From one European Semester to the next
Specificities and Adjustments Shaping the Underlying Legitimacy Mechanisms
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ABSTRACT

Since its inception in 2010, the European Semester has undergone a series of institutional clarifications and procedural adjustments aimed at strengthening its input/output/throughput legitimacy. Over its first 5 iterations it has significantly reshaped the roles, attributions and relations between the EU’s institutions, thus echoing several scholars’ contention that the old dynamics of integration have been replaced by new ones (i.e. the new supranationalism, the new intergovernmentalism and the new parliamentarism). Depending on the theoretical perspective embraced existing schools of thought draw these changes within the institutional dynamics of the EU in contrasting colors. Where new intergovernmentalists see new modes of governance such as the Semester attest to an increase in power of the Member States, the promoters of the new supranationalism observe a continued empowerment of supranational institutions, whereas new parliamentarians emphasize the mounting importance of parliamentary prerogatives. The aim of this paper is to go beyond such stark dichotomies by arguing in favor of a dynamic process of hybridization. Put differently, the paper challenges the view that the new modes of governance born from the Eurozone crisis have empowered one institution to the detriment of the others. We rather argue that the European Semester combines elements of the longer-term evolutions identified by these three schools, thus giving rise to a new institutional equilibrium.
Table of Contents
Abstract ......................................................................................................................... 1

INTRODUCTION ............................................................................................................. 3

THE EUROPEAN SEMESTER: From its Origins to its Full Institutionalization .......... 7
From Maastricht to the Crisis: Precedents & Initial Intent Shaping the Semester ......... 7
Its First Five Formative Iterations: Tracing the Inter-institutional Dynamics shaping
the Semester from 2010 till 2015 ................................................................................. 9
The First European Semester in 2011 ......................................................................... 9
The Second European Semester in 2012................................................................. 12
The Third European Semester in 2013................................................................. 14
The Fourth European Semester in 2014................................................................. 16
The Fifth European Semester in 2015................................................................. 17
Probable Traits of a Newly Established Mode of Governance ............................ 20

THEORIES OF INTEGRATION REVISITED: Hybridization and the Rise of a New
Equilibrium .................................................................................................................. 22
The New Intergovernmentalism ....................................................................................... 23
The New Supranationalism .............................................................................................. 24
The New Parliamentarism ............................................................................................... 26
A New Equilibrium as Working Hypothesis ............................................................... 27

DATA TRIANGULATION AND THEORY BUILDING METHODS ............................ 29

THE RELATIONEL DIMENSION: Interaction among Council, Commission, European
Parliament and Member States ..................................................................................... 30
The Relationship between the European Commission and the Council ................. 30
The Relationship between the Commission and Member States ......................... 32
The Relationship between the European Parliament and the Other Actors ............. 36

Conclusions .................................................................................................................... 40

References ..................................................................................................................... 43
INTRODUCTION

Notwithstanding the political will of European actors to save the Euro and to prevent disintegration, back in 2010 it was unclear which response would be chosen and whether it would prove appropriate, be it in terms of process or policy. Considering that the 2008 financial crisis and the subsequent 2010 Eurozone crisis were not only cyclical but structural in nature, their effects were to be lasting. As a result, the Eurozone crisis altered the relations between economic, social and budgetary policies within the Union’s macro-economic coordination mechanisms. This in turn has led to a debate on a possible reconfiguration of the EU’s modes of governance.

Established European modes of governance were upended by the new instruments and processes born from the fast-burning crisis that followed the 2010 Eurozone crisis. New instruments such as the European Semester (ES) changed the forces at work within and between each of the EU’s established modes of governance ranging from the supranational Community Method to intergovernmental supervision mechanisms of the European Stability and Growth Pact (ESGP), by way of softer forms of coordination such as the Open Method of Coordination (OMC). The overarching aim of this paper is to elucidate how the EU governance architecture has been transformed in so far as crisis-born instruments have altered the relationships between its institutions.

The Eurozone crisis brought into stark contrast the importance of macro-economic policy coordination. Nearly immediately after the so-called Eurozone crisis erupted in Greece, EU leaders responded to this major concern by establishing the European Semester. This new European policy tool was to allow Member States to more effectively coordinate their budgetary and fiscal policies. As a newly created policy instrument forged in the aftermath of the debt crisis, and this during its initial fast-burning period, the European Semester is an ideal case study for the purpose of this research. Considering that the European Semester has given the EU institutions a more visible and intrusive role than ever before in scrutinizing and guiding national economic, fiscal, and social policies (Costamagna 2013; Chalmers 2012), it perfectly encapsulates both the most recent imperatives born from the incomplete process of European integration as well as the enduring challenges facing the EU’s established modes of governance. If the overarching aim of this research is to observe and explain changes in the EU’s modes of governance, the empirical aim is to gather a better understanding of how the European Semester was conceived, how its
decisions and rules are being institutionalized, which process and practices shape the interactions between its main players and how they exert influence in determining policy outcomes.

Since its launch in 2011, this cyclical and institutionalized exercise in policy coordination has undergone significant adjustments. With each cycle, EU policy actors have continuously stressed the need for a “more effective European Semester with stronger democratic accountability” (EP Report, Rodrigues, 2015/2285(INI): 11/31). After its inception in the midst of a fast-burning crisis the European Semester has been thought of by all actors involved as a work in progress needing to see its legitimacy strengthened in terms of policy process (input), outcomes (output) as well as procedures and principles (throughput) (Schmidt, 2015). As a result, through incremental changes, the European Semester has come to reshape the roles, attributions and relations between the EU’s major institutional actors.

Such legitimacy challenges to the EU’s inter-institutional governance dynamics have historically marked changes in the integration process. They have therefore attracted the attention of EU studies scholars. Over the past two decades, several scholars have argued that traditional integration mechanisms associated either with the Common Market and its Community Method or with the Council and its intergovernmental decision-making have come under increased pressure as the EU struggled with a seemingly structural slow-burning governance crisis. This apparent state of entropy was broken in the aftermath of the 2010 fast-burning crisis which in theory at least “would seem to conform almost perfectly to what Schmitter (1970) modelled as ‘a transcending cycle’ […] which should have compelled actions in Member States to: engage in more comprehensive policy coordination […] and…[!] breakout of predominantly national alliance patterns” (Lefkofrifi and Schmitter, 2014:16). However, as described below, the expected enhancements in policy coordination were muddled and partial at best, whereas state-centric calculations of interest proved sufficiently resilient to at times at least undermine collective decisions taken at European Council meetings (Barrosso, Speech 12/59). As a result, if the 2010 fast-burning crisis is recognized as a transformational moment in the process of European integration, whether or not it proved to be “a good or bad crisis for the European Union” (Lefkofridi and Schmitter, 2014:28) remains an open question.

In response to said puzzle, various strands of the literature have alternatively posed the fast-burning crisis as a catalyst making either new supranationalism, new
intergovernmentalism, or new parliamentarism the defining characteristic of presentday integration and its associated modes of governance.

These recent theorizations in European Studies - which aim to describe and explain new trends in the integration process - depict the institutional architecture born from the crisis in contrasting colors. Where new intergovernmentalists observe an increase in the power of Member States (Bickerton, Hodson, and Puettner, 2015), the advocates of a new supranationalism attest to the continued empowerment of supranational institutions (Dehousse, 2015); while others stress a broader process of constitutionalisation (Adams, Fabbrini, Larouche, 2015) which favors the emergence of European public spheres (Risse, 2015) and thus a possible development (Brack, Costa, and Dri, 2015) or even renewal of European parliamentarism (Schmidt, 2015).

The new intergovernmentalists see the Maastricht Treaty as a critical juncture leading to a relative hollowing out of the Community Method’s centrality and the Commission’s right of initiative as the intergovernemental politics of the Council and its constituent Member States asserted a greater preeminence. Those arguing in favor of new forms of supranationalism stress the growing agency of the Commission with regards to macro-economic policy as the 2000s saw the European supranational institution take on a coordinative and supervisory role in a growing number of policy fields which did not strictly fall under the Community Method. Lastly, scholars such as Vivien A. Schmidt have also raised the prospect of a new parliamentarism, arguing that building on the momentum of the EP’s enhanced powers born from the Lisbon Treaty (TUE), the Eurozone crisis has further ‘politicized’ EU public policy thus altering both the EP’s role and its relation to the other institutional actors.

Understandably, these different strands frame the institutional crisis-born architecture in very different vantage points. Following new intergovernmentalism, we can expect to see Member States reduce the Commission and the European Parliament to subordinated roles by seeing the Council grab the initiative and delegate any new powers to *de novo* bodies. Conversely, the new supranationalists contend that in the name of ever greater policy efficacy the crisis has strengthened the discretionary powers of the EU’s supranational institutions. Finally, new parliamentarism postulates that the crisis has meant greater politicization which in turn calls for more deliberative fora able to ensure the sustainable legitimacy of the underlying political mandate.
Building on these more conceptual analyses of European integration, we argue that the puzzle raised by the fast-burning crisis of 2010 is best understood through a more dynamic approach which allows for a rethink of the equilibrium struck between these diverging tendencies. The aim of this paper is to go beyond stark dichotomies by favoring a dynamic relational approach which challenges the view that the modes of governance shaped by the Eurozone crisis have empowered one integration dynamic to the detriment of the others.

In attempting to make an empirical informed contribution to this debate, we argue that the new power relations between EU institutional actors can be better portrayed through a pluralist analytical grid combining the three “new” intergovernmentalism, supranationalism and parliamentarism. To this end, the article assess how the European Semester reflects a new equilibrium by combining different elements of all three of the afore described paradoxical forms of integration. As such, the theoretical and empirical challenge of this paper is to consider the institutional evolutions of a new mode of governance such as the European Semester, and scrutinize the new interactions it has brought about. From a theoretical point of view, this paper argues that this new equilibrium has emerged a result of a two-stage hybridization process: the first stage corresponds to the fast-burning phase of the Eurozone crisis (i.e. 2010-2013) which is characterized not only by uncertainty and instability, but also by conflict and opposition between actors with very different interests and policy preferences. The second stage, which corresponds to the slow-burning crisis associated with European governance (i.e. since 2013), sees a reassertion of more long-term tendencies thus opening the way towards more cooperation between EU institutional actors by way of changes in the Semester’s throughput.

The paper is organized in three parts including a first section which follows an inductive approach and allows the paper to identify the evolutions of the European Semester over its first 5 iterations, while a more deductive second and third sections see the paper outline and then test its central hypothesis of a new equilibrium in European governance reflected in the European Semester. Drawing on content analysis, the first section describes the European Semester and its evolutions since its inception. Through the description of the evolving interactions shaping the Semester (along three dimensions - input, output and throughput), the aim is to shed some light on the shifting power relations between the European Commission, the European Parliament and the Council. Subsequently, drawing on recent debates in

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1 On this distinction see Leonard Seabrooke and Eleni Tsingou.
European Studies be it on new intergovernmentalism (Bickerton, Hodson and Puetter 2015), new supranationalism (Dehousse 2015) or new parliamentarism (Schmidt 2016), the second part introduces a theoretical grid backed by solid empirical evidence designed to conceptualize the interplay between the institutional actors engaged in the European Semester. Drawing on interviews and focusing on the European Semester, the third section empirically illustrates the argued forms of hybridization which see these new modes of governance partially co-existing in a hypothesized new equilibrium. Overall, the article has two main goals: one is exploratory and aims at providing an accurate description of the institutional evolutions to which the European Semester has given rise; the second one is explanatory seeking to interpret the main empirical findings and to shed some light on the transformation of EU’s modes of governance.

THE EUROPEAN SEMESTER: From its Origins to its Full Institutionalization

From Maastricht to the Crisis: Precedents & Initial Intent Shaping the Semester

The European Semester is not an entirely new instrument of policy coordination. Before the Eurozone crisis, EU treaties already provided the legal basis for a wide range of policy coordination instruments. For instance, before 2010, European economic governance was characterized by both hard and soft instruments designed to coordinate sectoral policies at the EU level (Heise 2012: 47). With the exception of the European Stability and Growth Pact (ESGP) which was purely intergovernmental, the key new macro-economic instruments introduced before the crisis relied on soft rules of policy coordination shepherded by the Commission. These pre-crisis soft instruments of policy coordination included among other the Broad Economic Policy Guidelines (BEPG) for the coordination of economic and fiscal policies; the Employment Policy Strategy (EPS) for labour markets; the Cardiff Process for financial markets; the European Macroeconomic Dialogue (EMD) instituted in 1999 for monetary, fiscal and wage policies; as well as the Open Method of Coordination (OMC) which was the cornerstone of the Lisbon Strategy.

As early as the Maastricht Treaty, the necessary legal basis for economic coordination was set and it has remained substantively unchanged since. Before the Eurozone crisis the existing macroeconomic coordination framework was limited as Member States merely adopted their economic and budgetary plans without discussing their implications at the EU level. In response to the Eurozone crisis, Member States
agreed to strengthen their economic coordination within the legal framework of the existing treaties. This was to be done by building on a series of instruments such as the Europe 2020 Strategy, the Integrated Guidelines, and the ESGP. The purpose of the resulting European Semester was to go beyond what already existed, to achieve concrete commitments and to follow a clear timetable for implementation. To this end, the original innovation of the European Semester was to seek to align Member States’ budgetary schedules across the EU and thus to allow for ex ante discussions of the budgetary aggregates and their implications. In this respect, the central component of the European Semester as ultimately laid out in the Six- and Two-Packs were the changes in the institutional framework and processes forcing Member States to coordinate their economic and budgetary policies at the EU level.

Considering the severity of the Eurozone crisis, the European Semester was conceived as an intensive mechanism of policy coordination and a new way through which Member State governments were to shape their economic and fiscal policies (Barroso Speech 11/7). It introduced the European dimension into the adoption of national budgets and economic policies, which prompted some EU officials to state that the Semester opened “a new phase in the integration process” (Barroso Speech 11/7). This working method allows domestic and European political actors to examine simultaneously the economic and budgetary policies of EU Member States.

Institutionalized by means of regulation (EU) No 1175/2011 amending Regulation (EC) No 1466/97, the European Semester involves a wide range of actors and a considerable number of documents to be periodically scrutinized. Above all, the European Semester is meant to be more than a timetable for ex-post policy coordination which the ESPG ultimately became. To this end, the European Semester seeks greater compliance through a combination of hard and soft measures. It is also to allow for a truly transversal macroeconomic coordination effort as besides fiscal and budgetary matters, it also brings into the European debate a series of policies which equally go to the core of national sovereignty such as employment, social security, but also administrative reforms and education. Lastly, the European Semester, although initially described as a technical process, upload to the EU level the political struggles associated with macroeconomic choices. Accordingly, if the formal and legal frameworks of the European Semester are in line with long-term

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2 Through this cycle of policy coordination EU institutional actors examine simultaneously the Convergence Programs and the National Reforms Plans (which contain a series of measures adopted at the domestic level in order to meet Europe’s 2020 priorities).
institutional evolution, it is the choice of the fast-burning phase of the Eurozone crisis in 2010 that allowed for a specific set of new inter-institutional dynamics to emerge which in turn has heightened the overall politicization of European macroeconomic coordination efforts.

Its First Five Formative Iterations: Tracing the Inter-institutional Dynamics shaping the Semester from 2010 till 2015

It was the Council of Economy and Finance (ECOFIN) that would formally adopt the initial contours of the European Semester. In 2011 they agreed to launch an annual cycle of economic policy guidance and surveillance seeking to coordinate the economic and budgetary policies of the euro area before their parliamentary adoption. The resulting assessments would be done in line with the ESGP and the Europe 2020 Strategy. Each cycle would be done on the basis of a Commission issued Annual Growth Survey (AGS) setting out EU priorities for the coming year to boost growth and job creation.3

The First European Semester in 2011 ...

...was the product of policy bricolage, its initial input legitimacy was therefore highly contextual. As a rapid response from the EU institutional actors to the policy shortcomings exposed by the Eurozone crisis, the European Semester’s first cycle was framed – both de iure and de facto - as a technocratic exercise. Such a technocratic framing was necessary seeing that inter-institutional debates in 2011 demonstrated that the three main EU institutions – the Council, the Commission and the EP – favored different readings of the Eurozone crisis and its implications. During this conflictual moment the different institutions were competing for relative position and would regularly charge each other with ideational inertia due to a lack of economic vision or political ambition. As MEP Karas (PPE) declared, the first cycle was an “emergency solution” given that at that time the European Commission did

3 Ultimately the European Semester’s annual cycle would come to be scheduled as follows: (1) In January, the Commission issues its Annual Growth Survey; (2) In February, the Council of the European Union and the European Parliament discuss the Annual Growth Survey; (3) In March, the European Council issue EU guidance for national policies on the basis of the Annual Growth Survey; (4) In April, Member States submit both their ‘Stability or Convergence Programmes’ and their ‘National Reform Programmes’; (5) In May, the Commission assesses these Programmes; (6) In June, the Commission provides country-specific recommendations as appropriate which the European Council discusses and ultimately endorses; (7) In July, the Council of the European Union formally adopts the country-specific recommendations; (8) In autumn, the Governments present the budget draft to their Parliaments.
not have at its disposal the “political instruments necessary to enable it to be an effective agency for economic governance” (EP, 30 November 2011).

Amidst these institutional conflicts, the origins of the European Semester are both disputed and shared. Started as an exercise in policy bricolage mandated by the Council, the Semester mobilized a number of ideas on how “to develop a set of innovative financial instruments” (Andor, EP, 16 February 2011) that were already being informally discussed prior to the crisis, most notably within the Commission. While for some scholars and observers “the Semester was the product of a narrow group of commissioners” (Interview, former member of Cabinet under Barroso Commission) seeking greater compliance and coordination, for others it was first put forward in the Council where it was said to be Luxemburg that had had the idea of a Semester as a means for greater budgetary coordination (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). Following the 2010 crisis that idea would be picked up and championed by Germany as a useful means to homogeneously push its preferred fiscal and budgetary options regardless if they may ‘only fit-some’ (Schmidt 2015). Herman Van Rompuy as European Council president “was equally important in building a consensus on Eurozone governance by setting up a working group that included the main EU institutional leaders in monetary and economic policy” (Schmidt, 2015: 41) known as the ‘Taskforce on European Economic Governance’ which settled the definitive institutionalization of the European Semester. Ultimately, the Commission, ECOFIN and the European Council all took part in shaping the initial contours of the Semester, be it at different stages and to varying degrees.

The role of the EP for its part remained marginal during these early stages of the fast-burning crisis since Articles 121 and 148 (TEU) which served as the Semester’s legal basis did not require its involvement. Notwithstanding its reduced role, the Semester has since 2011 received ample backing from within the EP. As Braghiroli put it, “in times of crisis the mainstream parties are more likely to coalesce and behave cohesively on economy-related votes than in ‘normal times” (2015: 103). Since its launch, constructive support for the Semester has reliably come from the EPP S&D, and ALDE as it chimed with their principled and pragmatic backing of further European integration. Conversely, opposition within the EP has mainly crystalized as a point of principal within either groups opposed to deeper integration, such as ECR; or those opposed to the economic principals underlying the European Semester’s
drive for budgetary and fiscal consolidation, such as GUE. Without the pressing imperatives of a fast-burning crisis, these ideological differences can in a slow-burning crisis escalate and undercut the institutional support for common instruments (O’Keefe, Salines and Wieckzorek 2015: 8).

The looming imperatives of the fast-burning crisis produced the contingent meeting-of-the-minds needed to lessen existing inter-institutional disagreements. As they set-up the Semester, energies at the Commission, Council and Parliament were all focused on enhancing the efficiency of macroeconomic coordination and improving compliance with the basic principles of fiscal policy-making. Both within the EP and the Commission, the Semester was thought of as a necessary tool to remedy the sins and deficiencies of the ESGP. Following the EU’s reluctance in 2005 to act in response to the excessive deficits of Germany and France, the ESGP had come to be seen within the EU supranational institutions as the weakest link in the European economic governance architecture. Concomitantly, in the aftermath of the crisis previously marginal discussions on the opportunity of discussing draft budgets ex ante and the viability of going beyond the ESGP gained considerable support within the Council. The Gordian knot the initial policy bricolage was to solve was one of competences and by extension of legitimacy. On the one hand, budgetary and fiscal matters remain a clearly national competence; and on the other, the existing legal and institutional framework did not provide for a European venue where binding recommendations could be formulated, as the Euro-group remains an informal gathering (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU).

In the face of said “competence dilemma” treaty change was quickly removed as an appropriate policy response to the fast-burning crisis as it would be an unwieldy, lengthy, and politically uncertain process. Consequently, crisis-born instruments such as the European Semester were to be set up within existing legal frameworks mainly by way of changes in the input, output and throughput of the EU’s existing intergovernmentally-driven macro-economic coordination instruments.

For the three main institutions, establishing the Semester would “rewrite the rule book” (Speech Barroso 11/10) so as to change both attitudes and practices at the EU level. In the early stage of the fast-burning, what was at stake was the ability and willingness of Member States to properly implement decisions and rules that they set up for themselves at the EU level. As such, the European Council was eager to consider new policy instruments able “to put more pressure on Member States to exercise
what you call peer pressure” and this “because at the time the atmosphere was we need budgetary consolidation” (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU).

The 2010 short-lived cross-institutional appeal in favor of more effective implementation ultimately saw the European Council endorse and formalize a reinterpretation of the rule book and the creation of new instruments such as the European Semester which would habilitate the Commission to apply the rules and encourage compliance most notably through a semi-automatic sanction system (Speech Barroso 11/10; 11/7). Seizing upon this window of opportunity, the Commission proclaimed itself as the only institution endowed with “political autonomy”, “technical expertise” and “the pan European vision” needed in order to coordinate the European Semester (Document 11/382), claiming, at the time, to be “the economic government of Europe” (José Manuel Barroso, 2011). In said spirit, the Commission’s initial intent was to centrally leverage the European Semester’s multilateral surveillance by Member States of each other’s National Reform Programs (NRPs) and the Council’s multilateral adoption of the Country Specific Recommendations (CSRs) to foster additional peer pressure in favor of its preferred ‘one-size-fits all’ top-down structural reforms. Consequently, social found themselves largely excluded from preparation and review of the NRPs and CSRs as the multilateral dynamics associated with their drafting and ultimate adoption were concentrated in those committee listed in Articles 121 and 148 (EFP, EPC and EMCO) thus completely sideling the Social Protection Committee (SPC) (Zeitlin and Vanhercke 2014: 14).

The Second European Semester in 2012...

...would witness some further institutional changes. While in the previous cycle both the EP and the Commission insisted on multilateral enforcement of necessary domestic reforms and semi-automatic sanctions of non-compliance would change at the beginning of the second Semester. These shifts in tone reflected a gradual change in expected outputs associated with the European Semester. The president of the European Commission, José Manuel Barroso, redefined the philosophy of the Semester arguing that this policy tool had to be conceived as a system “based on guidance, not on corrections”, as “an informal discussion” between Member States

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4 Sanctions for non-compliance and enforcement of decisions appeared to be the two main topics of debate in relation with the first cycle of the European Semester (EP parliamentary debates; Speeches Barroso 11/10; 11/7).
and EU institutions before deliberate and vote their national budgets (Speech Barroso 11/29). As one official from the Council maintained, over time, the Commission has become ever more reluctant to formulate “harsh recommendations” because of the increasing hostile political context both at the EU and Member States levels (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). Since engaging with the European Semester, the Commission has expressed an increasing concern not to be perceived as “breaching national sovereignty” (Speech 11/724; Document 11/64). This growing political awareness at the Commission saw talk of sanctions move to the back-burner as interactions and recommendations came to focus on needed structural reforms. The European Semester was no longer conceived of as an instrument of ex-post coercion, but as one of ex-ante guidance and socialization (Speech Barroso 11/29). Discourses surrounding the European Semester show that starting with 2012, Commissioners and high-level officials increasingly portrayed the European Semester as a forum where to discuss Member States’ macro-economic policies. Changes in the Semester’s expected output were understandably echoed in the Semester’s throughput which rather than follow the prescriptive ‘one-size-fits-all’ approach of the first European Semester would from 2012 experience a relative shift toward adapting common European approaches to distinct national circumstances thus allowing for mutual learning and not merely on compliance by Member States with one-size-fits-all policy recommendations (Zeitlin and Vanhercke, 2014).

When considering the Semester’s input legitimacy, both the Council and the Commission remained singularly focused on fiscal consolidation, yet a seemingly rapid erosion of public support for the EU prompted the EP to launch a set of broader debates challenging this increasingly controversial narrow definition of the Semester’s input legitimacy. This led for example two rapporteurs of the EP - Cornelissen and Berès - to deplore the opacity of the process through which the European Council adopted the guidelines to be implemented by Member (Berès, EP, 15 February 2012).

In response to the brittle legitimacy of the European Semester’s, the second cycle prompted both a widening of European Semester’s agenda and its formalization. Accordingly, as the fast-burning sovereign-debt crisis morphed into a more slow-burning broader economic and employment crisis, the 2012 Annual Growth Survey would move beyond a singular focus on ‘rigorous fiscal consolidation for enhancing macroeconomic stability’, ‘labour market reforms for higher employment’, and
‘growth enhancing measures’ (AGS, 2011) to adopt a broader and more balanced set of priorities, including ‘tackling unemployment and the social consequences of the crisis’, alongside ‘pursuing differentiated growth-friendly fiscal consolidation’, ‘restoring normal lending to the economy’, ‘promoting growth and competitiveness for today and tomorrow’, and ‘modernizing public administration’ (Zeitlin and Vanhercke 2014: 15).

Concomitantly, the throughput of the EU’s reformed macro-economic coordination mechanisms was to eventually be set in stone thanks to the adoption of a series of legally binding measures. Overall, the experience of the first two cycles confirmed the importance of introducing greater differentiation into the system as “Member States need some leeway to choose the implementation path that best suits their national conditions, in particular in areas which remain in [their] competence” (Cypriot Presidency of the EU 2012). Increasingly, a deeper dialogue between the Commission and Member States, both bilateral and multilateral, was proving essential to the quality and ownership of the Country Specific Reports (CSRs).

Shifts in throughput would also possibly see the long called for involvement of national parliaments acted upon at the EU level. For this reason, among many other things, Herman Van Rompuy declared that “national parliaments have become in a way European institutions” (Speech 12/68).

The prevailing originality of the European Semester therefore comes the novel interlinkages it has created between the domestic and European levels of governance, be it through: the emerging bilateral dialogue between Commission and Member States articulated around the Country Specific Reports (CSRs) and recommendations; the Economic Dialogue seeking to enhance the exchange of ideas between EU institutions on the Annual Growth Survey (AGS); or the interparliamentary meetings which bring together national politicians and MEPs on the subject of the National Reform Programmes (NRP) and the Stability and Convergence Programmes (SCP).

**The Third European Semester in 2013**…

…saw changes in its overall process, procedures and outcomes. If the first two iterations of the European Semester fit the institutional bricolage associated with an urgent response to a fast-burning crisis, the year 2013 was the high tide of the process of institutionalization that had been ongoing since 2011. Above all, by 2013, the European Semester was to provide for fully institutionalization by way of two
European legislative acts known as the Six-Pack (December 2011) and Two-Pack (May 2013) as well as an inter-governmental treaty known as the European Fiscal Compact (January 2013).

If the EU’s main institutional actors continued to champion improved implementation, they were by this time also explicitly calling for greater ownership. Changes in input and throughput prompted by the co-decision procedures associated with the Six- and Two-Packs would prompt the Semester increasingly make allowance for consultations with the EP, the National Parliaments and social partners. The five regulations adopted as part of the Six Pack would on the one hand, give to the European Parliament the right to invite the President of the Council, the Commission, the President of the European Council or the President of the Eurogroup to appear before committees to discuss among other the broad guidelines for economic policy adopted by the European Council in the context of the Semester and the recommendations addressed to Member States; and on the other, provide the legal basis for the European Economic Dialogue (ED) aimed at initiating formal exchanges of ideas between all three major EU institutions on such Semester-related topics and procedures as the European Stability and Growth Pact (ESGP); the Macroeconomic Imbalance Procedure (MIP); the Enhanced surveillance or macroeconomic adjustment programme (Euro Area Member States); or the Enhanced monitoring of national budgetary plans (Euro Area Member States).

As European legislative acts, the Six- and Two-Pack consolidated the legitimacy of the Semester’s institutional framework. If the former covers the whole EU, the later further bolstered the supervisory mechanisms within the Eurozone. Both the Six- and Two-Pack institutionalized the enforcement procedures associated with the European Semester on fiscal coordination through the semi-automatic Excessive Deficit Procedure (EDP) and on macro-economic coordination through the semi-automatic Excessive Imbalance Procedure (EIP). Furthermore, they reinforce the process’ input and output legitimacy by enabling the European supranational institutions – notably the Commission, the European Central Bank and even the European Court of Justice – to act within policy fields coordinated through the European Semester despite the fact that fiscal and budgetary affairs did not previously fall under their formal enforcement purview. Overall, the legal framework created to embedded the European Semester reinforced the ESGP by: (1) setting up the various surveillance and enforcement mechanisms associated with the European Semester’s structural, fiscal and macro-economic coordination efforts; and (2) definitively embed the new
macro-economic coordination instruments within the EU’s legal framework rather than beyond the in intergovernmental de novo bodies.

By the end of the third Semester, many initial uncertainties pertaining to its input (i.e. the scope and hierarchy of concerns of its macro-economic coordination agenda), throughput (i.e. the procedures, schedules and decisional bodies involved) and output (i.e. the focus, timing and automaticity of its surveillance and enforcement mechanisms) had been legally settled one way or the other. Accordingly, the third cycle reflects the culmination of the institutionalization of the Semester’s policy-path as its legally recognized inputs were set in stone. Further changes to the European Semester, although still significant and possibly far-reaching, would from this point on be limited to either accommodations in its throughput or possibly the introduction of new ancillary forms of input or output. For example, in response to Member States own expectations, the Commission has leveraged its autonomous action capacity to develop bilateral dialogues with Member States when preparing CSR proposals so that it can ensure they “are sufficiently precise as regards policy outcomes but not overly prescriptive as regards policy measures so as to leave sufficient space for social dialogue and, more generally for national ownership” (Lithuanian Council Presidency, 2013).

The Fourth European Semester in 2014...

...did not bring new major institutional changes seeing that by 2014 the European Semester had become relatively routinized. If the first three iterations of the Semester could be argued to have been shaped in the crucible of the fast-burning crisis, this fourth cycle marks a return to more slow-burning challenges. The practices and procedures surrounding the European Semester were expected to further deepen and evolve so as to better serve mid- to longer-term macro-economic policies. The 2014 Annual Growth Survey thus calls for a “strengthened framework building on the Stability and Growth Pact provisions, as well as on the new EU tools to prevent and correct macro-economic imbalances and covers the implementation of the Europe 2020 strategy for smart, sustainable and inclusive growth” (AGS 2014: 4). To this end, evolutions in praxis associated with the 2014 cycle further clarified the Semester’s throughput which in turn were hoped to strengthen both its input legitimacy as a result of heightened ownership and its output legitimacy due to better compliance.

The 2014 AGS was published at the same time as the Two-Pack rules on the coordination of budgetary policies in the Euro area came into full effect. In mid-October of 2013, all Euro-area Member States, except those implementing a
macroeconomic adjustment program, had for the first time to present draft budgetary plans for the coming year thus allowing for the European Semester’s initial intent in favor of ex-ante assessments by the Commission to come into effect. The fourth cycle is therefore the first one to see the Commission fully empowered to review whether Member States are adopting the necessary measures to achieve the objectives agreed at EU level even before budgets are finalized at national level. This formed the last piece of the scheduled reinforcement of the Semester’s coordinative and supervisory roles with regards to fiscal and macro-economic imbalances, thus settling both the Semester’s prescribed hierarchy of concerns as its formal means of enforcement.

At this stage, evolutions in the Semester are mainly the product of incremental changes and clarifications in the routine practices and interactions associated with its various stages. In terms of completing the Semester’s input, further attention was given to a wider dialogue with stakeholders at all levels. By January 2014 European parliamentary week already saw some 140 national parliamentarians take part in a series of interparliamentary committee meetings organized by the EP’s EMPL, BUDG and ECON Committees. The setup’s objective is to encourage fruitful discussions and exchange of views on various aspects of the European Semester. Other changes in throughput are at this stage mainly a response to the mounting call for the bilateral dialogue between Commission and Member States to be deepened rather than broadened in scope. After the 2012-2013 period, streamlining the Semester became an increasingly dominant concern. To rationalize the European Semester’s calendar the fourth cycle would be divided in two sequences – one European (from November to February) and one national (from February to June). Furthermore, in seeking to buck the 2012-2013 trend of ever increasing complexity, several actors of the fourth cycle would call for a reduction in the number of policy fields covered in the AGS and the assessments of each Member State so as move the publication date of the CSRs forward and limit the number of recommendations issued by the Commission.

The Fifth European Semester in 2015…

…as the first initiated by the Juncker Commission, it serves as an indicator of the discretionary power of the Commission to (re-)shape the Semester following changes in policy-orientations or priorities within the supranational body. As previously stated, the Semester’s framework being largely set at this point, any changes would have to be secured de facto, through incremental changes in the behavior of the main
institutional players.

For example, changes in the formulation of the AGS as coordinated by SECGEN have already led to an inclusion of the Juncker Commission’s focus on investment into the Semester’s agenda. The 2014, and in even greater length the 2015 AGS include extensive sections on investment. The 2015 AGS even nominally references the European Fund for Strategic Investment (EFSI) and stresses the need to support countries in their capacity to absorb funds. Moreover, said same Commission has been more proactive in procedurally meeting the need for more genuine dialogue between the Commission and Member States, on the one hand; and between the Commission and social partners, on the other. These inflections in the European Semester were introduced as de facto adjustments in throughput secured through the Commission General Secretariat (SECGEN) when coordinating and integrating the expertise and recommendations formulated by the different line DGs. In seeking to meet the Semester’s ever more demanding input, several Directorates invested heavily in building up expertise and cultivating a direct relationship with the Member States through “country desk officials”. This was done “in order to participate in the process ‘on an equal footing with DG ECFIN’, [which had taken on the initial lead in the Semester considering its initial focus on fiscal and budgetary concerns and] which had become ‘a much more capable service these days than it used to be through the massive hiring they were allowed’ with the introduction of the first European Semester” (Zeitlin and Vanhercke, 2014: 18). This expertise build-up allowed the bilateral dialogue between Commission and Member States to become transversal and political exchanges which in most cases involved highest national decision levels (e.g. delegations of chiefs of cabinet lead by their counterpart from the prime minister’s office).

In response to the growing complexity and political sensitivity of the Semester’s input, the Juncker Commission’s reinforced the centrality of the SECGEN while seeking to the heighten the political level of their national counter-parts as to allow for maximal political discretion to be exercised through these bilateral exchanges. As such, the fifth cycle confirms the Commission’s capacity at the SECGEN level to input new priorities into the European Semester, however how these weigh on the ultimate outputs remains a factor of the quality and level of the national counterparts involved.

In terms of throughput, the fifth Semester introduces change in terms of sequence, deadlines and procedures. All of these clarifications in throughput reflect the
continued ambition to further streamline the overall process by reducing the number of documents to be scrutinized, thus allowing for more time for substantive discussions (see Five Presidents’ Report, June 2015).

Ultimately when considering the outputs, although the new Commission has to a greater extent included “social fairness” in the design of macroeconomic adjustment programs and argued the centrality of investment to any future growth, it has not changed the centrality of the formal fiscal and macro-economic priorities. While the initial broadening of the agenda witnessed in 2012 and 2013 has led some scholars to argue that the Semester has been “socialized” (Zeitlin and Vanhercke, 2014) through the introduction of several social recommendations, several practitioners have contended the opposite by arguing that the Semester has ‘economized’ a series of policies like education, housing and judicial reforms. The experiences of the 2014 and 2015 show that despite a broadening of the Semester’s input, the institutional frame as set up clearly maintains the fiscal and budgetary considerations as the guiding principles of the process.

To conclude, learning from each cycle, the European Semester has in varying degrees changed its institutional features in terms of process (input), outcomes (output) and procedures (throughput). As an instrument born from policy bricolage, the European Semester has proven to have but a limited margin for formal innovations with regards to input or output legitimacy. It has however been a source of considerable procedural innovations which have in turn had substantive consequences for the Semester’s inputs and outcomes. In terms of input, in 2010 and 2011 the European Semester was in the hands of a small group of actors, both within the Council and the Commission, yet in an attempt to improve said input the number and diversity of interactions between actors has since substantially increased. However, since the fast-burning crisis did not see the underlying competence distribution change, the European Semester’s input legitimacy is still lacking in the eyes of some, with notably the European Parliament calling for an inter-institutional agreement on the European Semester to formalize its role beyond that of a consultative body (European Parliament resolution, 16/09/ 2015 on the Commission Work Programme 2016 (2015/2729(RSP). When considering its output, the first semester was very much about austerity and internal devaluation. Over time the European Semester has become incrementally more progressive as attention for social and employment affairs has seemingly increased; yet this this has not led to a formal change in the
Semester’s priorities or enforcement mechanisms which remain primarily concentrated on fiscal and macro-economic balance. As a result, after 5 iterations, disputes on both the input and output of the European Semester have increasingly focused on the policy paradigms on which its input legitimacy rest.

Changes in throughput for their part have continued to be introduced as the results of political decisions and changes in practices which have emerged through a continued process of “learning by doing” largely steered by the Commission (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). When considering these changes in throughput and their possible implications, it is important to bear in mind that the crisis has had no sizeable effect on competence distribution. The institutionalization of the recurring practices and semi-automatic enforcement mechanisms of the Semester did however significantly increase the Commission’s action capacity with regards to fiscal and macro-economic coordination. It is through the resulting changes in throughput that the bilateral contacts between the Commission and Member States have emerged as the most compelling set of interactions within the European Semester as they are expected by all main actors (Council – Commission – Parliament – Member States) to bolster both the ownership and efficacy of the whole process.

Probable Traits of a Newly Established Mode of Governance

Against this inductively drawn backdrop one can stipulate that the policy-path the European Semester has been set upon confirms the following postulates:

1) The empirical evidence suggests that the fast-burning crisis was characterized by inter-institutional conflicts over the institutional design of the EU’s response. Ultimately only the need for greater efficiency in enforcing both macroeconomic coordination and the principles of fiscal policy-making as set out in the ESGP proved consensual enough to serve as a basis for the Semester’s initial bricolage. By the time the slow-burning crisis facing European governance returned to the fore of the policy-agenda, the EU had largely institutionalized this crisis-born consensus. Since 2013, energies have shifted towards fostering greater co-construction and cooperation with an eye on improving ownership and compliance, which in turn has led to a broadening of the Semester’s policy agenda. But subsequent cycles have proven that these changes in input have had but little effect on the Semester’s
output as they were relative latecomers to the agenda and their inclusion was mainly strategic and fragmented in nature (Kraatz and Zajac 1996). As such, the Semester, despite a broadening set of inputs, continues to be more likely to feed a process of ‘economisation’ of EU macro-economic coordination, rather than its opposite.

2) By way of a process of ‘learning by doing’ the European Semester has over time changed in terms of input, output and throughput. These gradual shifts have in turn altered the relationship between EU institutions. During the fast-burning phase of the crisis the European Semester strengthened the agenda-setting powers of the European Council to the detriment of the supranational actors. The resulting process was purely top-down and the relationship between institutions antagonistic rather than cooperative. Although the Commission was also involved in the formative stage of the processes, most notably through the expert input of DG ECFIN, it was the report of the President of the European Council’s Task Force that served as the blueprint for the institutionalization of both the content and the processes that would come to define the European Semester (Bocquillon and Dobbles 2014: 31). In a second phase, as the fast-burning crisis slowed, the Commission seized on its new responsibilities to take action and exert greater discretion. This would fundamentally alter its relations with individual Member States. Ultimately the Six-Pack adopted in December 2011 would not merely enhance the Commission’s authority in the multilateral budgetary and macro-economic supervisory, but more importantly it also institutionalized an increasingly far-reaching and political macroeconomic dialogue with each Member State (Chang 2013: 256). Finally, although the role of the European Parliament had initially been relatively minimal, over time it gained greater voice and presence throughout the process. These findings confirm the staggered establishment of an increasingly complex set of interactions which have gone from a top-down enforcement mechanism set-up by ECOFIN to a complex multi-institutional exercise in macro-economic coordination shepherded by the Commission’s SECGEN. This speaks to the nature of the European Semester as an evolving governance process. As shown, although the crisis was structural enough to prompt major changes and the implementation of previously discussed but politically non-viable policy options, it did not however prompt a change in competences within the EU. The Semester is
therefore above all a policy instrument seeking to reinforce pre-existing governance processes.

3) As described, the institutional evolutions associated with the European Semester occurred gradually and have altered the relationship between the EU’s main institutions. The changes the European Semester has wrought onto the EU’s institutional balance have been piecemeal and cumulative. Progressively each of the EU’s main actors has integrated the Semester and thus been empowered by it. Such a staggered inclusion of the EU’s main players means each actor’s role is deeply contextual as it is determined by the institutions relative status as an early- or latecomer to the process. Accordingly, the sequential set up of the Semester does not allow for a single and static overall picture as this would fail to take into account the endogeneity of the process. We contend that these sequential institutional changes did no confirm the empowerment of one actor at the expenses of others as argued by the new intergovernmentalists, supranationalists or parliamentarists; but that it has produced a new equilibrium.

In the following section, the aim is to show that the European Semester reflects a process of hybridization of the new intergovernmentalist, supranationalist and parliamentarist tendencies that have been developing within the EU since before the 2010 Eurozone crisis. A similar argument has been put forward by Dawson who contends that “post-crisis economic governance needs to be distinguished not only from the CM and IG models, but also from soft co-ordination” (2015: 977). As such, post-crisis Modes of Governance are something new which fall into something of a “gray zone” (Menendez 2014: 136-7) between established Modes of Governance. In turn, such a postulated hybridization towards a new equilibrium raises questions of its own: How did a new mode of governance such as the European Semester affect the balance of power between EU institutions? Where does the power lie and who governs the European Semester’s recurring cycles of policy coordination? What are its implications for further European integration?

THEORIES OF INTEGRATION REVISITED: Hybridization and the Rise of a New Equilibrium

The literature devoted to the Eurozone crisis provides us with a wide range of
theoretical explanations following the traditional debates between intergovernmentalists and supranationalists. This debate about who drives the integration process is backed by several years of research in EU studies aimed at unraveling the dynamics of the integration process and its effects. Although these theories have been revisited since their inception, it seems that a significant reinvigoration has been fuelled by the Eurozone crisis. In recent years, three new conceptualizations have been developed – the new intergovernmentalism, the new supranationalism and the new parliamentarism – each one describing major transformations in EU’s modes of governance. This emerging body of research unpacks the power relations between EU institutions in contrasting ways, but the picture is not yet complete (see Schmidt 2016). The following section introduces these three new approaches and proposes an “integrated” analytical grid to analyze their hybridization in the framework of the European Semester.

The New Intergovernmentalism

For the new intergovernmentalists, since the beginning of the 1990s the EU has gone through a phenomenon called the ‘integration paradox’ whereby Member States “neither want to further compromise their sovereignty nor want to refrain from advancing European solutions” (Puetter 2011:168). Similarly, the Eurozone crisis turned the spotlight on the European Council, with Member States taking center stage and most initial actions being intergovernmental in nature (Puetter 2011:168).

Against this backdrop, the new intergovernmentalists have argued a multilateralizing evolution in EU governance along several dimensions including: (1) the exercise of competences, (2) formal and informal decision-making procedures and (3) the relative principle-agent roles of the Member States gathered in the Council and the supranational. As both symptom and consequence of these changes, they point to the multiplication and empowerment of a new category of actors called de novo bodies expression which refers to a wide range of agencies and working groups that bring together non-elected actors (i.e. experts and practitioners) from the national and the European level.

With regard to competence, the new intergovernmentalists maintain that this novel phase of the integration process does no involve further delegation of power from Member States to supranational institutions. From their point of view, Member States being reluctant to cede further power to supranational institutions, there is a tendency towards European integration without supranationalisation, (Puetter 2012: 161). Consequently, this new trend might have implications for the decision-making
process, with consensual and deliberative approaches becoming “the only means through which collective action is possible at the EU level” (Bickerton et al 2015: 29). The resulting transformation in action capacity of EU and domestic institutions would see the multilateral action of the Member States organized within the Council drive the integration process as they determine EU institutional decision-making procedures through a series of top-down mandates (Schimmelfenig 2015: 187).

Paradoxically, supranational institutions are argued to have been complicit in said integration paradox (Bickerton et al 2015: 5). They no longer seem “hard-wired” to seek ever closer union through sovereignty transfers. As for the de novo bodies, their numbers are expected to increase following any new set of policy-initiatives endorsed at the Council. The new intergovernmentalists see these de novo bodies deal with competences that could have been delegated to the Commission (Bickerton et al, 2015: 3) but were not so as to serve the interests of Member States seeking access to centralized expertise and information.

Overall, focusing on questions of power transfer, the new intergovernmentalists argue that Member States have been empowered by the recent crisis. Put differently, the new intergovernmentalists maintain that in the context of the Eurozone crisis the “EU executive has been given an agenda setting role in relation to economic and fiscal surveillance, but Member States retained the first and final say over the formulation and implementation” of the policies decided through the European Semester (Bickerton et al, 2015: 7). From this perspective, it appears that supranational institutions have progressively lost their political clout in the management of the Eurozone crisis. However, the Council’s agenda-setting powers notwithstanding, the Semester has not led to a diminished set of supranational actors. As a mode of governance it has rather than simply empower the multilateral Council, also improved their discretionary power of both the Commission and the individual Member States through the prominent role given to intensive interactions between the Commission and national ministries, first among which the Finance Ministries.

The New Supranationalism

Like the new intergovernmentalists, the new supranationalists claim that structural shifts in EU governance were already observable before the Eurozone crisis (Laffan 1997; Bauer 2006; Rodrigues 2009). To meet the broad macroeconomic agenda set-out by the Lisbon Strategy, the March 2000 European Council had ushered into existence the OMC: a novel European policy-making instrument rooted in soft co-ordination
mechanisms. The OMC was to be applied to a wide range of national policy areas previous beyond the purview of the EU’s supranational institutions (Rodrigues, 2009: 267-70). The efficiency and legitimacy of this new governance instrument was “based on iterative benchmarking of national progress towards common EU objectives and organized mutual learning, following the EES model [...] rooted a special Council summit held each spring and preceded by an annual synthesis report from the Commission” (Zeitlin and Vanhercke, 2014: 5). As such the OMC quickened the Commission’s progressive move from a role as political entrepreneur to a policy management one.

The Eurozone crisis created a further window of opportunity to strengthen both its administrative and political role, transforming it into “a powerful player in EU economic governance” (Bauer and Becker 2014: 213). Against this backdrop, the new supranationalists maintain that the Commission has acquired greater power of enforcement (Schmidt 2016: 3) and strengthened its action capacity in terms of monitoring, assessment and recommendations (Coman 2015). Fieldwork in Brussels reveals that this new role of the Commission is possibly less visible since it is located within the bilateral dynamics entertained with each Member State. Thus, when considering the drivers of European integration, new intergovernmentalists look at the transfer of power, while new supranationalists seek to identify change by scrutinizing the action capacity of the Commission.

Contrary to the new intergovernmentalists who claim that Member States are the winners of the Eurozone crisis, for the new supranationalists the Eurozone crisis did not weaken the powers of the Commission. What the new supranationalists maintain is the central role of the Commission in the process of integration, be it through new means and behaviors. For example, Bauer and Becker argue that the Commission has been empowered by Member States in deliberate or unforeseen ways (Bocquillon and Dobbles 2014: 213). This is because the delegation process aimed at reducing transaction costs can lead to a relative increase in the action capacity of the agent, and this to the detriment of the principal’s (Savage and Verdun 2015). The Commission’s action capacity refers to the accumulation of policy-making competences on the supranational level and to the sum of formal and informal instruments that the Commission has at its disposal to monitor, assess and enforce the Country Specific Recommendations adopted in the framework of the European Semester.
From this perspective, the European economic governance has changed incrementally, intertwining different modes of governance, through a widening of “the depth and breadth of Commission involvement through closer monitoring, clearer benchmarking and more specific recommendations” (Bauer and Becker 2014: 223). Within the framework of the European Semester, the Commission formulates its recommendations on the basis of its CSRs. Contrary to the Bauer and Becker predicted empowerment of the Commission based on the centrifugal coercion tool of naming and shaming, we maintain that the relationship between the Commission and Member States within the European Semester is more complex as the Commission seeks to increase its discretionary power through the increasingly important bilateral meetings with Member States so that they it can use its authority in a more cautious and differentiate fashion.

The New Parliamentarism
A final take on the shifting dynamics of integration stresses the role of parliaments and political ownership. Therefore, changes have also be observed with regard to the role of the European Parliament. Traditionally the EP has tried to consolidate its prerogatives by becoming an “equal partner” in the Community Method (Brack, Costa, and Dri, 2015; Schmidt 2016: 7). This focus on the supranational Community Method saw the Parliament conceive of its prerogatives independently from those of the national parliaments. In the early 2000s, besides what we might call this “old parliamentarism” and mainly following the debates of the Convention on the Future of Europe, a new parliamentarism crystalized. One which no longer conceives of the “Community Method as the sine qua non process of deeper integration” (Schmidt 2016: 8), thus opening the perspective of a multi-level parliamentarism articulating the European and national parliamentary prerogatives, as put forward through several Conclusions of the European Council. Since 2005 the European Council regularly invited “member States' governments to present stability/convergence programmes and the council opinions thereon to their national Parliaments. National Parliaments may wish to discuss the follow-up to recommendations in the context of the early warning and the excessive deficit procedures” (European Council Conclusions March 2005). However, before the Eurozone crisis involvement of national parliaments has remained largely voluntary and independent of the supranational parliamentary dynamic.

The ‘old’ and ‘new’ parliamentary reflexes were picked up on following the crisis. As the Semester leaves relevant provisions of the Maastricht and Lisbon Treaties largely
unchanged, the EP remains formally excluded from the decision-making process. This prompted individual members of the Parliament and its president to deplore the marginalization of the Community Method in the management of the Eurozone crisis (Dinan 2014: 114). Nonetheless, the mounting pressures of the slow-burning crisis have since allowed for the EP to play a role as it “has increasingly become the ‘go-to’ body for other actors concerned about the political legitimacy of the European Semester” (Schmidt, 2016: 8). In response, adapting its strategy to the boundaries of the current legal framework, the EP sought to empower its national counterparts. Parliamentary prerogatives and political ownership have had to be conceived through the interaction between the national and European political debates.

Indeed, the adoption of the Six- and Two-Pack for the first time opened the perspective of an institutionalized and regular interaction between the European and national parliamentary levels. Significantly, as it negotiated with the other institutions during the normal legislative procedure of the Six-Pack, the EP did not secure equal co-legislative status in the Semester as it saw most of the margin of policy appreciation left in the hands of the Commission and the Council. For example, neither benchmarks nor alert thresholds pertaining to deficits and surplus were included in the legislation as requested by the EP, as a result the core variables related to the Semester’s semi-automatic enforcement mechanisms were left to the appreciation of the Commission, and in particular its DG ECFIN. The main innovation the EP did secure within the Six-Pack was the provision of a legal basis to organize not only the Economic Dialogue but also the interparliamentary one involving national parliaments. Accordingly, rather than empower the EP, traditional parliamentary prerogatives associated with the European Semester are increasingly expected to be jointly exercised at the European and national parliamentary levels.

A New Equilibrium as Working Hypothesis

Taking into account the piecemeal development of the European Semester as described in this paper’s inductive section, and building on the aforementioned ‘new’ theories of European integration, we suggest that the European Semester has - through a form of gradual hybridization - partially integrated long-term tendencies towards new forms of intergovernmentalism, supranationalism and parliamentarism.

The European Semester is therefore expected to act as a catalyst of a new institutional equilibrium would be the product of the new ways in which the traditional EU institutions (EP, EC, Council) and the Member States have been made to interact. As
the last section will show, these new interactions include: (1) agenda setting powers
within the European polity being increasingly at the Council level, (2) a gradually
empowerment of the Commission as it acts in a growing number of fields as the
main shepherd of the input, output and throughput of European policies; and an
increasingly important and differentiated bilateral relations between the European-
level and Member States which is to provide the necessary ownership and
compliance levels needed to make the Semester both efficient and sustainable (3) a
European Parliament whose largely symbolic role in macro-economic coordination
has grown in importance as the Semester has become ever more politicized and
institutionalized the role of national parliaments.

These shifts in the interaction between the EU’s main institutional actors (Council –
Commission – Parliament – Member States) have allowed for a new institutional
equilibrium within the EU. The European Semester has therefore come to reflect a
mode of governance characterized by:

- **H1:** A hybridization of the agendas of all EU institutions along general
  orientations determined by the politics within the Council, confirming the
  ‘New Intergovernmentalist intuition that even in times of acute crisis an
  ‘integration paradox’ limits the political feasibility of new supranational
  ventures to the lowest common denominator. However, the Semester was
  neither to further empower multilateral top-down dynamics of integration
  rooted in the Council nor weaken the Commission’s role

- **H2:** A further hybridization of policy-making (drafting, assessing, adjusting)
  under the stewardship of the Commission. In line with the ‘New
  Supranationalist’ point of view the European Semester has strengthened the
  Commission as it leverages its often-underestimated capacity to monitor,
  assess and provide recommendations to Member States. This has in turn had
  the unpredicted effect of propelling the Commission into a new and more
  political bilateral relationship with each Member States.

- **H3:** A further hybridization of European and national public spheres has
  prompted the prospect of a coordinated multi-level exercise of parliamentary
  prerogatives reflecting the growing centrality of the bilateral relationship
  between the EU and each Member States. As stipulated by ‘New
  Parliamentarism’ if parliamentary prerogatives within the Semester are to
  increase this will flow from three new dimensions of the interplay between
the EU level and the national levels: the consultative role of the inter-parliamentary dialogue; the provision of the national mandate for the bilateral dialogue with the Commission; and the supervision of the recommendations impact at the national level.

DATA TRIANGULATION AND THEORY BUILDING METHODS

To account for the institutional transformation of the European Semester the paper draws on a wide range of documents (including discourses, Memos, reports, communications) issued by the European Commission from 2011 to 2015. The Press Release Database of the EU was consulted extensively to retrace the process and the evolutions of the European Semester. This set of documents was complemented with reports on the European Semester produced by the European Parliament. Parliamentary debates from 2011 to 2015 were also scrutinized, particular attention being paid to the dialogue and interactions between MEPs, members of the college of commissioners and the presidents in office of the Council. Last but not least, in order to capture the interactions between institutions and to understand their evolution over time, a series of semi-structured interviews have been conducted in Brussels in February and March 2016 with MEPs, political advisors, officials in the administration of the Commission and representatives of the Council and EU Member States.

Concerning the EP, we approached MEPs who served as rapporteurs for the European Semester on behalf of their committee. Particular attention has been paid to the work of three committees: the Committee on Monetary and Economic Affairs (ECON); the Committee on Employment and Social Affairs (EMPL) and the Constitutional Affairs Committee (AFCO). With regard to the European Commission, we conducted interviews with officials from the DG Employment and Social Affairs and DG Competition and Growth in charge with the coordination of the European Semester, the development of CSRs and the supervision of the process. Officials in charge with the follow-up and the activities of the European Semester in the Council (from the Office of the Chairman of the Eurogroup Working Group) have been

To preserve anonymity, we refer to interviews as follows: for Members of the European Parliament, the acronyms used are MEP followed by their political affiliation; for parliamentary assistants PA followed by the political affiliation of their MEP; for officials from the European Commission, we use Commission official followed by the Directorate General/unit; for official from the Council, we quite “Council official”, followed by the name of the unit/working group in which they follow the activities of the Semester.
interviewed, one who followed the European Semester on the social side since its inception and the other one from the ECFIN side. Interviews have been also conducted in several permanent representations in Brussels.

THE RELATIONNEL DIMENSION: Interaction among Council, Commission, European Parliament and Member States

The Relationship between the European Commission and the Council
Since the end of the fast-burning crisis and the institutionalization of the European Semester through the adoption of the Two- and Six-Pack ownership and compliance have been the main concerns shared by the Commission and the Council. This has prompted both actors to seek to streamline their interactions in response to an ever more complex macro-economic coordination process. To streamline the overall process, a reduction of the number of recommendations addressed to Member States is the main development called for by Commission, Council and Member States alike. Whether for the Commission or the Council, limiting the number of recommendations addressed to Member States was a way of reducing the complexity of the process and the number of committees involved. Streamlining the Semester would rationalize the workload of the Councils and its various committees: “normally, from a theoretical point of view it is great to have an overview of all the areas, because all these areas are interlinked and there are overlaps (...) but then you have so many different Councils that are in charge for something areas ...it’s ECOFIN, EPSCO, then is General Affairs Council and there are maybe some others that are also looking at the European Semester (...) How do you distribute the work? (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). Technical actors at both the Commission and Council were aware of the risks associated with the European Semester’s increasing complexity. For them to continue to provide the necessary coordination work for the different committees and subcommittees a certain level of streamlining seemed necessary. However, if the consolidation of the number of actors and expectations was a shared concern of both Commission and Council, their motivations did differ thus leading to different sets of changes in throughput over time.

On the one hand, with an eye on maintaining the centrality of budgetary and fiscal consolidation, the Commission has above all championed a streamlining of the process so as to sustain its capacity to provide the necessary guidance of the European Semester. Some observers have argued that this was centered on
preserving DG ECFIN’s status as primus inter pares in relation with other Directorate Generals, whereas others have stressed the increasing role of the Commission’s General Secretariat, the college of commissioners and in particular those members charged with Economic Governance, Valdis Dombrovskis, Pierre Moscovici and Jyrki Katainen.

On the other hand, ensuring the continued opportunity of having “meaningful discussion” within the Council, and thusly preserving the Semester’s multilateral supervisory mechanisms was the Council and its secretariat’s main motivation. As the European Semester’s coordination exercise has become a considerable challenge for both the Council Secretariat and each of the rotating presidencies, Council officials lamented a loss of substance in exchanges as energies seem to be diverted to managing an ever more complex throughput/coordination exercise wherein the multilateral dimension was merely going through the motions.

Although streamlining can seem as a measure intended to merely improve throughput, its consequences go beyond procedural aspects and directly impact the overall output. Since the end of the fast-burning crisis the Council and the Commission have thus worked in unison to “revamp” the Semester. As one member of the COREPER stated, through said revamping of the Semester we have witnessed a process of “economization”: “You can see that the whole energy Union is something that Sefcovic took out of the European Semester, there is less and less climate and envi in the European Semester so there seems to be an economization going on of the European Semester” (interview, COREPER, Permanent Representation of Belgium to the EU).

Nevertheless, within this relationship, relative executive powers of the Commission have increased with each cycle. The Commission’s increasing executive action capacity rests in the Semester’s constantly sharpening throughput stage, which is what goes on between the input and output stage of the European Semester (Schmidt 2008). The Commission is “very active” and “very knowledgeable in contacting stakeholders like Parliaments, like the different cabinets, organizing informal meetings to explain things to people” (Interview, COREPER, Permanent Representation of Belgium to the EU). Although final decisions are adopted by the Council “the Commission has a lot of power over, and say in how they formulate their proposals and their analyses and how they steer the recommendations in a certain direction” (Interview, member COREPER, Permanent Representation of Belgium).
In a further assertion of its autonomy and a clearer understanding of the relative decisional discretion of each actor, the Commission has since 2012 forcefully used the ‘comply or explain’ rules of the European Semester to oblige the Council to provide a written explanation of its reasons for modifying any of the Commission’s recommendations (Article 2-ab(2) of Regulation (EU) No. 1175/2011 of the European Parliament and the Council). The Commission holds to this principle both in the meetings of the Council and in the technical committees (Zeitlin and Vanhercke, 2014: 28). As one official of the Council, stated after an initially more consensual stance the Commission now reminds the Council it “is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publically” (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU).

The Relationship between the Commission and Member States

Within each European Semester the European Commission performs a wide range of tasks which are formalized within the Annual Growth Surveys (AGS), the Country Specific Reports (CSR) and their resulting recommendations. It provides detailed economic and budgetary analysis describing the situation of each Member State, drawing on a wide range of national and international sources of information and it issues recommendations, “tailored” and “measurable”, “objective” and “independent” (Document 11/75) which are prepared by the expert staff of the Commission and approved by the College of Commissioners. Both the Annual Growth Survey (which were an express demand of Member States at the inception of the Eurozone crisis) and the country reports are well received by national delegations in Permanent Representations and MEPs, Member States officials acknowledging the role of the Commission and the complexity of the exercise.

With regard to the Annual Growth Survey, which is the annual macroeconomic analysis of the Commission, according to one diplomat who before joining the Permanent Representation of his country worked in the Commission, “the initial text is drafted by DG ECFIN” (Interview, COREPER, Permanent Representation of Romania to the EU). As a resulted of the fast-burning crisis debt crisis the manpower and discretionary power of DG ECFIN were above all consolidated, even to the point of generating tensions with other DGs. As the Semester shifted towards the slow-burning crisis the number of actors involved in the process significantly increased and other DGs also saw their human resources and expertise reinforced. Ultimately, if DG ECFIN continues to provide the initial salvo for each cycle, different DGs now
formally provide input for the Annual Growth Surveys on an equal footing with DG ECFIN (Interview Commission, DG EMPL; Zeiltin 2014: 18). Within the Commission, although DG ECFIN remains in the driving seat (Interview, MEPL, les Verts), the slow-burning crisis has allowed for more actors to get involved seeing that as one official from DG Employment stated, “in order to have balanced Countries Reports colleagues have to work together” (Interview, Commission, DG EMPL).

Consequently, with the nomination of the Juncker Commission it appears that the centrality of the DG ECFIN in the process has been somewhat reduced. If it remains custodian of the initial impetus, DG ECFIN is no longer the guarantor of the final product as this is now firmly in the hands of the SECGAN and the College of Commissioners. Following the publication of the AGS, country desk officers across several DGs start drafting their contribution to the Country Specific Reports. The main challenge to the quality and legitimacy of the Commission’s CSRs in the eyes of their national counter-part is the Commission questionable capacity “to observe all the information and to get it into a country report (...). The deeper they dig the more problematic it has become to put it in one report” (Interview, COREPER, Permanent Representation of Belgium to the EU).

Based on its CSRs, the European Commission then formulates recommendations which constitute the sharp edge of the new bilateral dialogue the European Semester has institutionalized between Commission and Member State. During the fast-burning crisis this process took place in the multilateral expert committees and working groups of the Council, involving representatives from all Member States. One official of the Council declared that in 2010 and 2011, “we had long debates between the Commission, the Central Bank (...) and the country in question and everybody else ...was not so much engaged” (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). As a result direct bilateral relations between the Commission’s ‘country desks’ and national counter-parts have intensified to the detriment of the more multilateral supervisory mechanisms such as the Committees.

The purposes of these bilateral meetings – organized in three rounds – are both to explain and to exchange information (Interview, COREPER, Permanent Representation of Belgium to the EU). A first meeting is organized after the publication of the Annual Growth Survey in November. The second bilateral meeting takes place after the publication of the Country Reports. The third and the last one occurs before the publication of the country specific recommendations. These
bilateral meetings are “crucial moments” both for the Commission and for Member States. For Member States, the first meeting is essentially informative aimed at better understanding the economics and priorities shaping the AGS (interview, COREPER, Permanent Representation of Belgium to the EU), while the later two offer a very narrow window of opportunity to try to introduce some changes in the recommendations (Interview, COREPER, Permanent Representation of Romania to the EU). The institutionalization of these bilateral interactions is reflected in the formalized agenda-setting powers associated with each of these meetings. Established practices see the Commission determine both the meeting agenda for, and the list of questions to which Member State representatives have to respond at the first two appointments; whereas at the last meeting Member States have the opportunity to propose three topics of discussion of their choice (Interview, COREPER, Permanent Representation of Romania to the EU).

These bilateral meetings between the Commission and each individual Member States constitute the core of the process (Interview MEPI, les Verts) and its main innovation since 2014. They bring together experts from several DGs, including “DG ECFIN, DG Employment, DG REGIO and DG GROWTH, the country teams, sitting together with the Secretariat General of the Commission, which plays a prominent role of coordination” (Interview, COREPER, Permanent Representation of Romania to the EU). They can take different forms varying from one country to another. While some Member States are represented by high-level officials, others are represented by their technical experts. The Commission seems to favor the political style of some Member States over the more technical approach chosen by others (Interview, COREPER, Permanent Representation of Belgium to the EU).

These bilateral contacts are not only to inform the Commission’s decisions, but also amend them to take into account national considerations. Formally Member States cannot change the analysis of the Commission, which is presented in the Country Report. By contrast, their room for manoeuvre increases slightly when discussing the resulting list of specific recommendations. Until the approval of the Country Specific Recommendations by the Council, the proposals of recommendation are discusses by the Commission with Member States representatives in order to take into account their specificities and preferences. Nonetheless, despite the different stages and places where Member States can try to influence this process, according to one of our interviewees, only “3% of the proposals of modification are accepted by the European Commission” (Interview, COREPER, Permanent Representation of Romania to the EU).
Moreover, since the 2013 revised procedural framework of the Semester, any requested changes that are pushed through over the head of the Commission need a reverse qualified majority in the Council or Committee as well as a public justification in accordance with the ‘Comply or Explain’ procedure (Zeitlin and Vanhercke, 2014: 28).

Each Member State nevertheless tries to influence the process through different channels. To succeed and to convince the Commission to review its position the proposals of modification have to be backed by a “strong” and “valid” argument, meaning it must be congruent with the Semester’s primary goals as set out in its founding mandate. The first series of discussions between the representatives of the Commission and each individual Member State take place in the technical committees. The chances for Member States substantially modifying the proposals for recommendations in the technical committees – Economic Policy Dialogue (EPC) or Employment Committee (EMCO) - are extremely low. Their chances of success are equally slim in the Economic and Financial Committee (EFC), which brings together States secretaries and a member of the European Central Bank. Potential for adaptation is also small within the less technical permutations of the Council (e.g. COREPER, ECOFIN, EPSCO, General Affairs) where the prevailing multilateral logic and the generalized usage of reversed qualified majority make country specific changes highly unlikely, leaving only a slight margin for transversal adjustments across several reports and support by a plurality of Member States. The most likely place where recommendations could be slightly revisited to take into account Member States “preferences” is the more opaque but equally political college of commissioners with each Member State expressing its point of view through the voice of its commissioner (Interview, COREPER, Permanent Representation of Romania to the EU).

Confronted with the Commission’s reluctance to change its recommendations, what Member States negotiate in general is rather more the “language” in which the Commission frames its reporting rather than the substantive content of the evaluation criteria. Member States and the Commission have occasionally adjust what is said in the CSRs and the resulting recommendations, but more often they will find new common ground on how it is said. While in the past, the informal interactions between the Council and the Commission played a prospective role in establishing the goals to be attained through the European Semester, since the institutionalization of the Semester and its constituent bilateral meetings the
Commission has become “ultra-prescriptive” (Interview MEP1, Verts) and as a result the bilateral relations between the Commission and Member States have been transformed into the most formative interactions within the Semester, thus eclipsing both Council and Parliament.

Overall, the crucial importance of these bilateral meetings is reflected in the growing involvement of cabinets of both national Ministers and European Commissioners (Interview Commission, DG EMPL). Direct contacts between the cabinets and ‘country desks’ play a key role when Member States compile their National Progress Reports (NPRs) as well as when the Commission drafts the Country Specific Reports (CSRs) and Recommendations. It is ultimately within the Commission’s GENSEC that the final versions of all Commission published Semester reports (i.e. AGSs, CSRs and list of recommendations) are consolidated and streamlined (Interview, COREPER, Permanent Representation of Belgium to the EU). These bilateral meetings between the Commission and individual Member State have emerged as one of the main innovation in terms of the Semester’s throughput (Interview MEP1, les Verts) and have become a corner stone of the integration and hybridization dynamics within the European Semester. On the one hand, with regards to the Semester’s overall throughput and the call for more streamlining, the set milestones and deliverables of the various bilateral dialogues have become the means through which to integrate the growing number of stakeholders providing input while keeping the process as a whole manageable and focused. On the other hand, these deep bilateral contacts have changed the relationship between the Commission and the Council as one official from the Council has seen the Semester evolve as “instead of peer pressure in the Council, it has been shifted basically between the Commission and the Member States” (Interview, Principal Policy Advisor, Office of the Chairman of the Eurogroup Working Group, General Secretariat, Council of the EU). Lastly, as the purpose of these bilateral meetings is also to improve “ownership in the Member States” the relevant parliamentary variable is not the EP but rather the role of national parliaments (Kreilinger, 2016) in “debating country reports and country-specific recommendations and voting on national reform programmes, as well as national convergence or stability programmes” (EP Report, Rodrigues, 2015/2285(INI): 12/31).

The Relationship between the European Parliament and the Other Actors
While the EP and Commission share comparable views when considering the Semester’s evolving throughput - i.e. who is to take part in this process and how - their approaches increasingly differ with regards to the quality of the Semester’s
inputs and outputs. As the fast-burning crisis mellowed, MEPs from the four generally pro-integrationist political groups (EPP, S&D, les Verts and ALDE) joined more principally skeptical voice from the ECR and GUE to deplore the excessive focus on expenditure reduction and fiscal consolidation resulting from the ‘one-size-fits-all’ approach (Schmidt, 2014) structurally built into the recommendations tabled by the Commission (Eickhout, Verts, EP, 25 October 2011). As early as 2011, the EP had become an echoing chamber for those regretting “that people at the Commission continued to think along the old lines believing that the most important thing is to reform the labor market” (Interview MEP2, S&D) as it remained wedded to the Council mandated “‘one size fits all’ approach in the European Semester that subordinated social cohesion goals to fiscal consolidation, budgetary austerity, and welfare retrenchment” (Schmidt, 2015: 19). With the EP developing into “the ‘go-to’ body for other actors concerned about the political legitimacy of the European Semester” (Schmidt, 2016: 8) its mounting pluralism and widening debates surrounding the European Semester have stood in stark contrast with the mainstream ideological conformism of both Commission and Council deplored by MEPs.

Pushing back against the bureaucratic ‘one-size-fits-all’ approach proposed by the Commission led by José Manuel Barroso - which rested solely on “indicators and figures” as MEP Podimata (S&D) and Goulard (ALDE) put it - the EP as an elected and deliberative body would come to call on the members of the college to change their paradigm and “to focus on people and on vulnerable social groups rather than on numbers”. Within the EP, many claim that for the outcomes of the European Semester to change its custodians within the DG ECFIN and the Council have to demonstrate openness to new ideas and innovative solutions. These mounting calls for pluralism notwithstanding, during the legislative process of the Six- and Two-Packs, the EP was unable to inflect change as both the Commission and the Council sought to preserve the ‘one size fits some’ rules that the Council’s intergovernmental negotiations had forged at the peak of the fast-burning crisis, and which the Commission had leverage into a further increase in its action capacity through a set of enforceable ‘one size fits all’ rules of budgetary austerity (Schmidt, 2015: 7). Consequently, deprived of any formal legislative role within the European Semester, the EP cannot claim being the sole “deliberative forum in which Eurozone policies are debated and contested, or even changed—as in the co-decision procedure of the Community Method” (Schmidt, 2015b: 18). When considering the European
Semester, the EP is held to see its parliamentary prerogatives of debate, supervision and approval exercised in relationship with one of the other actors.

Initially the EP and others struggled with the Commission’s apparent lack of ideational openness. This was often explained by the prominent role of the monofunctional and technocratic DG ECFIN where initial drafts of the Semester’s various reports (e.g. AGS, CSR and specific recommendations) entrusted to the large number (Zeitlin and Vanhercke, 2014: 18) of relatively “junior economic experts” recently “hired merely on the basis of the quality of their orthodox academic credentials” (Interview, MEPI, les Verts). Eventually, the change of Commission, the mounting tide of Euroscepticism at the EP elections, as well as the transition from a fast- to a slow-burning crisis would all contributed to see the relationship between the European Commission and the EP improve, particularly following the publication of the Five Presidents Report of 2015 (Juncker et al., 2015).

On the one hand, changes in practices and attitude within the Commission allowed for a more accommodating drafting schedule which made it possible for the European Semester to be scrutinized in several EP committees and for some MEPs to enjoy regular formal and informal contacts with Commissioners – in particular with Valdis Dombrovskis and Pierre Moscovici. On the other hand, these same throughput changes allowed for the 2015 Annual Growth Survey to be presented in the Parliament before its publication, thus opening the possibility of a substantive ex ante dialogue between EP and Commission (EP Report, Rodrigues, 2015/2285(INI): 12/31). These throughput changes have indeed opened a new window of opportunity for a de facto increase of the EP’s role in defining the Semester’s input. Whether this will prove to be a fundamental or a passing change is a factor of how deep-seated the Commission’s change in outlook proves to be. In this, some observers argue the above described opening was a scheduling accident due to discussions and disagreements between the wider Commission and DG ECFIN; whereas others emphasize that the change was a deliberate decision specifically requested by Martin Schultz when he negotiated his institution’s support for the Jean-Claude Juncker’s confirmation as the Spitzenkandidat for Commission president with the biggest parliamentary backing.

In such a public debate on the European Semester, an isolated EP would inevitably come to play an auxiliary role in shaping national governments’ compliance to European recommendations and their responsiveness to their citizens’ concerns. Since 2012, as postulated by ‘New Parliamentarism’, the EP has sought to bridge this
gap by trying to articulate its own work with that of national parliaments whose “individual contribution to the input legitimacy of the Semester cycle depends on their scrutiny of the two documents submitted by national governments to the European Commission: the Stability and Convergence Programme and the National Reform Programme” (Kreilinger, 2016: 31).

Although the rules of procedure associated with inter-parliamentary cooperation in matters pertaining to the Semester were only adopted in November 2015, the resulting Inter-parliamentary Conference on “Stability, Economic Coordination and Governance” was quick to challenge both National and European Parliaments to “roll up their individual and collective shirtsleeves” (Curtin, 2015) and play a more important role in shaping the Semester’s output. The one-day meeting between MPs and MEPs directly concerned by the European Semester is usually preceded by the European Parliamentary Week held in Brussels during the first half of the year and co-hosted by the EP and the Presidency Parliament (Cooper, 2014). Despite the EP’s best coordinative efforts MP/MEP attendance and motivation remains very uneven (Kreilinger, 2016: 50) mainly because of national parliaments’ unequal adaptation to the European Semester (Hefftler et al., 2012; Rittberger d and Winzen: 2015).

Contrary to the ‘one-size-fits-all’ inspired bilateral dialogues between Commission and Member States, inter-parliamentary dialogue must contend with National parliaments who taken ownership of the European Semester in very asymmetric ways (Maatsch, 2015). In some national parliaments involvement is ex-ante thereby acting as a “policy shaper”; in others their contribution after the reports publications makes them a ‘traditional controller’. A further difference can be made as national parliamentary scrutiny can either involve the plenary or committees, “where ‘in the first case’, the role that parliament plays in the scrutiny of the European Semester resembles a “public forum”, while in the second case, work in committee allows for ‘expert scrutiny’” (Kreilinger, 2016: 36). “On the one hand, plenary debates on Country-Specific Recommendations help to draw attention to a wider public, mobilize support and create acceptance for these recommendations and, possibly, for the reforms that should follow. This would allow for a better connection with the electorate on a key issue of EU affairs; on the other hand, committee meetings allow questioning both the Commission (to explain the recommendations itself) and the government (to explain its implementation record)” (Kreilinger, 2016: 43).

Overall, the unequal adaptation at the national level has led to asymmetries in parliamentary prerogatives and activities. For example, statistics prepared by the
COSAC (2014) secretariat on parliamentary scrutiny of European Semester show that in 2013: 59% of national parliaments exercised ex ante scrutiny over the Stability and Convergence Programs (SCP) whereas 56% did for the NRPs; ex post assessments were done by 25% on the SCPs and 31% on the NRPs; the remaining 13-16% did not provide for any national scrutiny. As a result, more than any other factor such as latent competence quarrels with other EU institutions; the main obstacle facing the emergence of a functioning multi-level parliamentary is the asymmetrical exercise of national parliamentary prerogatives within the different Member States.

Conclusions

Throughout this paper’s empirical analysis of the European Semester, the authors were motivated by the twin questions: how new is this so-called “new” mode of governance? And how has it impacted the EU’s established modes of governance and integration dynamics? By seeking to inductively answer the first, while deductively exploring the second, the paper offers some tentative insights into whether the responses formulated in the aftermath of the 2010 fast-burning Eurozone crisis might lead to more or less Europe.

Drawing on content analysis, process tracing and elite interviews, this paper shows that the European Semester is better understood as a complex process of policy coordination, which has two interrelated dimensions – political and technical. Additionally, a good understanding of this process requires one to look at the Semester both de iure and de facto. To have an accurate picture of the overall process one has to simultaneously consider its evolving legal basis and more informal practices between institutions as some of the limitations of the legal basis have been overcome through informal agreements and practices. Indeed, rather than usher in a de iure change in competences between the institutions, the European Semester reinforced existing provisions on European macro-economic coordination. As a result, any hybridization process this new mode of governance might have prompted will be the product of de facto adjustments in the behavior of key European institutional actors.

With regards to the relative novelty and uncertain legitimacy of the European Semester as one of the EU’s developing modes of governance, the detailed inductive analysis of its first five iterations has shown that the Semester’s gradual set-up speaks to the relationship between social and economic policy coordination within the EU and its Member States. Each cycle of the Semester has witnessed incremental
changes in its input, output and throughput legitimacy which in turn have altered the relationship between the Council, the EP and the Commission. Over time, the empirics policy concerns adopted early on remain more salient and structural then those included subsequently. The Semester’s formative years also confirm it as a more effective framework for enforcing national compliance with EU rules and policy recommendations rather than as a new opportunity for mutual learning among Member States as suggested by experimentalist governance. Finally, the empirical research confirmed that the ever-growing centrality of the Commission bilateral relationship with each Member States is a core innovation at the heart of the European Semester’s workings. These bilateral relationships have served to politicized and differentiate the Semester’s inputs and outputs along the differing national contexts without diminishing the ‘one-size-fits-all’ semi-automatic supervisory and enforcement mechanisms the Commission now has at its disposal.

If the initial inductive analysis confirmed the fast-burning crisis empowered the European Council to set the Semester’s thus seemingly confirming the new intergovernmentalists’ hypotheses, it witness neither the creation of de novo bodies nor the sidelining of the Commission. The same analysis also established how throughout both the fast- and slow-burning crisis, the Commission gained significant action capacity both in scope (e.g. by entering policy fields outside its area of competence) and depth (e.g. as both semi-automatic enforcement mechanisms and far more detailed policy management processes were institutionalized). This in turn echoes the ‘new supranationalists’ tenants but also only partially as it did not foster an increasingly autonomous and centralizing agent vis-à-vis its principals (i.e. Member States), but rather positioned the Commission at the helm of a set of new iterative and differentiated relationships with each Member State. Last but not least, the Semester’s growing politicization has prompted the European Parliament’s voice and position to increase, despite it being lock-out from providing formal deliberative input which remains solely in the hands of the Council. These conflicting constraints have encouraged the EP to focus its energies on conventional means of procedural cooperation and consultation with the Commission, while also exploring more innovative forms of cooperation with the national parliaments. If this allow for the prospect of a multi-level form of parliamentarism, its realization is currently hindered by the extreme heterogeneity of national parliamentary prerogatives within the Semester. Ultimately, these shifts in the interaction between the EU’s main institutional actors (Council – Commission – Parliament – Member States) have
allowed for a new institutional equilibrium within the EU as the European Semester reflects attempts to the *de facto* hybridization of the new intergovernmentalism, new supranationalism and new parliamentarism. Accordingly, if the European Semester has clearly meant more Europe, whether it will also mean more legitimate Europe will be determined by how well the EU’s main institutional actors cultivate their direct relationship with their national counterparts.
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45


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