’¹²

In short, organizational routines explain why MPs are often late to the party. MPs tend to leave it to the European parliament to be involved in the design stage and to monitor intermediate negotiations.¹³ Scrutiny practices in national parliaments still seem to be tailored to the ordinary legislative practices, and are slow to adapt to new (more informal and intergovernmental) decision-making processes. On the other hand, the analyses show that once they have arrived at the party, MPs can still provide effective control, also in the later stages when sensitive issues reach the ministerial level and the media starts to pay attention. Issue sensitivity and media-induced salience are important contributing factors, but they are not sufficient to induce effective scrutiny. At least as important are the institutional capacities and the institutional memory of the MPs in question. In the case of the Banking Union, most effective scrutiny was provided by MPs who had been closely observing the dossier for years and were able to use intra-party communication channels to acquire relevant information on the state of play in Brussels.¹⁴

Conclusion

This article is a step towards assessing the role and impact of national parliaments in major EU reform negotiations. When it comes to the scrutiny of EU affairs, national parliaments have had to come a long way to become more than just ‘talking shops’ (Maatsch 2016). On the other hand, the successive crises and related

¹² Authors interviews, The Hague, 14-12-2016.

¹³ Authors interviews, The Hague, 21-12-2016 & 12-01-2017.

¹⁴ This also points to a potential limitation to our study; the asymmetry in the debates, which tended to be driven by a few key MPs. This means that personal characteristics and interests might also play a role.



re-intergovernmentalization of European integration constitute a step back. Parliaments still struggle to get a grip on European Council dynamics.

On a methodological level, we showed the added value of looking at the level of scrutiny provided in individual interventions of MPs, rather than the overall amount of activity by parties or parliaments. By distinguishing between general expressions of (dis)agreement, informative questions, alternative positions and specific instructions, our scrutiny ladder allows us to assess the varying degree to which MPs are willing and able to fulfill their task. We have shown that a different logic is at work for the level of scrutiny. The findings indicate that providing effective scrutiny is no longer the exclusive domain of fringe or opposition parties, nor does it require dossiers with clear pro/anti-EU cleavages on which parties can profile themselves, and emphasize their differences vis-à-vis others (Miklin 2014a, p. 1200). Our analyses provide some support for the claim that EU debates are becoming part of 'normal' government/opposition—and left/right politics—indicating that this was a debate about 'what kind,' rather than 'how much' European integration we want (cf. Hooghe and Marks 2009, p. 9).

The challenges to reach higher levels of scrutiny stem especially from our significant findings regarding salience. The ability to closely and constantly monitor EU affairs is hindered by erratic media attention and organizational routines. While there is considerable debate about the intergovernmentalization and politicization of European integration, insiders and observers generally agree that EU decision-making has become less predictable, more ad hoc and prone to improvisation. If parliaments want to remain on top of the developments, established scrutiny practices around regular Council meetings do not suffice. If MPs keep waiting for Commission proposals to discuss, they will always be late to the party. The decision to launch the Banking Union was taken at European Council level and the debate about the most sensitive elements (the ESM) took place in the informal Eurogroup and EWG. With crisis decision-making becoming 'the new normal' in the EU, MPs cannot afford to wait for a return to 'business as usual' (Auel and Höing 2015; Haughton 2016; Grande and Kriesi 2016). National parliaments are in fact hindered by punctuated patterns of politicization that they themselves help sustain, by focusing on the exceptional moments when matters reach the ministers or heads of state and government.

On the other hand, our disaggregated findings on the different elements of the Banking Union show that if parliaments really want to control their government, they can do so even if the decision-making takes place in informal or intergovernmental arenas. The Dutch parliament reached the highest levels of scrutiny on the ESM (dealt with by the Eurogroup and EWG) and the SRM/SRF (which was partly negotiated in a separate intergovernmental agreement). Although this provides support for the claim that European integration fails to hold the attention of (Dutch) parliament(arian)s, unless there is money involved, it also shows that Lower Houses are able to find ways to hold the government accountable for its decisions at the EU level.

One limitation of this study is that a finding on the Dutch Tweede Kamer might not easily travel to other domestic parliamentary contexts. In the Dutch Lower House committee meetings play a prominent role in reaching a compromise between



MPs from opposition parties, government parties and the minister on the position the government needs to take in the negotiations at the EU level. In other member states, this consensual culture might be less prominent and there might be larger involvement of MPs in plenary debates—which are by nature more confrontational than parliamentary committee meetings. However, even in the rather consensual parliamentary system in the Netherlands we found clear indications that in plenary debates MPs (of opposition parties) are more likely to put pressure on the government—especially when there is media coverage on the issue at hand—because these debates are more visible for the public than committee meetings. Moreover, although the Banking Union dossier can be seen as representative for salient dossiers with fairly high time pressure to arrive at a solution, future studies should include real crisis dossiers (e.g., the European Stability Mechanism, the refugee crisis) or purely legislative dossiers, where time pressure may be less of a concern for policy makers but the overall level of salience is comparable (e.g., the services directive).

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