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**Voting behaviour in the European Parliament  
and economic governance reform:  
does nationality matter?<sup>1</sup>**

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**Abstract.** This paper analyses MEPs' voting behaviour on all regulations and directives forming the Six-Pack and the Two-Pack together with the key vote required to establish the European Stability Mechanism (ESM). Whereas scholarly work has traditionally showed MEPs voting behaviour to be primarily driven by ideology (more specifically, by the MEP's party group affiliation), we expect to find MEPs' national origins to play a counterbalancing role and – at least partially – weaken intra-party position on key economic governance matters, where a conflict of interest might exist between creditor and debtor member countries. Logistic regressions were run to test our hypothesis and results do confirm that national interests and country-level economic variables can be strong predictors of MEPs' votes in a considerable number of cases, opening up new avenues for future research on territorial cleavages in the European Parliament.

Keywords: European Union, crisis management, econometrics, economics.

JEL: P16, C25, F53, H12

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## 1. Introduction

The economic and financial crisis had profound consequences not only for the economies of EU's Member States, some of which are still far from complete recovery, but also for the architecture of the Economic and Monetary Union. A number of measures has been taken at EU level to reinforce the coordination of economic governance in the bloc and enhance regulation of the financial sector, aiming to better cope with similar crisis scenarios in the future. Most of the policy response, following the agenda-setting impulse by the European Council, has been enacted through EU secondary legislation, thereby requiring approval from the European Parliament.

The aim of this paper is to analyse MEPs' voting behaviour on a key number of final legislative votes in the area of economic governance reform. As far as economic governance is concerned, all regulations and directives forming the Six-Pack and the Two-Pack are analysed, together with the key vote required to establish the European Stability Mechanism (ESM).<sup>2</sup> Whereas scholarly work has traditionally showed MEPs voting behaviour to be primarily driven by ideology (more specifically, by the MEP's party group affiliation), we expect to find MEPs' national origins to play a counterbalancing role and – at least partially – weaken intra-party position on key economic governance matters, where a conflict of interest might exist between creditor and debtor member countries. More specifically, our research aims to identify possible distinctive voting patterns alongside EP political affiliation in this particular policy area. In order to do so, we operationalise these "secondary" factors under the form of economic variables signalling a distress in the MEP's country of origin economic conditions.

The European Parliament has become a privileged object of analysis for political scientists over the last decades, with waves of scholarly attention closely mirroring the ever-increasing reinforcement of its powers since it was first directly elected in 1979. A vast literature exists on legislative politics in the European Parliament, aimed at the identification of the most significant dimensions shaping political and legislative behaviour in the assembly of the EU. Research on voting behaviour in the EP has become an established field over the years, with the mainstream literature agreeing that party group affiliation is the main voting determinant for MEPs. In spite of methodological issues partially undermining these analyses, a consensus exists on an

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<sup>2</sup> Financial regulation reform, arguably a similar policy area, is left aside due to the large consensus among MEPs surrounding the regulatory measures taken in this field.

ever-increasing level of intra-party cohesion in the EP and on the weakness of national identities in explaining MEPs' voting patterns. Nevertheless, our research builds on some recent qualitative work pointing in the opposite direction and takes a look at voting behaviour on a specific subset of legislative votes where national identity is expected to create strong cleavages. Whereas our results do confirm traditional conclusions, we also find that national interests and country-level economic variables can be strong predictors of MEPs' votes. Our logit models show variables related to these predictors to be statistically significant in a considerable number of cases, opening up new avenues for future research on territorial cleavages in the European Parliament.

This paper is organized as follows. In section 2 a brief summary of the existing literature on voting behaviour in the European Parliament is presented. In Section 3 recalls the EU-level measures to tackle the crisis by enacting economic governance reform. Section 4 provides information on the database, methodology and hypotheses. Section 5 presents the results of our econometric analysis and section 6 contains some concluding remarks.

## **2. Related Literature**

Research on voting behaviour within the European Parliament builds upon previous work on the US Congress, comprising seminal articles that tried to disentangle the different determinants of voting dynamics among elected representatives of the US population. For example, Levitt (1996) considers several possible factors, namely personal preferences, the constituency's interests, the state electorate preferences and national party lines in his study of US senators, and finds out that personal ideological preferences are the strongest determinant of legislators' voting decision.

Since the birth of this institution, most MEPs have been sitting in party groups reflecting traditional European party ideologies, and the minority of legislators sitting in separate "national delegations" has been shrinking over time, in line with the decrease of independent groups in the EP. Therefore, research has focused on the role of party groups in the European Parliament, and several indexes of agreements have been developed to measure intra-party cohesion (Attinà 1990). Intra-party cohesion, signalling consistency in voting behaviour among MEPs from the same ideological area, has been steadily increasing over time. Scholars showed that party groups, rather than

nationality, played a huge role in coalition formation in the EP from its very establishment (Kreppel and Tsebelis 1999, Kreppel 2000).

A major breakthrough came with the application of the NOMINATE scaling algorithm to roll call vote data from the EP. NOMINATE analyses voting data to place legislators in a multidimensional space, hence identifying the dimensions of conflict in the EP. In view of its supranational character and institutional uniqueness in comparative perspective, the scholarly community indeed had to find out whether traditional domestic dynamics applied to the EP as well. While the classic theories of European integration (intergovernmentalism and neo-functionalism) both see EU politics as centred on the speed of the integration process (more or less integration), these empirical studies confirmed that political competition in this institution revolves around the traditional left-right dimension (Hix 2001). Results clearly indicated that the main dimension of conflict in the European Parliament is the classic left-right divide of democratic politics (accounting for around 85% of the variation), with the anti/pro-EU integration dimension playing only a minor role. National interests have very little systematic influence on politics in the EP, a result somewhat surprising when thinking of some "state interest" - based theories of EU integration (Hix 2001, Hix et al. 2006).

To sum up, research on directly elected parliaments since 1979 has shown transnational party affiliation to be much more important than national affiliation in determining voting decisions, with party cohesion in the EP steadily increasing over time (Hix 2001, Hix et al. 2006, Hix and Bartolini 2006, Hix and Noury 2009). Voting behaviour and coalition formation happen mainly along a single policy dimension in the EP, and this dimension essentially corresponds to the domestic well-known left-right divide (Kreppel 2000, Hix 2001, Hix 2002). However, this scholarly consensus has come under attack on several fronts, with two major substantive and one methodological critique.

Methodologically, this research been criticised because traditionally roll call votes made up only 15-30% of all votes in the EP, and were likely called for a variety of strategic reasons including the wish to enforce discipline and to signal a particular stance; roll call votes might therefore represent a biased sample of the population of votes (Carrubba et al. 2004, Carrubba et al. 2006, Høyland 2010). Some of these critiques have been addressed by demonstrating the absence of any strategic selection bias between requested and mandated roll call votes, but the possible bias between roll call votes and secret votes has not been explained so far (Hix et al. 2013). This problem will truly disappear only in the future, as roll call votes have been compulsory on all

final legislative votes since 2009, and non-binding resolutions in plenary have been subject to the same procedure since March 2014.

A second, substantive critique stems from the observation that MEPs are agents with two principals. In fact, EP legislators are at once members of national parties and affiliated to European party groups; they have multiple sources of affiliation leaving room for a potentially high degree of political conflict. The two different "principals" both require their loyalty: national parties are responsible for the selection of candidates for European elections and EP party groups control the allocation of committee positions, finances, speaking time and other party positions in the European Parliament (Hix et al. 2006). While the positions of one MEP's national party and EP party group normally coincide, there are instances where this is not the case and national delegations cherish minority positions within the respective EP party groups. Hence, country-based divisions become relevant in cases of conflict between the EP party group position and the national party one. In these cases, research has shown MEPs to be primarily loyal to their national party principals, who are in control of EU elections candidatures (Hix 2002, Cicchi 2013). Nevertheless, national parties and national interests must not be confused and one cannot maintain, basing on these results, that national identities are a strong predictor of voting behaviour in the EP.

Another related critique to RCV research has been moved by scholars underlining that pooling all data hides interesting variance across issue areas and across voting procedures (Gische 2007, Rasmussen 2008, Cicchi 2013). One study on EU trade policy, while confirming that MEPs vote prevalently in line with EP party groups, found that on highly sensitive issues some national delegations vote along their national interests and against the dominant position of their EP party groups (Kang 2013). Another study dealt with foreign policy issues and analysed voting patterns in the EP from 1979 to 2004, confirming the traditional result that EP party lines are the best predictor of voting behaviour (Gische 2007). However, when breaking down votes into more specific sub issues (such as justice or human rights), the author found the country of origin to become a better predictor in some cases, a result which is easily concealed by the pooled, large-n analyses which are standard in the literature. Some recent publications have similarly shed new light on voting determinants in the EP by using qualitative, interview-based methods. For example, a study conducted on a sample of Danish MEPs showed national affiliation to play a much stronger role than previously acknowledged in areas such as employment, environment and agricultural policy, where MEPs seem to follow national interests rather than ideological positions (Rasmussen 2008). The

same goes for another recent survey of MEPs' policy preferences, conducted in 2010, which found that the Member State of origin is a more powerful predictor of general MEPs' attitudes than the EP party group affiliation (Farrell et al. 2012). The study found that a striking 40 percent of variance in policy positions was explicable by MEPs' nationalities, as opposed to only 15 percent attributable to EP political group memberships (and the remaining 45 percent accounted for by personal ideological preferences). These results are not entirely consistent with earlier research, highlighting a puzzling gap between voting behaviour and general political attitudes. In addition, they partially undermine the 'EP party cohesion' consensus and suggest that more complex dynamics might be at stake especially on salient issues, a possibility which we investigate further in this paper.

### **3. The EU's response to the crisis: economic governance reform**

The main measures adopted by the EU to reinforce its economic governance structure after the crisis are the creation of the European Stability Mechanism (ESM), the "Six-Pack" and the "Two-Pack". The European Stability Mechanism was established as a permanent firewall for euro zone Member States experiencing financial difficulty, and provides financial assistance programmes for a maximum lending capacity of €500 billion. It superseded the previously existing European Financial Stability Facility (EFSF) and the European Financial Stability Mechanism (EFSM), both temporary arrangements serving the same function. A Member State requiring financial assistance through the ESM is subject to conditionality via a Memorandum of Understanding (MoU) and must have ratified the European Fiscal Compact.

In November 2011, the Council and the European Parliament adopted a legislative package comprising five Regulations and one Directive, the Six-Pack<sup>3</sup>, which reinforced the existing Stability and Growth Pact (SGP) in the domain of fiscal policy. The Six-Pack

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<sup>3</sup> Regulation (EU) No 1173/2011 of the European Parliament and of the Council of 16 November 2011 on the effective enforcement of budgetary surveillance in the euro area, Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area, Regulation (EU) No 1175/2011 of the European Parliament and of the Council of 16 November 2011 amending Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies, Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances, Council Regulation (EU) No 1177/2011 of 8 November 2011 amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure, Directive of the Council on the requirements for budgetary frameworks of the Member States (Council Directive 2011/85/EU).

applies to all EU Member States, but it includes some specific rules for euro zone countries, especially regarding financial sanctions. While the SGP focused on the surveillance of Member States' budgetary deficits, its recent reform complemented the coordination procedure with a similar process for public debt levels, and put greater emphasis on prevention efforts to ensure long-term sustainability of public finances. The new EU secondary law package also created the Macroeconomic Imbalance Procedure, thereby submitting a wider spectrum of macroeconomic policies to EU level surveillance.

Taking a closer look at fiscal policy coordination, the original criteria were kept as each Member State's public debt must not exceed 60% of its Gross Domestic Product (or at least diminish with a sufficient speed towards that objective), while its budget deficit must not exceed 3% of GDP; its budgetary balance shall in addition converge towards the country specific mid-term objectives (MTO). In the context of the preventive arm, the Six-Pack ensures a stricter implementation of the rules by quantitatively defining what a "significant deviation" from the country's MTO (or from the adjustment path) means. As aforementioned, it operationalized the debt criterion by providing for the launch of the Excessive Deficit Procedure not only in case of excessive deficit, but also if the public debt does not diminish towards the 60% level at a satisfactory pace. Financial sanctions in case of non-compliance can progressively be applied only to euro area members, and can reach up to 0.5% of their GDP. Additionally, the Six-Pack introduced the RQMV (Reverse Qualified Majority Voting) rule, whereby when a proposal for sanctions is made by the Commission it is considered adopted unless a qualified majority of Member States votes against it in the Council.

Another major innovation in the economic governance of the EU has been the launch of the European Semester, a cycle of fiscal and economic policy coordination taking place during the first half of the year and embedded in the Europe 2020 strategy. Implemented for the first time in 2011, its aim is to ensure a better harmonization among fiscal and macroeconomic policies of the Member States, in the hope that synchronizing the timetables of these procedures as well as increasing EU surveillance mechanisms shall ensure enhanced convergence and stability in the European economies. Economic policy coordination takes place in the three areas of fiscal policy, structural reforms and macroeconomic imbalances, the latter having been acknowledged as a key factor contributing to the recent economic crisis. The European Semester places little constraint on Member States' individual choices, as EU-level



guidance and country-specific recommendations have no binding nature, thereby still giving little incentive to comply apart from reputational and peer-pressure concerns.

In May 2013, a new package of legislation including two Regulations (the Two-Pack) came into force, establishing stronger surveillance mechanisms for the budgetary policies of euro area Member States<sup>4</sup>. The Two-Pack introduced a common budgetary deadline and common budgetary rules for euro area Member States, completing the existing governance framework as this exercise of coordinated surveillance takes place in autumn. In fact, euro area Member States are required to submit their draft budgetary plans for the following year by the 15th of October, and must adopt them by the 31st of December. In the meanwhile, a major reform introduced by the Two-Pack consists in the European Commission's power to assess their draft budgets in advance (by the 30th of November), and above all to request the concerned state to submit a revised plan if it detects severe non-compliance with SGP obligations, even before the budget is discussed by domestic parliaments.

#### 4. Data, methodology and hypotheses

In order to study the voting behaviour of MEPs on economic governance issues, we use data downloaded from [Votewatch.eu](http://Votewatch.eu), the reference website to study legislators' voting behaviour in the European Parliament. The votes under analysis are listed in Table 1.

Table 1. Economic governance votes

	<i>Date of vote</i>	<i>Procedure</i>	<i>Result</i>
Establishment of the ESM (Amendment of the TFEU)	23 March 2011	Consultation	Approved (Yes: 494, No: 100, Abstentions: 9)
SIX-PACK: effective enforcement of budgetary surveillance in the euro area (Reg 1173/11)	28 Sept. 2011	OLP	Approved (Yes: 352, No: 243, Abstentions: 61)
SIX-PACK: enforcement measures to correct excessive macroeconomic imbalances in the euro area (Reg 1174/11)	28 Sept. 2011	OLP	Approved (Yes: 395, No: 64, Abstentions: 201)

<sup>4</sup> Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability, Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

SIX-PACK: strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (Reg 1175/11)	28 Sept. 2011	OLP	Approved (Yes: 356, No: 265, Abstentions: 35)
SIX-PACK: prevention and correction of macroeconomic imbalances (Reg 1176/11)	28 Sept. 2011	OLP	Approved (Yes: 550, No: 87, Abstentions: 24)
SIX-PACK: speeding up and clarifying the implementation of the excessive deficit procedure (Council Reg 1177/11)	28 Sept. 2011	Consultation	Approved (Yes: 361, No: 270, Abstentions: 35)
SIX-PACK: requirements for budgetary frameworks of the Member States (Dir 2011/85/EU)	28 Sept. 2011	Consultation	Approved (Yes: 442, No: 185, Abstentions: 40)
TWO-PACK: strengthening of economic and budgetary surveillance of Member States in the euro area under financial distress (Reg 472/13)	12 March 2013	OLP	Approved (Yes: 528, No: 81, Abstentions: 71)
TWO-PACK: common provisions for monitoring and assessing draft budgetary plans and excessive deficit procedure in the euro area (Reg 473/13)	12 March 2013	OLP	Approved (Yes: 526, No: 86, Abstentions: 66)

Source: VoteWatch.eu

Each observation in the originally downloaded datasets refer to a single MEP's voting record and records the following variables: name of the MEP, Member State of origin, voting decision, EP party group and a binary variable signalling loyalty or rebellion to the party group. As the outcome we aim to predict is the voting decision, we use a logit model to estimate the MEP's voting behaviour based on several variables, including EP party affiliation and Member State of origin<sup>5</sup>. The dependent variable is the voting decision; we recoded the original variable "Vote" (taking the possible values "Absent", "Abstain", "Against", "Didn't vote", "Documented absence" and "For") into a dichotomous variable (Vote in Favour) taking value 1 when the vote is positive and 0 in all other possible cases.

The key independent variables are "EP in Favour", "PIIGS + Cyprus", "Eurozone" and those related to the economic situation of the Member State of origin. "EP in Favour" is a recoding of "EP Group", which reflects the MEP's political affiliation inside the EP and takes eight possible values, corresponding to the different party groups sitting in

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<sup>5</sup> We could have used a logit model as well, but we preferred probit, which is more frequently used in the related literature, in order to make results comparable with previous findings.

the European Parliament (ALDE, ECR, EFD, EPP, GUE/NGL, Greens, S&D, Non-Inscrits). As “EP Group” is a categorical variable with a nominal scale, we recoded it in order to signal the MEP’s belonging to the party coalition supporting the vote. For each piece of legislation, we studied the distribution of “Vote in Favour” across parties in order to detect the supporting coalition of EP groups (e.g. EEP, ALDE and S&D or EPP, ALDE and Greens/NGL), i.e. the parties where at least 80% of the affiliated Members voted in favour. We then recoded the variable into a dummy taking value 1 when the MEPs is part of this “supporting coalition”, which does not hold a stable pattern over all votes, and value 0 when he/she is not (SEE TABLE 2). The second independent variable is “PIIGS + Cyprus”, a dummy which takes value 1 when the MEP is from Portugal, Ireland, Italy, Greece, Spain or Cyprus and 0 in all other cases; it is therefore aimed at identifying the countries particularly hit by the economic crisis and receiving or having received some form of financial assistance by the EU (with the exception of Italy). The variable “Eurozone” is a self-explanatory dummy accounting for the MEP coming from a euro area Member State.

Table 2. Distribution of votes by European party group

		GUE-NGL (far-left)	Greens/EFA (left/environmentalist)	S&D (centre-left)	ALDE (centre)	EPP (centre-right)	ECR (right)	EFD (right/far-right)	NI (non-attached)
ESM (TFEU amendment)	For	0	43	159	67	217	2	2	4
	Against/Abstentions	33	13	23	18	46	55	25	26
Six Pack: Reg 1173/11	For	0	8	13	72	242	12	3	2
	Against/Abstentions	34	48	172	12	21	45	24	28
Six-Pack: Reg 1174/11	For	0	44	15	74	243	14	3	2
	Against/	34	12	170	10	20	43	24	28

	Abstentions								
Six-Pack: Reg 1175/11	For	0	7	13	74	244	13	3	2
	Against/ Abstentions	34	49	172	10	19	44	24	28
Six Pack: Reg 1176/11	For	0	45	165	73	244	13	5	5
	Against/ Abstentions	34	11	20	11	19	44	22	25
Six Pack: Council Reg 1177/11	For	0	8	12	76	247	13	3	2
	Against/ Abstentions	34	48	173	8	16	44	24	28
Six Pack: Dir 2011/85/E U	For	0	48	35	75	246	33	3	2
	Against/ Abstentions	34	8	150	9	17	24	24	28
Two Pack: Reg 472/13	For	0	44	163	69	235	7	5	5
	Against/ Abstentions	34	15	27	15	34	48	29	24
Two Pack: Reg 473/13	For	0	44	165	68	237	4	3	5
	Against/ Abstentions	34	15	25	16	32	51	31	24

Source: VoteWatch.eu

Alongside party group and nation of origin, we aimed to assess whether economic conditions in the home country also played a part in legislators' voting decision. In order to do so, we included two additional variables in the models, namely "GDP Growth Rate" and "Unemployment Rate". "GDP Growth Rate" measures the change in GDP growth from the previous year to the year when the vote takes place; thus, higher positive values signify an improvement in the country's economic conditions. "Unemployment Rate" similarly measures the change in the unemployment rate from the previous year; higher values are hence a signal for a deterioration of the economic conditions in the country of the MEP.

Table 3: Variables and data

Dependent variable: Vote in favour (1) and against (0) the analysed legislative act		
Independent variables	Contents	Source
EP in Favour: loyalty to political group	Is the MEP affiliated to one of the party groups supporting the directive/regulation? (1/0)	Votewatch.eu
PIIGS + Cyprus	Does the MEP come from either Portugal, Ireland, Italy, Greece, Spain or Cyprus? (1/0)	
Eurozone	Does the MEP come from a euro zone Member State? (1/0)	
GDP Growth Rate	Year-on-year change in the GDP growth rate of the Member State of origin	Eurostat
Unemployment Rate	Year-on-year change in the unemployment growth rate of the Member State of origin	Eurostat

In line with previous research findings, our first hypothesis is that EP party affiliation, operationalised through the variable “EP in Favour”, is the main determinant of MEPs’ voting decisions. If the EP party group cohesion is high and MEPs predominantly vote in line with ideological determinants together with party colleagues, the coefficient of “EP in Favour” should be highly significant and positive. Our next hypothesis aims to add on this baseline scenario, unchallenged in the literature, to bring in national factors in MEPs’ voting decision. In particular, two competing narratives result in two alternative hypotheses: hypothesis 2 is that  $\hat{\beta}_{EZ} > 0$ , i.e. coming from the euro zone significantly enhances MEPs’ likelihood of voting in favour of the proposed measure. This is likely to be the case if euro zone MEPs, whose countries of origin are to be more directly affected by the proposed reforms, wish to improve the resilience of the economic governance architecture of the euro area. In other terms, there might be an enhanced sense of ‘responsibility’ moving these MEPs to support a stronger coordination of economic policies significantly more than non-euro zone MEPs. Legislators from the euro zone might be more prone to blame the deficiencies in the EMU architecture – especially the lack of a common fiscal policy aligned with the common monetary policy – for their crisis and hence more willing to reinforce the common rules of fiscal surveillance. The confirmation of this hypothesis would signal an ever-growing differentiation between the “core” and non-euro area countries, which goes in the direction of a “two-speed”

European Union: this result could be partially expected because some pieces of legislation are applicable only in the euro zone, but it would nonetheless imply that MEPs tend to consider, while voting, the consequences for their own country of origin.

The alternative scenario, underlining hypothesis 3, is that MEPs from “PIGS” countries are *less* likely to support the proposed economic governance reforms; in this case  $\hat{\beta}_{PIGS} < 0$ . This would happen if MEPs from crisis-ridden Member States, already facing tough economic conditions and financial difficulty, become wary of further strengthening fiscal rules and hence reject an economic reform inspired by the ‘fiscal rectitude’ dogma. This scenario is coherent with political economy accounts of the crisis which underline the deepening divide between creditor and debtor Member States: we aim to assess here whether this dynamic plays out in the European Parliament as well and not only in the Council of the EU, where national interests are directly advocated and this division has been routinely reported.

As far as the economic context is concerned, a situation of recession is expected to diminish MEPs’ willingness to vote in favour of the proposed economic governance reforms, mainly because of the possibly higher “adjustment” and implementation costs of the new legislation for crisis-ridden countries. This hypothesis recalls theories of economic voting, which focus on voters’ decision as driven by economic considerations, including an attribution of responsibility to the current government (the “sanctioning” model) or a selection of the most competent candidate (the “selection” model) (Bartkowska and Tiemann 2015, Okolikj and Quinlan 2016). The key difference is that economic conditions here play a role not in citizens’ vote of the next government, but in legislators’ vote of proposed legislation. However, there are some similarities between the selection model of economic voting and our hypothesis on MEPs’ voting behavior. In other terms, forward-looking MEPs faced with worsening economic conditions in their country of origin would be less likely to support reform that goes towards strengthening fiscal policy requirements. If this happens,  $\hat{\beta}_{GDP\ Growth} > 0$  and  $\hat{\beta}_{UNEMPL\ Growth} < 0$ .

## 5. Results

Our analysis of the European Parliament’s final votes on key crisis-related economic governance highlights some general insights. A first interesting finding we obtained by a preliminary observation of VoteWatch data is that the coalition of party groups in favour of the concerned directive/regulation was not the same on all votes

(Table 2). Strengthening economic governance at the EU level did not reach consensus among MEPs: only ALDE and the European People's Party consistently supported the reform of the existing fiscal coordination framework. This is far from surprising, since the proposed reform of the Stability and Growth Pact was criticized by most left-leaning forces: budgetary rules were deemed to be too tight and they have not been complemented by the creation of a common fiscal resource, e.g. via the issuance of Eurobonds, as advocated by some. For this reason, the S&D group did not support any of the regulations and directives in the economic governance packages (Six-Pack and Two-Pack), with one notable exception, namely the creation of the Macroeconomic Imbalances Procedure. This varying pattern of support for the proposed economic governance measures does not reflect only the different degree of consensus regarding the single initiatives, it also mirrors the growing politicization of the European Parliament (Kreppel 2000, Hix and Bartolini 2006).

Logistic regressions were run on the two pooled cluster of economic governance votes to test our hypotheses. First, we find confirmation of the traditional results in the scholarly literature on voting behaviour in the European Parliament, i.e. that the primary factor influencing a legislator's decision to vote in favour or against a proposed measure is his/her EP party affiliation. This is demonstrated by the high and positive coefficient of the variable "EP in Favour", which is highly significant across all estimated models (Table 4). Moreover, Hypothesis 2 is also confirmed: MEPs from the euro zone are significantly more likely to support economic governance reform, even controlling for EP party affiliation. The coefficient, although not particularly high, is significant at the 95% confidence level. On the other hand and contrary to our expectations, coming from a crisis-ridden country (PIIGS and Cyprus) does not seem to affect MEPs' voting behaviour: once EP ideological affiliation is included in the model, the coefficient does not reach statistical significance. Hypothesis 3 is not confirmed: MEPs from crisis-ridden countries are not less likely than MEPs from other Member States to vote in favour of economic governance reform. Since hypothesis 2 and 3 were inconsistent with each other, this result is reassuring.

Turning to the role played by the economic context of MEPs' Member States of origin, our results find support for the effect of both GDP and unemployment rates on their voting decisions on economic governance reform. The coefficients on both "GDP Change" and "Unemployment Change" (included in alternative model specifications due to collinearity) are both significant (respectively at the 95% and 99% confidence level) and in the expected direction. MEPs facing a worsening of the economic conditions in

their countries are *less* likely to vote in favour of the proposed reform, centred on a tightening of common fiscal rules. Thus, they are forward-looking and anticipate future adjustment costs for their home economies. This result is particularly interesting since the role of economic factors in MEPs' vote choices has not been explored in the literature so far, yet our findings suggest this is an interesting path to explore.

Table 4. Results of the logit models for merged economic governance votes

<i>Independent Variables</i>	(1) <i>EPGs</i>	(2) <i>MS</i>	(3) <i>MS</i>	(4) <i>MS</i>	(5) <i>Economy</i>	(6) <i>Economy</i>
Constant	- 2.202** *	- 2.321** *	- 2.219** *	- 2.207** *	- 2.279** *	- 2.214** *
	(0.087)	(0.098)	(0.088)	(0.089)	(0.092)	(0.087)
EP in Favour	4.130** *	4.111** *	4.129** *	4.129** *	4.141** *	4.150** *
	(0.082)	(0.082)	(0.082)	(0.082)	(0.083)	(0.083)
Eurozone		0.211** *				
		(0.080)				
PIGS			0.123 (0.110)			
PIIGS + Cyprus				0.024 (0.089)		
GDP Change					0.039** (0.015)	
Unemployment Change						- 0.137** *
						(0.031)
OLP	0.054 (0.081)	0.050 (0.081)	0.053 (0.081)	0.054 (0.081)	0.074 (0.082)	0.071 (0.082)
N	6632	6632	6632	6632	6632	6632
Adjusted R <sup>2</sup>	0.468	0.468	0.468	0.468	0.469	0.470

Notes: The models are estimated using logistic regression, showing standard errors in parentheses.

The dependent variable is a dummy that indicates the MEP's decision to vote in favour.

Source: VoteWatch.eu and Eurostat. \* p<0.05, \*\* p<0.01, \*\*\* p<0.001.

## 6. Conclusions



This article aimed to assess MEPs' voting behaviour in the arena of crisis-driven economic governance reform at EU level. Our expectation was that a range of factors was relevant alongside political party affiliation in shaping MEPs' voting decisions on these sensitive issues, particularly in a context which has experienced a resurgence of nationalist feelings on some crisis-management choices. More specifically, we expected MEPs' national origins and home countries' economic conditions to create possible cleavages and determine distinctive voting patterns, especially on some delicate matters.

In accordance with traditional literature on voting behaviour in the European Parliament, the econometric analysis showed the most powerful predictor of one MEP's decision to vote in favour to be his/her EP party group. Nevertheless, a second noteworthy finding is the peculiar role played by the economic situation under the form of GDP and unemployment indicators in the MEP's country of origin. A deterioration in the national employment situation or GDP growth rate had a negative effect on the legislators' probability to support enhancing the EU economic governance structure: when the unemployment level increased or the GDP growth rate decreased, MEPs were less likely to cast a positive vote on the proposed reform of economic governance. In addition, whereas MEPs from crisis-ridden countries (PIIGS and Cyprus) did not display a significantly different behavior from other MEPs, legislators from the euro zone were more likely to vote in favour of the proposed measures, and including this variable in the analysis shows that national factors are indeed relevant in determining MEPs' behaviour, even when controlling for EP party affiliation.

In spite of the limited nature of the study, our findings add some interesting insights to the research on voting behaviour inside the European Parliament. Intra-party voting cohesion has been on the rise for several decades and party affiliation is shown to have played a fundamental role in our sample of votes, in line with existing literature. While the generalizability of this study might be limited – we carefully chose a sample of highly salient and consequential votes – there are some lessons to be learnt on the role of national factors in predicting MEPs' behavior. Our findings for the economic context shed some new light on previous research, and suggest a possible enlargement of the analysis to a more comprehensive group of votes, both in the economic and financial realm as in other policy areas. Context might be more crucial than usually believed in this strand of the literature, and we should explore this avenue further.

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