

HOUSE OF LORDS

European Union Committee

9th Report of Session 2013–14

The Role of National Parliaments in the European Union

SUMMARY

Ordered to be printed 11 March 2014 and published 24 March 2014

Published by the Authority of the House of Lords

London : The Stationery Office Limited

HL Paper 151

The European Union Committee

The Committee considers EU documents in advance of decisions being taken on them in Brussels, in order to influence the Government's position and to hold them to account.

The Government are required to deposit EU documents in Parliament, and to produce within two weeks an Explanatory Memorandum setting out the implications for the UK. The Committee examines these documents, and 'holds under scrutiny' any about which it has concerns, entering into correspondence with the relevant Minister until satisfied. Letters must be answered within two weeks. Under the 'scrutiny reserve resolution', the Government may not agree in the EU Council of Ministers to any proposal still held under scrutiny; reasons must be given for any breach.

The Committee also conducts inquiries and makes reports. The Government are required to respond in writing to a report's recommendations within two months of publication. If the report is for debate, then there is a debate in the House of Lords, which a Minister attends and responds to.

The Committee has six Sub-Committees, which are:
Economic and Financial Affairs (Sub-Committee A)
Internal Market, Infrastructure and Employment (Sub-Committee B)
External Affairs (Sub-Committee C)
Agriculture, Fisheries, Environment and Energy (Sub-Committee D)
Justice, Institutions and Consumer Protection (Sub-Committee E)
Home Affairs, Health and Education (Sub-Committee F)

Our Membership

The Members of the European Union Committee are:

Lord Boswell of Aynho (Chairman)	Lord Hannay of Chiswick	The Earl of Sandwich
Lord Bowness	Lord Harrison	Baroness Scott of Needham Market
Lord Cameron of Dillington	Lord MacLennan of Rogart	Lord Tomlinson
Baroness Corston	Lord Marlesford	Lord Tugendhat
Lord Dear	Baroness O'Cathain	Lord Wilson of Tillyorn
Baroness Eccles of Moulton	Baroness Parminter	
Lord Foulkes of Cumnock	Baroness Quin	

Information about the Committee

For information freely available on the web, our homepage is <http://www.parliament.uk/hleu>. There you will find many of our publications, along with press notices, details of membership and forthcoming meetings, and other information about the ongoing work of the Committee and its Sub-Committees, each of which has its own homepage.

General Information

General information about the House of Lords and its Sub-Committees, including guidance to witnesses, details of current inquiries and forthcoming meetings is on the internet at <http://www.parliament.uk/business/lords/>

Select Committee Staff

The current staff of the Committee are Jake Vaughan (Clerk), Luke Hussey (Second Clerk) and Karen Sumner (Committee Assistant).

Contacts for the European Union Committee

Contact details for individual Sub-Committees are given on the website. General correspondence should be addressed to the Clerk of the European Union Committee, Committee Office, House of Lords, London, SW1A 0PW. General enquiries 020 7219 5791. The Committee's email address is euclords@parliament.uk

This document is an excerpt.

This document contains the summary of the EU Committee's full report, and its Conclusions and Recommendations. The Committee's detailed analysis of the issues and the evidence received is contained in the full report, which is available on our website:

The Role of National Parliaments in the European Union

<http://www.publications.parliament.uk/pa/ld201314/ldselect/ldeucom/151/151.pdf>

SUMMARY

National parliaments can contribute actively to the good functioning of the European Union. This is not only the view of the House of Lords European Union Committee: it is stated clearly in the Treaty on European Union. It has never been more important that national parliaments should play a full and active role, both individually and collectively. However, much more could be achieved, within the existing Treaty structure.

This report is aimed at a wide range of policymakers and others, within the UK and across the EU. We offer it as a contribution to an ongoing debate. We suggest a range of practical options, which could improve the involvement of national parliaments in the formulation and implementation of EU policies.

Treaty change is not necessary to enhance the role of national parliaments in the EU. More than anything else, this is a matter for the will of parliamentarians. Important improvements should be secured through the autonomous action of national parliaments, and through actions collectively agreed between the national parliaments, the Commission, the Council and the European Parliament where relevant.

The effective involvement of national parliaments is fundamental to ensuring that there is accountability, and legitimacy, for the actions of the Union. Our report highlights five areas where national parliaments can and should be more effective in the shaping of EU policies and legislation.

National scrutiny

Effective scrutiny by national parliaments of the activities of their own governments on EU matters is essential.

National scrutiny systems will inevitably vary according to the national context. Whatever system suits the national context, it is vital that national parliaments carefully scrutinise the EU activities of their national governments, and hold them to account. While each national parliament will determine for itself the best means of doing this, we can nonetheless learn from each other. The Conference of Parliamentary Committees for EU Affairs (COSAC) could contribute to strengthening these processes.

Dialogue between national parliaments and the EU institutions

National parliaments should have a greater role in considering EU policies at an early stage, before hard and fast battle lines have been drawn. The European Commission says that it would welcome this ‘upstream’ or ‘pre-legislative’ scrutiny of policies. However, the Commission itself must do much more to show that it can be responsive to suggestions and concerns raised by national parliaments, whether at this early stage of policy development, or later on.

As part of this proactive role, groups of like-minded national parliaments, acting together, should be able to make constructive suggestions for EU policy initiatives.

The reasoned opinion procedure

The Lisbon Treaty 2009 gave national parliaments a formal role in the scrutiny of EU legislation, allowing each chamber to issue a reasoned opinion if it considers that a proposal breaches the principle of subsidiarity (under which EU-level action may be taken only if the objective cannot be achieved at national or local level), and triggering a ‘Yellow Card’ if over one third of national chambers or parliaments issue reasoned opinions. Technical deficiencies have meant that the procedure has not been as effective as hoped. These deficiencies could, and should, be corrected. The key ways to improve the working of the reasoned opinion procedure are:

- *scope*: to extend the scope of the procedure to include the proportionality principle—that is, that the proposal should not exceed what is necessary to achieve the objectives of the EU Treaties;
- *deadline*: to increase the deadline for national chambers to issue a reasoned opinion on a legislative proposal, from 8 weeks to 12 or 16 weeks;
- *effect*: for the Council and Commission to undertake that, if a Yellow Card is issued, the Commission will take seriously its duty of review, and either withdraw or substantially amend the proposal in question.

Inter-parliamentary co-operation

National parliaments and the European Parliament have a vital, and complementary, role to play in the European Union. It is not a ‘zero sum’ game: greater involvement for one should not be at the expense of the other. There is scope for national parliaments and the European Parliament to engage more effectively with each other, sharing information and debating key policies.

It is a strength of the Union that each national parliament acts independently, reflecting the situation of each Member State and the views of its citizens. However, in order to maximise their effectiveness in shaping European policies and legislation, national parliaments must co-operate. COSAC can encourage this co-operation, particularly with some small practical adjustments to its working methods. Inter-parliamentary co-operation on all matters, including economic and financial matters, should involve all 28 Member States.

Economic and financial governance

The political and economic reforms required in the wake of the eurozone crisis have challenged the EU’s democratic framework. The European Parliament has a vital role to play in holding EU institutions to account, but the principle of democratic accountability can only be upheld if there is, in addition, an enhanced role for national parliaments. National parliaments must have more effective purchase on the steps towards enhanced economic surveillance, as encapsulated in the European Semester. Means must be found to ensure that EU institutions are accountable not only to the European Parliament but also to national parliaments.

CHAPTER 7: SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Chapter 1: Introduction

168. This report is intended as a contribution to an important and ongoing debate. Because of this, in several places we put forward a range of practical options which could improve the involvement of national parliaments in the scrutiny, formulation and implementation of EU policies, for further consideration by national parliaments and others, rather than presenting a definitive blueprint for change. We look forward to continuing this debate with Members of other parliaments, representatives of the EU institutions, and others. (Paragraph 15)
169. In the context of our own chamber we consider that this report raises important questions about the effective scrutiny of EU matters, and so we make this report to the House for debate. (Paragraph 16)
170. Treaty change is not necessary to enhance the role of national parliaments in the EU: substantial improvements can, and should, be achieved without treaty change. To a significant degree it is a matter for the will of parliamentarians to insist on securing substantial and lasting changes, and of their governments to give effect to that will. Important improvements could be achieved through the autonomous action of national parliaments, and through actions collectively agreed between the national parliaments, the Commission, the Council and the European Parliament where relevant. This report sets out options for reforms which could be pursued in such agreements. (Paragraph 19)
171. Even in these difficult economic circumstances it is important that national parliaments, including that of the UK, ensure that sufficient resources are devoted not only to effective scrutiny but also to other aspects of their involvement with the European institutions and each other. Expenditure on improving EU legislation through scrutiny is seldom wasted. (Paragraph 20)

Chapter 2: National scrutiny

Effective national scrutiny

172. Effective scrutiny by national parliaments of the activities of their own governments in the European Union is essential. It is fundamental to ensuring that there is accountability, and legitimacy, for the actions of the Union. It should be recognised as core business for every parliament. (Paragraph 21)
173. National scrutiny systems will inevitably vary according to the national context. Whatever system suits the national context, it is vital that national parliaments carefully scrutinise the EU activities of their national governments, in order to ensure that the positions of national Ministers are effectively examined, and that the Ministers who constitute the Council are held to account for their decisions. (Paragraph 23)
174. While each national parliamentary chamber is unique, we can nonetheless learn from each other. COSAC can be a very good forum for this learning. We cite two examples relating to our work in the House of Lords. First, we have taken a cue from the Dutch Tweede Kamer, amongst others, and begun to use the Commission's annual work programmes more explicitly in

examining the year ahead and publicly highlighting areas of particular interest. Second, this Committee also intends to follow practice in other parliaments and experiment with holding sessions with the UK Minister for Europe before European Councils, to feed into Government preparations, rather than holding them afterwards to discuss the conclusions reached. (Paragraph 24)

175. In addition, we continue to seek to improve our engagement with the Members of the House of Lords who are not currently serving on the EU committees. In this context, we observe that it is important that the whole House continues to scrutinise the EU activities of the UK Government, through debate, questioning and the scrutiny of legislation. As we have said, this is core business, not the preserve of a group of specialists. (Paragraph 25)
176. We are always willing to consider, with the Government and our colleagues in the Commons, improvements to the scrutiny process. In our day-to-day work scrutinising EU policies and the EU activities of the UK Government, it is essential that the Government consistently provide high quality and timely written information, in the form of explanatory memorandums on EU documents and correspondence, and that Ministers meet committees regularly. A good flow of information by government officials, including the UK Representation in Brussels (UKRep), is also crucial. The UK Government usually does this well and the current Minister for Europe, the Rt. Hon. David Lidington MP, has been an effective advocate for national parliamentary scrutiny. However, there are unacceptable variations in performance including in the quality of explanatory memorandums, particularly between departments, and we urge the Government to continue to focus on consistently supporting and engaging effectively with national parliamentary scrutiny of EU matters. (Paragraph 27)

Different systems

177. In our view, effective EU scrutiny systems are most likely to include elements of both examination of documents and direct discussions with Ministers (and other interested parties). Scrutiny of documents enables parliaments to engage early on with Commission consultations, and to propose precise changes to legislative proposals. Contact with Ministers allows direct exchanges of views, and allows Members to influence or control the government's position, or to challenge the government to explain and defend their view. (Paragraph 28)
178. It is important to involve a wide range of Members, and committees where possible, in the examination of European policies. Such policy expertise needs to be combined effectively with knowledge and understanding of EU policymaking processes and EU institutions. (Paragraph 30)

Practicalities of scrutiny work

179. It is often helpful if there is effective prioritisation, so that each national chamber and its committees concentrate on the policies which matter the most to it. (Paragraph 33)
180. Even when parliaments do prioritise consideration of the most important policies, it must be recognised that effective scrutiny is resource-intensive, in terms of Member time and staff time. (Paragraph 34)
181. Contributions by national parliaments must have, and must be seen to have, an influence on EU policy development and formulation. It is important that

the Commission, Council and European Parliament make effective use of dialogue with national parliaments, and make clear where national parliaments have had an effect on the policymaking process. (Paragraph 35)

Chapter 3: Dialogue with the European Commission

Engagement between national parliaments and the Commission

182. In this chapter we make suggestions for possible improvements, which national parliaments may wish to take up in discussion with national governments and with the Commission. In summary these possible improvements, which are considered in greater detail below, are:

- the increased early involvement of national parliaments in the development of EU legislative proposals and other policies in advance of the Commission making formal communications and proposals for legislation;
- that the Commission should make clear when and how national parliaments have influenced the development of policies, by:
 - identifying national parliament contributions in summary reports on consultation exercises and in subsequent communications on the policy, including how the policy has been shaped or modified in response,
 - responding promptly to national parliament contributions under the general political dialogue, usually within three months,
 - using its annual report on relations with national parliaments to identify the impacts of national parliament engagement;
- that the new Commission should make a commitment that Commissioners and senior officials will meet committees of national parliaments as a core part of their duties;
- that a procedure should be developed to allow a group of national parliaments to make constructive policy or legislative suggestions (a ‘Green Card’). (Paragraph 40)

Early engagement with policy proposals

183. The Committee supports effective early engagement by national parliaments in the development of EU legislative proposals and other policies. In this way, drawing on their diverse experience and expertise, national parliaments can make a distinctive contribution to the development of policy at an early stage, before considerable time and political capital has been invested in a particular idea, and before firm proposals have been drawn up which the Commission may then feel obliged to defend. (Paragraph 43)

184. The Commission must engage fully with the views put forward by national parliaments early on in the policymaking process, and must be seen to engage fully with them by making clear when and how national parliaments have had a significant influence on the early development of policies. We note that if the Commission does not engage constructively and deal with concerns raised by national parliaments under the informal political dialogue, it becomes more likely that national parliaments will be forced to use the reasoned opinion procedure to ensure that their views are addressed in a more formal way. Put another way, the more that the Commission engages positively with the concerns of national parliaments as expressed in the

political dialogue, the less likely it is that parliaments will feel compelled to issue reasoned opinions. (Paragraph 48)

185. When national parliaments engage upstream, and make contributions to consultations, their views should be identified and specifically addressed in a discrete section of the Commission's summary report on the consultation, including where appropriate how the proposal has been modified in response. National parliament contributions and the responses to them should also be identified in subsequent documentation relating to the proposal including impact assessments and communications accompanying legislative proposals. This will show that the views of national parliaments have been given appropriate consideration; and help national parliaments to continue to pursue key points. (Paragraph 49)
186. When national parliaments make contributions to the general political dialogue (not in response to specific consultation exercises), these contributions should receive a response within three months, clearly addressing the points made and, where appropriate, explaining how their views have been taken into account. (Paragraph 50)
187. The Commission should use its annual reports on relations with national parliaments to identify policy impacts of engagement by national parliaments, as well as simply outlining the number of interactions with the Commission. (Paragraph 51)

Direct contact with Commissioners and officials

188. The Commission which will be appointed in 2014 should make a commitment that its Commissioners and senior officials will be willing to meet committees of national parliaments as a core part of their duties, subject of course to practical limitations and without imposing an impossible burden. This must be a clear and firm commitment which binds the whole College: it is too important to be left to the whim of individual Commissioners. (Paragraph 54)

Making proposals: a Green Card?

189. In principle, we agree that there should be a way for a group of like-minded national parliaments to make constructive suggestions for EU policy initiatives, which may include reviewing existing legislation, complementing the existing 'Yellow Card' with a 'Green Card'. We note the concerns raised about intruding on the Commission's formal right of initiative, and we would envisage a 'Green Card' as recognising a right for a number of national parliaments working together to make constructive policy or legislative suggestions, including for the review or repeal of existing legislation, not creating a (legally more problematic) formal right for national parliaments to initiate legislation. (Paragraph 58)
190. A 'Green Card' agreement would need to include an undertaking by the Commission that it would consider such suggestions carefully, and either bring forward appropriate legislative or other proposals (or consult on them), or explain why it had decided not to take the requested action. (Paragraph 59)

Chapter 4: The Reasoned Opinion procedure

Overview

191. The reasoned opinion procedure can, and must, be made more effective. It is an important way in which national parliaments can contribute to the making of EU legislation; and can thereby enhance the quality and legitimacy of that legislation. (Paragraph 67)
192. National parliaments working together may wish to consider which particular changes they would like to see made to the operation of the reasoned opinion procedure. (Paragraph 69)
193. The key elements of the procedure, including its scope, the deadlines, and the effect of a Yellow Card being issued, are set out in the EU Treaties and could only formally be changed through a revision to the Treaties. However, it would be possible for the Member States acting together in the Council, in co-operation with the European Commission, to agree a package of improvements. The parliaments, Council and Commission could undertake to operate the reasoned opinion procedure consistently with the agreed changes. (Paragraph 70)
194. These are some of the options for inclusion in an inter-institutional agreement to improve the operation of the reasoned opinion procedure:
 - *scope*: including the proportionality principle within the procedure, and a check that an appropriate legal base is being used;
 - *deadline*: extending the time period for reasoned opinions to be submitted, from 8 weeks, to 12 or 16 weeks;
 - *Commission engagement*: improving the quality of the Commission's explanatory memorandums on subsidiarity and its engagement with reasoned opinions;
 - *effect*: establishing that if a Yellow Card is triggered the Commission will either withdraw or substantially amend the proposal;
 - *threshold*: considering whether the threshold for triggering a Yellow Card should be lowered;
 - *timing*: considering whether the reasoned opinion procedure might somehow remain open, or be re-engaged, later in the legislative procedure. (Paragraph 71)

Scope

195. While there may be a useful role for COSAC in sharing practical experience in how to conduct subsidiarity assessments and how to prepare an effective reasoned opinion, we do not think that it would be sensible to attempt a more precise definition of the subsidiarity principle than the definition that is already set out in the EU Treaties. (Paragraph 74)
196. Witnesses have made a strong case that the reasoned opinion procedure should be extended to include the principle of proportionality. There is also a strong case that the procedure should encompass whether the proposal is brought forward under an appropriate legal base. We support both of these suggestions. (Paragraph 79)

Deadline

197. We consider that the time limit within which national parliaments can issue a reasoned opinion should be extended, to 12 or 16 weeks. (Paragraph 84)

Commission engagement

198. It is the responsibility of the Commission to provide a clear explanation of why it considers that a proposal complies with the principles of subsidiarity and proportionality. In the absence of a comprehensive and convincing assessment by the Commission, it is appropriate for a national parliament to come to the conclusion that it has not been proven that a proposal complies with the subsidiarity principle. (Paragraph 86)
199. Every reasoned opinion merits a reasoned response. When a reasoned opinion is issued by a national parliament, whether or not a Yellow Card is triggered, that opinion should be seriously considered by the Commission, and a response should be prepared which addresses the concerns raised in that reasoned opinion, in a timely manner. (Paragraph 88)
200. The Committee does not consider it appropriate for the Commission to assume the sole responsibility for deciding what arguments do, or do not, come within the ambit of the subsidiarity principle. There should be dialogue between national parliaments and the Commission, to determine appropriate guidelines for the Commission to respond to reasoned opinions, whether or not a Yellow Card has been issued. (Paragraph 90)

Effect

201. The Committee considers that the Commission should make an undertaking that, when a Yellow Card is issued, it will either drop the proposal in question, or substantially amend it in order to meet the concerns expressed. (Paragraph 95)

Threshold

202. The suggestion that the threshold for triggering a Yellow Card should be reviewed deserves further consideration. (Paragraph 96)

Timing

203. The suggestion that the reasoned opinion procedure might remain open, or be re-engaged at some later point, deserves further consideration. (Paragraph 98)

Another aspect of the legislative procedure: first reading deals

204. It is vital that national parliaments should have a recognised opportunity for their voices to be heard during the later stages of legislative negotiations, particularly when those negotiations result in major changes to draft legislation. We suggest that the Council consider making a commitment that, if a legislative proposal is significantly altered during its consideration by the co-legislators, the Council will allow sufficient time, and no less than 12 weeks, for each national parliament to scrutinise the new or significantly altered elements of the proposal. This would be a logical development of the role of national parliaments in EU policymaking and without such a commitment there will remain a fundamental gap in the legislative process. (Paragraph 101)

Chapter 5: Inter-parliamentary co-operation

Co-operation with the European Parliament

205. National parliaments and the European Parliament have a vital, and complementary, role to play in the European Union. It is not a 'zero sum'

game: greater involvement for one should not be at the expense of the other.
(Paragraph 108)

206. There is scope for national parliaments and the European Parliament to engage more effectively with each other, sharing information and debating key policies. Several witnesses to our inquiry made useful suggestions as to how this might be done:

- there could be more direct contact between committees of national parliaments and committees of the European Parliament;
- when national parliaments or their committees have a close interest in a particular legislative proposal, they should be encouraged to contact the relevant rapporteur and shadow rapporteur on the responsible committee of the European Parliament;
- national parliaments and the European Parliament could reach agreement that EP rapporteurs could provide informal briefings to Members of national parliaments on the progress of trilogue negotiations;
- videoconferencing could be used to facilitate discussions between committees;
- a brief overview of comments by national parliaments might be included in reports prepared by European Parliament Committees.

(Paragraph 109)

207. Where it is practical and mutually useful, national parliaments and the European Parliament should enhance their co-operation and sharing of information, perhaps on the basis of discussions on these ideas and others at the Conference of Parliamentary Committees for EU Affairs (COSAC).
(Paragraph 110)

Forms of inter-parliamentary co-operation

208. It is vital that Members of the parliaments of the European Union establish the habit of co-operation on European matters. Communication between Members of national parliaments, and between Members of national parliaments and the European Parliament, is essential, to share information, to debate policies, and to reach common understandings. However, it must be recognised that parliamentarians have a limited amount of time, and conferences must offer clear ‘added value’ in order for Members to be able to prioritise participation at them. In the view of this Committee, the number of inter-parliamentary conferences must be kept within reasonable limits and where it is appropriate we should be willing to rationalise the conference framework. We must ensure that conferences have clear and well managed agendas; that they have clear intended outcomes; and above all that they encourage wide participation and lively debate as opposed to long set-piece speeches. (Paragraph 114)

COSAC

209. Ideas which might be considered for changes to COSAC’s procedures include:

- a reduction in the number and length of general reports from the Presidency and the Commission, allowing plenty of scope for contributions from delegates;

- agendas which feature well focused and specific topics for debate, perhaps including a topical debate;
 - appointing a longer-term chair of COSAC (following the example of the European Council);
 - ad hoc working groups (working remotely) to prepare discussion papers, or to take forward agreed conclusions;
 - a standing group of representatives of EU affairs committees;
 - the President of the European Council attending COSAC once per year. (Paragraph 119)
210. The issue of resources for COSAC may also need to be considered and the small COSAC secretariat increased, particularly if its procedures are to be changed in some way, as suggested in the previous paragraph. (Paragraph 120)
211. COSAC can disseminate good practices and procedures that might be useful for other parliaments. COSAC's biannual reports and informal presentations by Members of national parliaments are two existing ways in which this dissemination of good practice can be achieved. COSAC might wish to consider whether an informal panel of experienced Members of COSAC from a range of different Member States and scrutiny systems might be willing to offer advice to national parliaments on their scrutiny of EU matters. The staff of European affairs committees of national parliaments can also share practical experience and information about their procedures, to help them support effective European scrutiny work by their committees. (Paragraph 121)

Inter-parliamentary conference on economic and financial governance

212. Inter-parliamentary co-operation on all matters, including on economic and financial matters, must continue to involve all 28 Member States. (Paragraph 125)

Direct contact between parliamentarians

213. It is important that Members of national parliaments forge their own contacts with Members of other parliaments, including of course the European Parliament. Particularly once good working relationships have been established, teleconferencing, videoconferencing and electronic communications should be used to full advantage, for quick exchanges of information and opinion. (Paragraph 135)

IPEX (Inter-parliamentary EU Information Exchange website)

214. It is important that the IPEX platform is easy to use, and that national parliaments upload information consistently and promptly. We note the potential burden that translating all parliamentary documents uploaded onto IPEX might place on national parliaments, and we suggest that the IPEX Board consider whether a technological solution, such as automated translations, might be implemented in the future. (Paragraph 141)

Chapter 6: Economic and financial governance

215. The political and economic reforms required in the wake of the eurozone crisis have challenged the EU's democratic framework. The Commission asserts that "accountability should be ensured at that level where the respective executive decision is taken, whilst taking due account of the level

where the decision has an impact”. Given the dramatic consequences of the crisis on the lives of ordinary citizens across the EU, this is over-simplistic and unrealistic. (Paragraph 163)

216. An asymmetry has developed between the growing powers of key institutions such as the Commission, the ECB, the Eurogroup and the ‘Troika’, and the ability of citizens to hold them to account for their actions. As political tensions across the EU testify, a serious democratic deficit now exists. The European Parliament has a vital role to play in holding EU institutions to account. (Paragraph 164)
217. The proposal for a euro area Sub-Committee of the European Parliament would have significant negative consequences. First, it could undermine the unified structure of the European Parliament. Second, it risks losing the perspective and expertise of parliamentarians from outside the eurozone. Third, it risks exacerbating divisions between eurozone and non-eurozone Member States, with the concomitant danger that those in one group propose policies that are not in the interests of those in the other. This is of particular concern for the UK. (Paragraph 165)
218. While the European Parliament does have a key role to play, the principle of democratic accountability can only be upheld if national parliaments also have an enhanced role. We are therefore extremely concerned at how little emphasis is placed on the role of national parliaments in the EU institutions’ proposals for ‘Genuine Economic and Monetary Union’. (Paragraph 166)
219. While we welcome moves towards greater inter-parliamentary co-operation between the European Parliament and national parliaments, they are not enough. National parliaments must have more effective purchase on the steps towards enhanced economic surveillance, as encapsulated in the European Semester. This is an essential element of the key role of national parliaments in scrutinising the economic and financial policies of their national governments. Means must be found to ensure that EU institutions are accountable not only to the European Parliament but also to national parliaments, in particular when such significant decisions about their future are being taken. Further steps towards greater eurozone integration are likely to follow in the years to come. Unless steps are taken to strengthen national parliaments’ role in oversight of such developments, the democratic foundations of the EU could be undermined. (Paragraph 167)