

**DEBATING THE EUROPEAN DEBT CRISIS:
GOVERNMENT LEADERSHIP, PARTY IDEOLOGY AND
SUPRANATIONAL INTEGRATION AS FOCAL POINTS OF
PARLIAMENTARY DEBATES IN AUSTRIA, GERMANY AND THE
UNITED KINGDOM**

by

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American Consortium on European Union Studies (ACES)
EU Center of Excellence Washington, D.C.

ACES Cases, No. 2012.3

Stephen J. Silvia, American University, editor

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Abstract:

Parliamentary debates about the resolution of the EU debt crisis seem to provide a good example for the frequently assumed “politicization” of European governance. Against this background, the paper argues that in order to make sense of this assumption, a clearer differentiation of three thematic focal points of controversies – with regard to the assessment of government leadership, concerning the debate between competing party ideologies within the left/right dimension, and with regard to the assessment of supranational integration – is needed. Applying this threefold distinction, the paper uses a theory of differential Europeanization to explain differences in the thematic structure of debates in the Austrian Nationalrat, the British House of Commons, and the German Bundestag. Empirically, the paper is based on data gained from the computer-based coding of plenary debates about the resolution of the European debt crisis between 2010 and 2011.

1. Introduction

Parliamentary debates about the handling of the European debt crisis provide an unusually clear example of politically salient and polarized public controversies about a relevant aspect of European policy-making. As these debates make headline news and are seen to test both the stability of coalition governments and the limits of the domestic party political consensus in favor of the EU, they appear to fuel the assumption of a “politicization” of European integration (for discussions of this term in the context of the EU, cp. Bartolini/Hix 2006, de Wilde 2011, Hooghe/Marks 2008).

Using these debates as an example for the politicization of European integration appears problematic, however, without a clarification of the thematic focal points of controversies and the way in which these relate to decision-making about the future evolution of European Monetary Union. In this sense, parliamentary controversies involve three main elements that relate in quite different ways to a contestation of supranational integration. Firstly, the principal task of parliaments is to hold domestic executives to account and to scrutinize their actions in the context of EU decision-making. Linked to this task are debates about issues of government leadership, particularly the clarity and success of negotiation strategies of government representatives in EU decision-making and the transparency and accountability of its behavior towards parliament. Most formal rules of parliamentary scrutiny in the context of European affairs relate to this set of tasks (O’ Brennan/Raunio 2007, Benz/Auel 2005). Arguably, this aspect of the debate does not involve a questioning of European integration or EU institutions, but relates to the question how well and how legitimately the country is represented by its government.

Secondly, parliaments are an important arena of debate between political parties with competing ideological views. In this context, several authors in the literature have argued that

the main cleavage of domestic party politics between left and right also emerges in debates about European affairs, prompting debates between proponents of “regulated capitalism versus neoliberalism” (Hooghe et al. 2004, for a detailed elaboration of this argument cp. also Hix 2006, Hix et al. 2007, Hix 2008). The debate about the resolution of the European debt crisis appears as a plausible candidate for the emergence of such debates, as both the conduct of crisis management and the future reform of EMU involves questions of distribution (both between countries and social groups), market regulation (particularly with regard to the financial sector), and the management of the economy. The emergence of such debates, however, should not be confused with the contestation of the existence of European integration or EMU, but appears as a directional debate that relates to the choice of rules and instruments for the future governance of the Eurozone.

Finally, the evolution of the debt crisis may prompt parliamentary controversies about the supranational framework of European Monetary Union, particularly the design of institutions, the appropriateness and effectiveness of decisions taken at the European level and the general evaluation of supranational governance. This aspect of debates arguably represents the most direct form of a politicization of EU governance, as supranational arrangements and decisions are directly called into question and debated as a contested object of political controversy. It can be assumed that this kind of debate does not coincide with the socio-economic dimension of political conflict between left and right, but relates to a different dimension between proponents of Euro-skeptic views and those in favor of increased supranational integration. This assumption is based on the argument found in the literature about the party politics of European integration that the sovereignty/integration dimension is both analytically and empirically unrelated to the left/right dimension (Hix/Lord 1997, Marks/Steenbergen 2004).

What kind of debate emerges in actual deliberations of domestic parliaments about the resolution of the European debt crisis? Setting this question in a comparative perspective, the paper asks to what degree the three thematic aspects of debates discussed above are contested in parliamentary debates in Austria, Germany, and the United Kingdom. Moreover, the paper seeks to show how a theory of differential Europeanization can be used to explain differences in the thematic structure observed in a comparison of these debates. In this sense, it is argued that the degree of involvement of national governments in decision-making of the Eurozone, along with domestic institutional and party political variables, can be seen to influence the way in which the evolution of the European debt crisis is debated.

The paper is organized in three main parts. The following part (2) explains the theoretical framework and shows how a theory of differential Europeanization can be adapted to the analysis of parliamentary debates. The subsequent part (3) deals with the selection of data and the methodical approach of the paper. The empirical findings are then presented in two steps through an empirical survey and the discussion of the three case studies (part 4), before the main results are summarized in the conclusion (part 5).

2. Theoretical framework and hypotheses

This paper builds on a theory of differential Europeanization to develop assumptions about the different responses of domestic parliaments to the evolution of the European debt crisis. The rationalist version of this particular theory – which is also frequently labelled as a “goodness of fit” approach to the analysis of Europeanization – uses three variables to explain the different responses of Member States to policies and institutions of the European Union: Firstly, it is assumed that supranational decisions adopted at the EU level create adaptational pressures on domestic political systems by offering some actors additional political and legal resources while constraining the access to these resources for other actors and thus affecting

their ability to pursue the realization of their goals (Börzel 2005: 52). Importantly, the effect of the European Union as an opportunity structure that affects the action capacity of domestic political actors is expected to vary significantly between Member States, depending on what kind of opportunities and constraints are imposed on political actors at the domestic level. In this sense, European decisions may be in line with domestic arrangements and therefore prompt no shift of resources. In the case of a “mismatch” between EU requirements and national politics, however, it is assumed that opportunities for the empowerment of a specific set of actors in relation to others are created, thus prompting political conflicts in favor of change. Secondly, however, it is assumed that the adaptational pressure created by the EU is not directly translated into change at the domestic level but mediated through the institutional setting of the respective national political system. In this sense, domestic institutions can either provide a facilitating setting for domestic political actors to exploit opportunities created through EU decisions, or establish access points for veto players that prohibit the pursuit of these opportunities. Finally, the specific constellation of actors dealing with the transposition of adaptational pressures from the EU into domestic decisions is assumed to affect the intensity of political conflicts resulting from these pressures and the way in which they are translated into specific decisions. Depending on the interests and political resources of participating actors, the adoption of domestic decisions required through EU rules may either proceed consensually, result in extended domestic battles over change or prompt the emergence of a strong coalition of veto players prohibiting such adaptation. Depending on the country-specific “mismatch” as the independent variable and the specific constellation of actors and institutions as intervening variables, therefore, the response to EU decisions at the level of domestic politics is expected to vary widely, ranging from inertia or retrenchment to adaptation or even transformation (Börzel 2005: 58-61).

In existing research, this approach has mostly been used to explain the persistence and change of policies and institutions of Member States in relation to the European Union. As the following paragraphs will try to show, the combination of three elements – a reflection of the country-specific link between supranational decision-making and domestic politics, and the respective context of actors and institutions in the various Member States – establish a useful framework to reflect on the likely evolution of parliamentary debate about the EU debt crisis.

In order to adapt the theoretical framework to the topic discussed here, the paper starts from the idea that parliaments establish an institutionalized setting for the interaction of two sets of actors: the representatives of the domestic government on the one hand, and speakers of parliamentary parties with both different ideological orientations and political affiliations to the government majority or parliamentary opposition, on the other. Applying the first variable – i.e., the differential empowerment of domestic actors through EU decisions – the question arises how the balance of political resources between the government and parliamentary parties is affected by European decision-making within the debt crisis. For governments, decision-making at the EU level offers both opportunities, particularly the incentive to articulate preferences for the future development of EMU and to pursue them through their exclusive access to the European Council (i.e., their role as “policy shapers”), and constraints, particularly the obligation to explain and legitimize potentially costly and unpopular decisions related to the establishment of EU rescue funds (i.e., their role as “policy takers”). Parliamentary parties, by contrast, face constraints through the restriction of access to and information about EU decision-making in the context of the debt crisis, while opportunities are established mainly through the possibility of criticizing the behavior of government and mobilizing voters through public debate about EU decision-making. Decision-making in the context of the EU debt crisis, in short, is seen to affect the distribution of legal and political resources between government and parliamentary parties.

In this context, the aim of the paper is not make some kind of objective assessment of the shift of resources between government and parliamentary parties affected by EU decision-making. Instead, the main theoretical argument made here is that the emergence of incentives and constraints discussed above is likely to become a subject of parliamentary debates about the resolution of the EU debt crisis. The mismatch between EU decisions and domestic politics, therefore, is not understood as an objective factor but as a shift of power and resources that is both discursively constructed and politically contested in the parliamentary debates. In this sense, the approach adopted here takes seriously the argument that “the degree to which ‘misfit’ results in political pressures for adaptation is itself subject to meaning construction in discursive processes” (Börzel/Risse 2007: 292).

Used in a comparative context, the main theoretical value of this approach is to reflect on the different degree to which EU decision-making is likely to be perceived as affecting the distribution of legal and political resources between government and parliamentary parties in the various Member States. In this context, an important observation is that the role of governments both as “policy shapers” and “policy takers” in the context of the EU debt crisis differs depending on the country’s membership in the Eurozone, the relative political weight of a government in the decision-making of the European Council, and the size of potentially costly obligations accepted by a government for the resolution of the debt crisis. In this sense, national governments can act in a role as active “pace setters” for the development of means of crisis management and forthcoming reform of EMU, passive “foot draggers” of forthcoming payments and risks that they have little chance to influence, or as neutral “fence sitters” who are not greatly involved in what form of crisis management is discussed in the Eurozone (for this typology, cp. Börzel 2002). Against this background, the argument suggested here is that the role of government in the resolution of the EU debt crisis is likely to

affect the evolution of parliamentary debate: A more prominent role of the domestic executive in EU decision-making is likely to prompt a stronger focus of debates on its course of action and the potential constraints faced by parliamentary parties that are not directly involved in negotiations at the EU level. In this sense, particularly the behavior of “policy-shaping” governments is likely to become a focal point of debates, as government representatives present their preferences for the future development of EMU, and parliamentary parties engage in a party political debate of these options and ask for the enactment of rights of parliamentary information and scrutiny. In this context, supranational developments are likely to be discussed by reference to the preferences of the domestic government, as EU decision-making is perceived not to be imposed but to be influenced and shaped by the representatives of the national executive. By contrast, a “fence sitting” government provides fewer incentives for parliamentary party to engage in debates about its course of action, suggesting that a debate will take place that is more detached from the particular actions of the domestic government and focuses more strongly on the views of parliamentary parties on supranational developments. The presence of a “policy-taking” government in parliament is likely to lead to a mixed debate both about domestic and supranational aspects of decision-making, as both the constraints imposed by EU decisions and the ability of the domestic government to defend and legitimize those constraints are likely to move to the forefront of controversies. Summarizing this argument, it is assumed that the involvement of national governments in the governance of the Eurozone shapes parliamentary debate, leading to debates with a more pronounced focus on the domestic executive in the case of a “policy-shaping” involvement, “supranationalized” debates in the case of a detachment of the domestic government from the Eurozone, and mixed debates in the case of mainly reactive “policy-taking” governments.

Considering the two intervening variables of the theoretical model discussed above, it appears probable that both the institutional setting and the specific constellation of parliamentary parties are likely to affect the thematic structure of the debate.

Firstly, concerning the institutional setting, it is assumed that strong veto rights of the parliament in European policy-making increase the focus of debates on the course of action of the domestic government. The main argument for this assumption is that veto rights of parliaments relate primarily to the control and sanctioning of domestic governments, in relation to the provision of information and the adoption of mandates for negotiations in the EU Council. Although votes for the ratification of measures of EU crisis management arguably include a supranational component, they are also perceived mostly as an issue concerning the ability of national governments to maintain leadership and assume the support of its parliamentary majority. Against this background, it appears plausible to expect a polarization of the debate between the government majority and the parliamentary opposition rather than between representatives of the executive and parliamentarians, as the loyalty of the majority parties to the incumbent government trumps the institutional separation of powers between the executive and legislative branches of government (for a more detailed discussion of this argument, cp. Auel/Benz 2005: 374-76).

Secondly, the evolution of parliamentary debates is obviously influenced by the specific political constellation of parliamentary party groups in a given parliament. Taking up the previous point that criticism and debate of EU policies are most likely to evolve between the government majority and the parliamentary opposition, the evolution of this debate appears to depend greatly on the strength of ideological differences between both camps along two dimensions: Firstly, if the antagonism of government and opposition parties coincides with the polarization of parties in the left/right spectrum, the debate between both camps is likely

to involve questions relating to competing party ideologies along this dimension, namely, between proponents of “regulated capitalism versus neo-liberalism” (Hooghe et al. 2004). This effect is arguably strengthened in the presence of “policy-shaping” governments, as controversies emerge with regard to the question what propositions should be made by the incumbent government concerning the future course of European Monetary Union. Secondly, if the government/opposition divide coincides with a polarization of parties along the sovereignty/integration dimension – i.e., between proponents of deeper supranational integration and defenders of national sovereignty – the debate is more likely to involve questions relating to the development of supranational institutions and decision-making. As argued above, this effect is likely to be strengthened in the case of “policy taking” governments, as EU decision-making is mostly seen as a constraint of domestic politics rather than an emerging opportunity structure for the projection of national interests. Depending on the position of parties along these two ideological dimensions, the debate between the government majority and parliamentary opposition is therefore more or less likely to involve elements of both a left/right and pro-/anti-EU controversy.

To summarize, the analysis presented in this paper considers three aspects of parliamentary debates about the EU debt crisis, which will be analyzed in comparative perspective: (1) firstly, controversies concerning government leadership in the conduct of EU policies, particularly the style and success of negotiation in the EU, the transparency of government action towards parliament, and the accountability of government representatives towards parliament. As discussed above, this aspect of debates is expected to be relatively strong in cases with a strong and proactive involvement of the executive in the resolution of the EU debt crisis, and strong parliamentary oversight; (2) secondly, a debate about competing party ideologies along the left/right dimension. This aspect is expected to emerge in a case of a strong involvement of government in the resolution of the debt crisis, in which the

government-opposition antagonism coincides with the position of parties along the left/right dimension; and (3) finally, controversies concerning the desirability of further supranational integration in relation to the principle of national sovereignty. As argued above, this element of the debate is likely to be strengthened through a receptive or detached role of the national government in the resolution of the debt crisis, and an existing polarization of government and opposition parties along the pro-/anti-EU dimension.

Applied in a comparative perspective, this theoretical model suggests that different kinds of debate should emerge in the parliaments of the three countries compared here. Moreover, these three countries appear as ideal types of three different perspectives of parliamentary controversy on the resolution of the European debt crisis (compare also the overview of cases in table 1):

	GERMANY	AUSTRIA	UNITED KINGDOM
Role of Government	Policy Shaper	Policy Taker	Fence Sitter
Involvement of parliament	Strong / Scrutiny Function	Strong / Scrutiny Function	Medium / Debating Function
Party polarization	Left / Right	Sovereignty / Integration	Left / Right + Sovereignty / Integration
Expected focus of debate	Left / Right, Govt Leadership	Govt Leadership, Supranational Integration	Supranational Integration

Table 1: Overview of cases.

In the case of Germany, the government is both considerably affected by the potential costs of EU crisis management through its size and membership in the Eurozone, and considered a central player in the conduct of crisis management and the debate of future reforms of EMU. In this role, it is arguably one of the main “policy shapers” of the EU debt crisis. It is held accountable by a parliament with strong rights of information and oversight, combined with

ratification votes of the Bundestag for the adoption of rescue packages and the forthcoming European Stability Mechanism. The government is composed of a minimum-winning coalition of the center-right (composed of the Christian Democrat CDU and the liberal FDP) facing a parliamentary opposition of the center-left (composed of the Social Democrats, the Green Party, and the Left Party). Apart from the Left Party, the opposition parties however do not greatly diverge from the government parties with regard to their stance towards European integration, according to both qualitative analyses and quantitative data from the comparative party literature. This constellation of factors suggests the emergence of a debate that is relatively strongly focused on the leadership of the domestic government in the EU and includes elements of a debate between competing party ideologies in the left/right dimension. The sovereignty/integration dimension, however, is unlikely to emerge as a contested issue in the debate.

The context of debates about the EU debt crisis in the Austrian Nationalrat differs from this first case in two respects. Firstly, although the government is equally affected by potential risks and payments for the conduct of crisis management, it is considered much less influential with regard to its influence on the substantive content of decision-making in the European Council. Due to its size and corresponding political influence, the country arguably appears more as a “policy taker” of decision-making at the EU level. Secondly, the antagonism between government and opposition does not coincide with the left/right polarization of parties, as the big-tent “Grand Coalition” government (composed of the Social Democrat SPÖ and the Christian Democrat ÖVP) is opposed to parties both on the right (namely, the Freedom Party FPÖ and Alliance Future Austria, BZÖ) and the left (the Greens). Significant ideological differences, however, exist within the integration/sovereignty dimension between the clearly Euro-skeptic populist right parties FPÖ and BZÖ and the relatively EU-friendly government parties. A similarity to the first case is that parliamentary

oversight is equally strong, with the additional right of the Nationalrat to stage a referendum on questions of European integration – and therefore, an issue concerning the leadership of the domestic government in European affairs. These factors suggest that although issues of government leadership are likely to be prominent in the debates, the contestation of supranational integration is expected to be stronger and more prominent than in the German debate. A debate between party ideologies of the left and right, however, is likely to be less prominent in this case.

Finally, the situation in the United Kingdom differs from the two other cases through the non-membership of the country in the Eurozone. As the domestic government is both not directly affected by decisions and has much more restricted means of influencing them, it is likely to argue from the perspective of a relatively detached “fence sitter.” Procedures of parliamentary oversight are also weaker in this case, as the executive does not need to be held accountable with regard to its participation in the EU rescue funds. With regard to the party political constellation, the incumbent coalition of Liberal Democrats and Conservatives differs from the opposing Labour Party both within the left/right and the integration/sovereignty dimension. Considering these factors, the debate is likely to focus much less on issues of government leadership and to relate to a much greater degree to questions of supranational integration. Given the ideological differences between Labour and Conservatives, the debate is likely to also involve some aspects of a left/right debate.

Summing up, the theoretical model suggests comparative differences in the emergence of debates about government leadership (AUS > D > UK), left/right party ideology (D > UK > AUS) and supranational integration (UK > AUS > D). These assumptions will be tested in the empirical part of the paper.

3. Data and method

Empirically, the paper is based on data gained from the computer-based manual coding of transcripts from the plenary debates of the Austrian Nationalrat, the British House of Commons, and the German Bundestag. The coding of these debates is part of a larger project dealing with the evolution of parliamentary debates about European integration (cp. Wendler 2011a,b; 2012). For the present paper, a subset of debates directly dealing with the resolution of the European debt crisis was selected. The data set thus comprises 14 plenary debates (six from the Bundestag, four from the House of Commons and four from the Nationalrat, listed in more detail in annex 1), mostly debates following a statement or a longer declaration (Regierungserklärung) by a senior minister or the head of government. The selection of debates covers a time period from early 2010 to late 2011.

The method applied for the analysis follows the approach of claims-making analysis, defining as its unit of analysis public speech acts expressing a justification or criticism of a political object or proposing a form of political action in a specific field (Koopmans/Statham 2010: 53ff.). Using computer software for qualitative text analysis (Atlas.ti), claims are identified and marked from a review of the debate transcripts and then assigned to a thematic variable from a list (or “codebook”) of previously defined variables. For the present paper, the analysis was restricted to claims relating to four groups of variables, namely the assessment of (1) the European Union in general, (2) the EU policies of the domestic executive in general, (3) European Monetary Union and means of crisis management such as the EFSF and forthcoming European Stability Mechanism, (4) political actions of the domestic executive in the context of EMU and crisis management, and (5) statements referring to the positions or statements of other parliamentary parties or their representatives. For all four thematic areas, different variables were assigned to statements expressing a negative or positive assessment of the political object in question. Different data sets were used for each parliamentary party,

thus creating separate data files for each party. The complete data set comprises just over 4500 claims.

The output function of the computer software used for the coding procedure can be used both for quantitative analyses (using spreadsheets listing the amount of variables per party, thematic area and form of assessment) and qualitative content analysis (using an output function listing all claims coded with the same variable in a single document). These two sets of data are the basis for the empirical analysis of debates, presented in the next chapter.

4. Empirical findings

As announced in the introductory chapter, the empirical findings are presented in two steps: Firstly, a quantitative survey is given of the thematic structure of debates and to what degree they appear polarized between political parties (section 4.1.). Secondly, the three case studies are discussed through a more in-depth qualitative analysis of the key arguments exchanged in the debates (section 4.2.).

4.1. Comparative survey

The empirical analysis starts with a survey of the relative amount of the five types of claims discussed above in the parliamentary debates of the three countries under comparison. The results are shown in the diagram below, visualizing the relative percentage of claims in the five thematic domains discussed above in relation to all claims in the debates of the three countries compared, and the aggregate percentages for all cases combined.

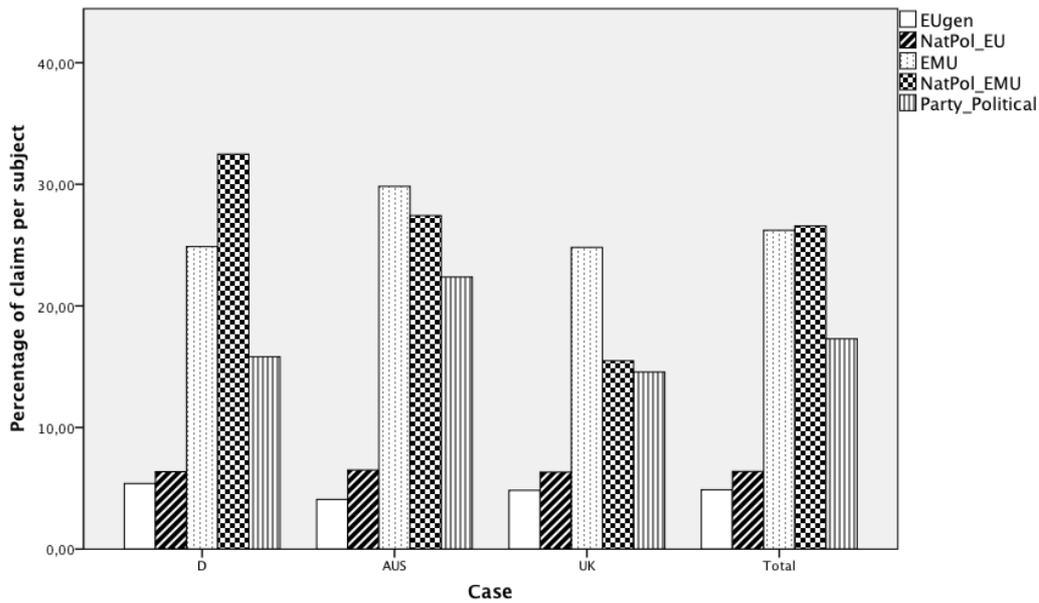


Diagram 1: Thematic structure of debates about the resolution of the Eurozone crisis. The bars show the relative percentage of claims coded as addressing European integration in general (EUgen), national EU policy in general (NatPol_EU), European Monetary Union (EMU), national policy in the context of Monetary Union (NatPol_EMU), and claims relating to other parties in the parliamentary arena (Party_Political).

Three observations can be made. Firstly, the diagram demonstrates that references to European Monetary Union feature very prominently in the debates analysed, as the two thematic categories linked to this topic (namely, claims coded in the categories EMU and NatPol_EMU) each make up between just under 20 and over 30 percent of all claims that were coded. Secondly, the overview lends some support to the assumption that the debate about the European debt crisis is most strongly focused on the role of the domestic government in Germany, somewhat less in Austria, and most clearly focused on supranational institutions and decisions in the UK. As the diagram shows, references to national policy towards EMU are much more frequent than claims about supranational decision-making in Germany, whereas data for the UK shows the inverse relation of claims and a roughly equal amount of claims for both levels in the case of Austria. Interestingly, this difference is not observed in a comparison of the references to the EU in general and national policy towards the EU in general (i.e., the categories abbreviated as EUgen and NatPol_EU), where the relative amount of claims for both levels is relatively similar in a comparison between countries. This suggests that the observation made above may be specific for debates about

European Monetary Union and the different country-specific perspectives on this policy-field that were discussed above. Thirdly, the debates include a significant amount of claims that were coded not as an assessment of European governance or government policy, but as primarily party political statements. This suggests that the debates contain a polarization between competing ideological viewpoints expressed by the political parties, either in the left/right or the sovereignty/integration dimension.

This survey of thematic references only gives a partial impression of the political contestation of European Monetary Union – that is, to what degree different aspects of the debate are controversial and polarized in the debate between political parties. In a second step, therefore, the scatter plot shown below maps the position of parties both towards the supranational framework of EMU and national policies in the context of Monetary Union. Party positions in both dimensions were calculated as the relative amount of positive statements about both subjects coded in the debates.

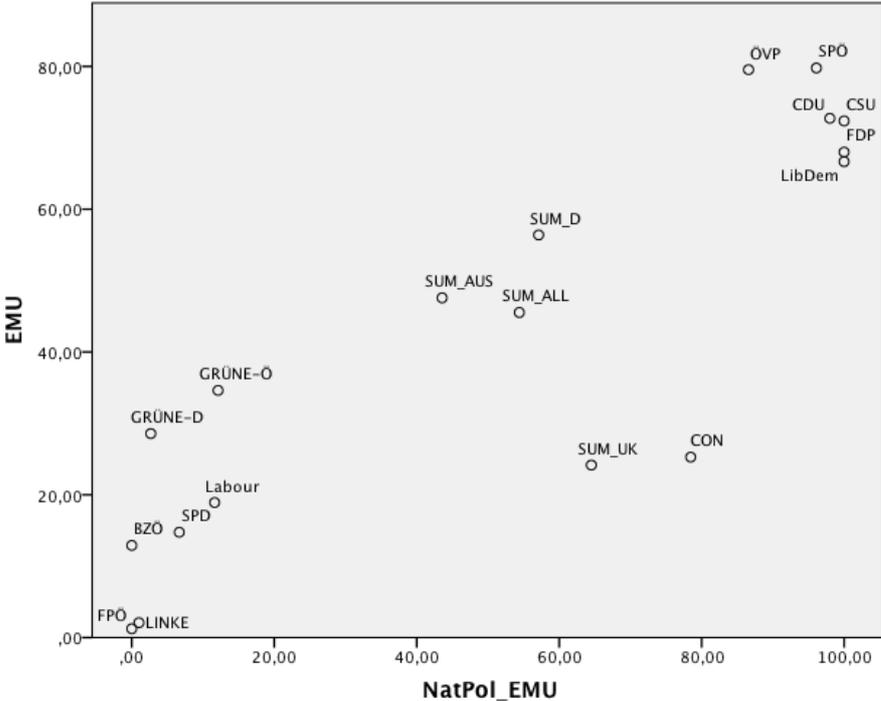


Diagram 2: Party positions within parliamentary debates about the resolution of the European debt crisis. Entries on both axes represent the percentage of positive claims made by the speakers of each party with regard to European Monetary Union (EMU, entries along the y-axis) and with regard to national policies and stances of

the domestic government in the context of European Monetary Union (NatPol_EMU, entries along the x-axis). In addition to individual parties, values have been entered for the percentage of positive claims of all parties in each country (represented by entries SUM_AUS, SUM_D, SUM_UK) and of all parties in the data set (SUM_ALL).

Two main observations stand out. Firstly, the two clouds of entries in the upper-right and the lower-left part of the diagram suggests that both dimensions mapped in the diagram are contested between parliamentary parties. This suggests that both the supranational framework of EMU and national policies within this framework are indeed subjects of political debate in the three countries analysed. In this context, it is noteworthy that both clouds of entries are each exclusively composed of either parties in government (upper right quarter) or opposition parties (lower left), with only the British Conservatives taking an outlier position through the party's distinctly more critical attitude towards EMU. This is an interesting observation, although it does not answer the question whether the debate between both camps concerns the issue of government leadership, ideological differences between left and right, or the appropriate balance between national sovereignty and supranational integration. Secondly, the overview again reveals some (mostly unsurprising) country-specific differences. In this sense, the aggregate values for all parties in each of the three countries show the relatively positive attitude towards EMU in Germany and a clearly more critical one in Britain (where Labour and the Conservatives are almost on the same level with regard to their position), with Austria in an intermediate position. Party positions towards government policies in the context of EMU, however, appear equally polarized between government and opposition parties and are aligned on an almost straight vertical line (with Austria taking an outlier position to the left mainly due to the harshly critical attitude of the right-wing populist FPÖ and BZÖ towards the government's position towards EMU).

Does the polarization of parties with regard to European Monetary Union represent an extreme case of a highly contested debate, or is it reflected also in the broader stances of

parties towards European integration? In order to assess this question, a second scatter plot maps the position of parties towards European integration in general, and the government's EU policy in general terms (assessed through the relative percentage of positive claims made by the speakers of each party).

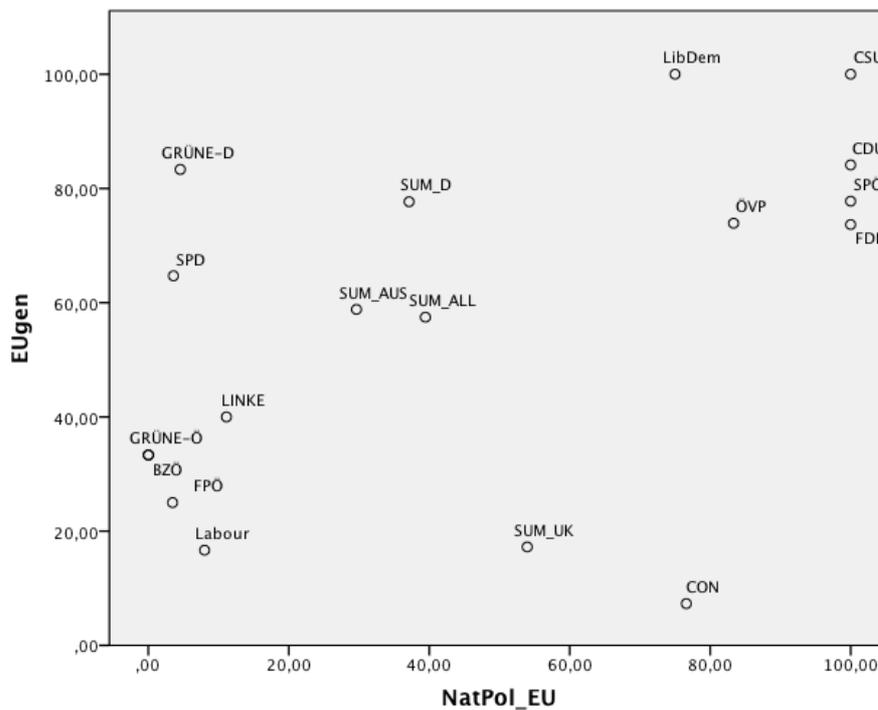


Diagram 3: Party positions within parliamentary debates about the resolution of the European debt crisis. Entries on both axes represent the percentage of positive claims made by the speakers of each party with regard to European integration in general (EUgen, entries along the y-axis) and with regard to national policies and stances of the domestic government in the context of European integration (NatPol_EU, entries along the x-axis). In addition to individual parties, values have been entered for the percentage of positive claims of all parties in each country (represented by entries SUM_AUS, SUM_D, SUM_UK) and of all parties in the data set (SUM_ALL).

Two observations can be made. Firstly, the debate on the general conduct of EU policies by each respective government is clearly polarized between parties in government (as shown by the entries on the right half of the diagram) and parties of the parliamentary opposition (as shown by the entries on the left). However, the positions of parties towards European integration in general do not appear to depend on their status as government or opposition party, revealing strong country-specific differences. In this sense, all German parties except for the Left Party hold relatively pro-EU positions above the 60-percent line, whereas both

major British parties hold considerably more Euro-skeptic views (entries below the 20-percent mark). In Austria, a strong polarization of parties with regard to their general stance towards the EU is visible between the relatively pro-EU parties of the Grand Coalition (i.e., the ÖVP and SPÖ) on the one hand, and the clearly more Euroskeptic FPÖ and BZÖ as well as the Green Party. These observations confirm one of the assumptions discussed in the introductory part – namely, that the debate about the resolution of the European debt crisis takes place against the background of different forms of polarization of parties with regard to their general stance towards European integration.

4.2. Case studies

In order to get a clearer impression of parliamentary controversies about the resolution of the European debt crisis, the analysis proceeds with a qualitative review of the three case studies compared in this paper. These case studies are based on a review of all claims made about the evolution of European Monetary Union and national government policy in the context of EMU. These claims were summarized in separate documents for each parliamentary party and then summarized in two steps. Firstly, key arguments made in the debate were created from a review of the documents and claims assigned to these key arguments. Secondly, main focal points of the debate were identified from a comparison of the key arguments made in the debate. The following section proceeds by presenting the main focal points of debate and the key arguments made by political parties in the parliamentary debate. A detailed overview of thematic focal points and key arguments is listed at the end of the paper (annex 2).

Germany: Contesting Leadership in the European Union

A review of the debates in the Bundestag highlights two main thematic focal points of controversies about the resolution of the European debt crisis. The first one evolves mainly in a supranational frame of reference and concerns the contribution of Germany to the re-

shaping and future development of the European Monetary Union. The key term of this debate is the idea of an emerging “Stability Union” based on the normative principles of budget sustainability, Member State responsibility and justice in the distribution of risks and costs between public and private actors. This concept, which is forcefully proposed by speakers of the governing Christian Democrats, is contested by the opposition parties through the proposition of concepts of short- and mid-term crisis management that are more clearly based on ideas of solidarity and growth. Interestingly, this aspect of the debate is focused mainly on incentives of political action offered by the crisis – namely, the question of how to influence the future direction of EMU. In this sense, the crisis is explicitly interpreted as an opportunity to repair what is discussed as mistakes in the construction of the Euro – the epitome of this view is the proposition of “crisis as opportunity” (*Krise als Chance*). By contrast, the obvious constraints imposed on Germany by its very high contribution to the financing of the rescue mechanisms EFSF and ESM are not a prominent focal point in the debate and discussed mainly as “risks” that need to be taken against the background of the principle of responsible government. The second focal point evolves in a domestic frame of reference and concerns the style and legitimation of government leadership in the context of the evolving debt crisis. At this level, speakers of the government majority seek to establish a connection between their EU initiatives and the domestic policies adopted towards the goals of budget consolidation and the regulation of the financial sector. In contrast to this, particularly the Social Democrats criticize what they perceive as an nontransparent, contradictory, opportunistic and indecisive style of EU policy-making by the Federal government, something that is seen to damage Germany’s reputation in Europe and the resolution of the crisis. Criticism of the perceived lack of involvement of parliament in the preparation of deliberations of the European Council is also an important element of this part of the debate. Again, the crisis appears mainly as a (failed) opportunity of political leadership in European affairs rather than a constraint on political action.

Concerning the party political dimension, the debate about the first thematic focal point discussed above clearly reflects an ideological polarization of parties between left and right. In this sense, speakers of CDU and CSU stress the idea of stability and budget consolidation and reject steps towards a “transfer union” such as Euro-Bonds, a banking license for the EFSF or a direct funding of state deficits through the ECB. Moreover, representatives of both the Christian Democratic Parties and the governing FDP blame the weakening of the Stability Pact on the behavior of the previous Red-Green government, thus detouring a criticism of an EU arrangement through the party political route. Speakers of the Social Democrats criticize the narrow focus of rescue mechanisms on austerity measures and ask for a strategy of growth for Southern European Member States, initiatives against unemployment, the introduction of conditional Euro-Bonds, a stronger regulation of the financial sector and more involvement by private debtors. These points are also taken up by speakers of the Green Party, who combine the criticism of strict austerity measures with a plea for a stronger coordination of economic and fiscal policies in the EU. The Left Party is most explicit in its criticism of the consequences of austerity measures in Greece and the distribution of costs between banks and tax payers in European countries. Here, the government is depicted as dependent on big banks. The second focal point appears mostly as a debate between government and opposition parties with far less ideological features. The main criticism brought forward by the SPD concerns the frequent changes of course of the Merkel government and its perceived lack of initiative to find a credible solution to the crisis. In this context, the government is criticized for shifting much of the responsibility for crisis management to the European Central Bank, thus endangering its independence. Speakers of the Green Party echo these points and criticize the failure to involve the Bundestag sufficiently. Equally, the Left Party attacks the “chaos” created by contradicting announcements by the government and the lack of transparency of forthcoming decisions. These arguments cannot be located at any point in the

left/right spectrum, but are typical points of contention between the ruling majority and parliamentary opposition.

It remains to be added that a debate along the sovereignty-integration dimension is almost absent from the debate. None of the parties represented in the Bundestag seriously questions the existence of the Monetary Union or asks for its breakup or the exclusion of members. Only the Left Party shows some skepticism towards the appropriateness of the European rescue mechanism and is most explicit in its criticism of the “construction failures” of European monetary Union. The debate between parties, however, is not about more or less integration, but about the direction the future course of integration should take, and how this should be pursued by the German government.

Austria: Membership in the Monetary Union under Attack

The debates of the Austrian Nationalrat show some similarities, but also some clear differences to the controversy in Germany. Again, two main thematic focal points can be identified. The first one concerns the distribution of the costs of the debt crisis and the future political regulation of European Monetary Union. As in the German case, this debate can be seen to evolve between the proponents of the principles of stability and budget consolidation on the one hand, and speakers arguing in favor of stricter regulation of the financial sector, a greater degree of involvement of private debtors and more growth-oriented crisis management, on the other. While this first debate evolves mainly between the ideologically moderate Social Democrats (SPÖ), the center-right People’s Party (ÖVP), and the environmentalist Green Party, a second, overall more predominant controversy is triggered by the right-wing populist Freedom Party (FPÖ) and Alliance Future Austria (BZÖ). These two parties challenge the participation of Austria both in the European rescue mechanisms and the Monetary Union by contesting the overall benefit of the country in both sets of arrangements,

prompting especially speakers affiliated to the incumbent “Grand Coalition” to speak in favor of Austria’s membership in the Monetary Union. While this debate is almost exclusively framed in terms of economic costs and benefits, the role of the country and its government is mostly depicted as a “policy-taker” that either benefits from or suffers costs from the evolution of the common currency. In contrast to the German debate, the question of government leadership in the EU is not discussed as a major subject (except for ironic references of the Freedom Party to the allegedly weak chancellor). Through this second focal point, the debate is transformed in great parts to a controversy about the question of staying in or leaving European Monetary Union.

In party political terms, two kinds of polarization emerge between parliamentary parties. The first, relatively weaker one evolves in a left/right dimension and concerns the distribution of costs and regulation of European Monetary Union. At this level of debate, the strong emphasis of speakers from the SPÖ on the government’s efforts to promote a stricter regulation of financial markets and to shield spending on education and social policies from budget cuts differs quite clearly from the argument made in favor of stability, debt reduction and budget consolidation by ÖVP speakers. Unsurprisingly, statements by speakers of the Green Party align themselves more closely with the Social Democrats by asking for strict regulation of financial markets, although the government record in this field is judged more critically. This debate, which shows strong similarities with discussions in Germany, is however complemented and superseded by the controversy about the benefits and costs of membership in European Monetary Union.

United Kingdom: Debating the Future of European Monetary Union

A quite different perspective on the evolution of the EU debt crisis is established within debates of the British House of Commons. The main difference to the two other cases is that

the discussion is firmly based on the almost completely consensual rejection of European Monetary Union as an economically flawed and politically over-centralized construction that Britain does not seek to join. Against this background, two focal points of contestation can be identified within the debates. Firstly, a rather large part of the debate concentrates on the question whether Britain should support the existing measures of crisis management and the continuation of European Monetary Union in its existing form because of its economic interdependence with the Eurozone (notwithstanding its own opt-out from it), or whether the current crisis is seen as an opportunity to ask for a fundamental change or break-up of existing arrangements. This debate therefore focuses mainly on supranational decisions and arrangements and questions the continuation of the current path of development of the Eurozone. Secondly, a somewhat less prominent aspect of the debate relates to the defense of British interests by the incumbent government, particularly with regard to the involvement in the (potential) payment of crisis management and the question whether the country is marginalized through the increasing integration of the Eurozone. This aspect is more clearly focused on the issue of government leadership, although this issue is more strongly linked with the questioning of the country's involvement in supranational integration than in the German debate.

Interestingly, in party political terms particularly the first of these two debates is not neatly polarized between the Labour Party and Conservatives, but can be seen to emerge across and within both parties (with a separate but quite marginal position of the Liberal Democrats). Concerning the party political dimension, the debate therefore evolves less as a debate between two monolithic parliamentary party groups but mostly between speakers of the Front Benches and the parliamentary back bench. In this sense, both speakers of the Conservative and Labour parties point out that a stabilization of EMU is in the British interest due to the country's economic interdependence with the Eurozone countries. Both the establishment of

European rescue funds and a stricter enforcement of stability rules are therefore supported on both sides of parliament. Equally frequent, however, are claims from speakers of both parties that are very critical of crisis management in the Eurozone, characterizing it as an “extend and pretend policy” and an act of “throwing good money after bad.” Against this background, several speakers of the Labour Party openly argue for a break-up of the Eurozone in its current form, in the sense of creating a smaller hard-currency zone without the Southern European Member States; a closer monetary cooperation between Britain and post-Euro Ireland is also discussed. While clearly focused on the question of supranational integration – whether Britain should pragmatically support or help to break up the Eurozone in its current form – this debate does not take up competing ideological convictions of the two main parties within the left/right spectrum. The corresponding debate between proponents of “stability” and “growth” or “solidarity” is much less present in the British debate.

The second focal point of debates – the defense of British interests in the EU – is more clearly polarized between the governing Conservatives and the Labour Party. Here, the main argument proposed by the Conservatives is that the existing financial involvement of Britain in the European rescue funds – through its involvement in the EFSM – is an inheritance from the previous Labour Party now successfully contained by the incumbent government through the quick transition to the ESM. By contrast, speakers of the Labour Party criticize the marginalization of the British government through the increasing integration of Eurozone countries and the lack of an efficient government strategy to advance British interests in the reform of EMU. While this debate has more typical characteristics of a debate about government leadership, it is equally neutral with regard to the left/right dimension of party politics. In this context, government leadership is also discussed primarily with regard to its impact on supranational decisions and developments, and only very partly with regard to the involvement of parliament or domestic issues. Taken together, these observations confirm that

the debate in the British House of Commons is most clearly focused on the issue of supranational integration among the three cases compared here.

5. Conclusion

The comparison of three cases of parliamentary debate about the European debt crisis in this paper elucidates the different perspectives through which the current state and future direction of European Monetary Union is discussed in the three Member States compared. Distinguishing three different focal points of debates – controversies about government leadership, competing party ideologies and supranational integration – both the quantitative survey and the case studies show substantially different thematic structures and forms of party political controversy in the debates analysed. In this sense, it was shown that the supranational environment in which governments act in the context of the Euro crisis appears to shape the direction of parliamentary debate: In this sense, particularly the German but also the Austrian debate appear quite strongly focused on the issue of government leadership, whereas the British debate presents itself mostly as a controversy about supranational integration. Moreover, the structure of the party system and constellation of parties in government and the parliamentary opposition have been shown to play an additional role, as the German debate includes much more substantial elements of a debate between competing party ideologies between left and right than the Austrian case, where the issue of supranational integration is more present through the antagonism between the clearly Euro-skeptic populist right parties and the incumbent Grand Coalition. The British debate represents a special case in the sense that instead of a polarization between party groups, the debate evolves between front and backbenchers of both main parties rather than between parties. This aspect is explained both by internal splits within both parties with regard to European integration and the more open and antagonistic style of parliamentary interaction.

Overall, the theoretical model developed at the beginning of the paper has proven useful to analyze the observed differences between the three cases. Given the relatively high number of variables and the small number of cases, the model is used here mainly as a framework for a theoretically informed interpretation of the three cases instead of a rigorous test of causal explanations. In this sense, more research needs to be done to explore the respective relevance of the three main variables and their interaction. This could be done by increasing the number of cases or providing more cases studies about other aspects of EU governance through which more variation of explanatory variables can be included. A basic observation, however, is that while parliamentary disputes about the future development of European Monetary Union are an indication of a “politicization” of EU governance, the debates establish substantially different focal points of political debate and contestation, meriting closer attention both by researchers and European citizens.

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Annex 1: List of parliamentary debates analysed

Austria (Nationalrat der Republik Österreich, XXIV. Gesetzgebungsperiode)

- Erklärung des Bundeskanzlers und des Vizekanzlers (...) zur Erörterung der Frage der Stabilisierung der gemeinsamen europäischen Währung und den Lehren aus der Griechenland-Krise und Durchführung einer Debatte gemäß 74b der Geschäftsordnung, 66. Sitzung, 19 May 2010 (transcript pp. 24-75)
- Aktuelle Stunde (24.) – Aktuelle Europastunde: „Kein Euro-Haftungsschirm ohne Volksabstimmung, Herr Bundeskanzler“, 93. Sitzung, 20 January 2011 (transcript pp. 56-76)
- Aktuelle Stunde (26.): „Kein Euro-Haftungsschirm ohne Volksabstimmung, Herr Bundeskanzler“, 99. Sitzung, 30 March 2011 (transcript pp. 22-42)
- EU-Erklärung des Bundeskanzlers sowie des Vizekanzlers gemäß §74b der Geschäftsordnung des Nationalrates zu den Ergebnissen des Europäischen Rates am 9. Dezember 2011, 139. Sitzung, 14 December 2011(transcript pages 12-58)

Germany (Deutscher Bundestag, 17. Legislaturperiode)

- Abgabe einer Regierungserklärung durch die Bundeskanzlerin: zum Europäischen Rat am 25./26. März 2010 in Brüssel, 34. Sitzung, 25 March 2010 (transcript pages 3093 D- 3117B)
- Abgabe einer Regierungserklärung durch die Bundeskanzlerin: zu den Maßnahmen zur Stabilisierung des Euro, 42. Sitzung, 19 May 2010 (transcript pages 4125 B – 4155A)
- Abgabe einer Regierungserklärung durch die Bundeskanzlerin: zum Europäischen Rat am 16./17. Dezember 2010 in Brüssel, 80. Sitzung, 15 December 2010 (transcript pages 8817 A – 8836 C)
- Abgabe einer Regierungserklärung durch den Bundesminister der Finanzen: Stabilität der Euro-Zone sichern – Reformkurs in Griechenland vorantreiben, 115. Sitzung, 10 June 2011 (transcript pages 13207B – 13229 D)
- Abgabe einer Regierungserklärung durch die Bundeskanzlerin: zum Europäischen Rat und zum Eurogipfel am 26. Oktober 2011 in Brüssel, 135. Sitzung, 26 October 2011 (transcript pages 15949 B-15974A)
- Abgabe einer Regierungserklärung durch die Bundeskanzlerin zu den Ergebnissen des Europäischen Rates am 8./9. Dezember 2011 in Brüssel, 148. Sitzung, 14 December 2011 (transcript pages 17682 B – 17705 C)

United Kingdom (House of Commons, 55th Parliament)

- Debate on European Affairs, 3 June 2010, Volume 510, Part No. 9, Column 600 – 687
- Debate on European Union (Amendment) Act 2008, 16 March 2011, Volume 525, Part No. 133, Column 421 – 444
- Debate on the Eurozone Crisis, 27 October 2011, Volume 534, Part No. 215, Column 469 – 490
- Debate on Eurozone Financial Assistance, 24 May 2011, Column 805 - 843

Annex 2: Focal points and key arguments

Germany

Focal Point 1: Future direction of European Monetary Union

Key Arguments (with amount of claims):

- CDU/CSU: plea for Stability Union (72), balance between responsibility and solidarity (32), strength of the Euro (36), deficits in construction of EMU (25)
- FDP: Maintenance of the Stability Pact (8), link solidarity-responsibility (5)
- SPD: Lack of growth strategy (19), lack of effective crisis management (22)
- GRÜNE: Need for economic governance (9) and greater involvement of private sector (5), support for crisis management (5)
- LINKE: social imbalance of measures (23), consequences of austerity measures in Greece (13)

Focal Point 2: Government leadership during the EU debt crisis

Key Arguments (with amount of claims):

- CDU/CSU: responsible management of risks (20), case for austerity measures in Germany (27), case against „transfer union“ (20)
- FDP: stance against „transfer union“ (11), adherence of govt to stability rules (24)
- SPD: lack of credibility and consistency of govt policy (65), lack of engagement by govt for regulation of financial sector (17)
- GRÜNE: lacking involvement of parliament (5), lack of engagement by govt for regulation of financial sector and involvement of private debtors (24)
- LINKE: critique of govt policy towards financial and private sector (14), critique of domestic economic policy and austerity measures (17)

Austria

Focal Point 1: Costs and benefits of Austrian membership in EMU

Key arguments (with amount of claims):

- SPÖ: Economic and social benefits of Euro membership for Austria (31), protection against speculative attacks (10), necessity of rescue measures (18)
- ÖVP: Economic and social benefits of Euro membership for Austria (31), protection against speculative attacks (13), support for stability concept (18)
- FPÖ: Loss of taxpayer money through rescue funds (19), EMU as weak and economically flawed construction (34)
- BZÖ: circularity and failure of rescue measures (14), rejection of EMU (4)
- GRÜNE: necessity of rescue measures (14)

Focal Point 2: Distribution of costs of EMU crisis management between social groups

Key arguments (with amount of claims):

- SPÖ: Govt initiatives for regulation of financial sector and involvement of private debtors (21), socially balanced conduct of austerity policies (18)
- ÖVP: Stability as socially just policy (27), govt initiatives for regulation of financial sector (6)
- FPÖ: bias of rescue measures in favor of banks and finance sector / no use for ordinary citizens (18), burden for taxpayers (9)
- BZÖ: burden on taxpayers through rescue measures and austerity (12)
- GRÜNE: lacking regulation of financial sector (17) and initiatives for growth (5)

United Kingdom

Focal Point 1: Support for stabilisation or break up EMU in its current form

Key arguments:

- Conservative: British interest in stabilisation of Eurozone (35), rejection of rescue measures (42), fundamental rejection of EMU (54)
- Labour: British interest in stabilisation of Eurozone (21), fundamental rejection of EMU (30), rejection of rescue measures (32), plea for breakup of EMU (15)
- Liberal Democrat: necessity of Euro stabilisation and rescue measures (5)

Focal Point 2: Defense of British interests in the EU

Key arguments:

- Conservative: British detachment from rescue funds (28), British involvement in EFSM as inherited from Labour (12), critique of British support for/failure to act against establishment of EFSF and ESM (22)
- Labour: marginalisation of British government in the EU (18), lack of govt initiative for establishment of ESM (and hence, dissolution of EFSM, 5)
- Liberal Democrat: Necessity of Euro stabilisation measures (6)