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Edited by Edoardo Bressanelli and David Natali

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Editorial

## Tested by the Polycrisis: Reforming or Transforming the EU?

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### Abstract

This thematic issue addresses the question: To what extent have the latest crises—the pandemic crisis and Russia’s war in Ukraine—triggered institutional and policy change in the EU? It contributes to the literature on the impact of crises on integration and the EU political system, presenting new research based on fresh theoretical insights, empirical data, or a combination of both. Theoretically, the contributions collected in the thematic issue explore whether the crises represent a critical juncture for the EU, leading to institutional and/or policy innovations or, rather, set in motion more incremental processes of adaptation. Empirically, all articles—some of which are qualitative, while others are quantitative—are based on original or new data. The first group of contributions deals with institutional change, focusing both on formal (i.e., treaty reform) and informal (i.e., codes of conduct) institutions. A second group moves the focus to policy change, looking at the impact of the Covid-19 pandemic on several policy areas and the energy crisis. Overall, the key lesson is that the EU can now manage and absorb new shocks quite effectively. At the same time, however, it does not promote ambitious and coherent political models or policy paradigms. Instead, it provides room for experimentation through patchwork-like strategies where old and new instruments and settings mix.

### Keywords

Covid-19; crises; energy policy; EU institutions; EU integration; institutional change; policy change; Ukraine

### Issue

This editorial is part of the issue “Governing the EU Polycrisis: Institutional Change after the Pandemic and the War in Ukraine” edited by Edoardo Bressanelli (Sant’Anna School of Advanced Studies) and David Natali (Sant’Anna School of Advanced Studies).

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### 1. Introduction: Governing the EU During the Polycrisis

In this thematic issue, our key research question is: To what extent have the latest crises—the pandemic crisis and Russia’s war in Ukraine—triggered institutional and policy change in the EU? In doing so, we join a consistent stream of the literature on the EU, which has assessed the impact of its various crises since the early 2010s (e.g., Ferrera et al., in press; Jones et al., 2021; Riddervold et al., 2021; Zeitlin et al., 2019).

As Jean-Claude Juncker, the former president of the European Commission stated: “I have often used the Greek word ‘polycrisis’ to describe the current situation. Our various challenges...have not only arrived at the same time. They also feed each other” (Juncker, 2016, p. 1). Others have preferred to label it as the “perma-

crisis” of the EU (Zuleeg et al., 2021). Indeed, as the contributions here collected provide an assessment of the latest crises, a new crisis in the EU neighbourhood (the war between Israel and Hamas) is already, and tragically, underway.

This thematic issue aims to make a specific but significant contribution to the literature, by presenting new research based on fresh theoretical insights, empirical data, or a combination of both.

Theoretically, the articles here collected are not guided by a single, overarching conceptual framework or analytical approach. They largely draw from various institutionalist strands, such as rational choice and historical institutionalism, exploring whether the crises and, specifically, the latest crises of the EU, represented a “critical juncture” for EU integration, triggering institutional and

policy innovation and fundamentally changing how the Union works. They also allow us to better understand whether the EU has reacted to the crises by abandoning its normal procedures and accountability standards, as lamented by the European Ombudsman (O’Reilly, 2023).

Empirically, all contributions bring, at a minimum, fresh and up-to-date data to the debate, allowing researchers and practitioners to refine their understanding of the impact of the EU crises. Some articles rely on interviews with policy-makers and a wealth of primary sources; others analyse original datasets and present statistical analyses. Whatever the selected methods, the analytical focus is placed on continuity/change vis-à-vis the status quo ante.

## 2. A Long Sequence of Crises: The Role of Shocks for the EU

Before delving into any empirical assessment, the thematic issue presents a contribution reflecting on the concept of crisis. Hupkens et al. (2023) build on the distinct

literature on crisis and crisis management and, making them “travel” to the EU, argue that “gradations” of crisis can be mapped along three analytical dimensions: severity, symmetry, and speed. They help distinguish different types of crises—mild, severe, and existential ones—with very different implications for the EU governance system. This article alerts us that, while the concept of polycrisis is very appealing, it carries the danger of simplifying a way more complex reality. By carefully dissecting the nature and the type of crisis, better expectations and more balanced assessments can be made.

Firstly, the concept of polycrisis refers to two different phenomena. Many crises develop in parallel and at the same time. The European integration process is currently facing many crises: the Ukrainian crisis, the Middle East crisis, but also climate change, the energy crisis, etc. This may lead to the overall increase in the problem load which the EU has to deal with, a high level of problem pressure and the need to design a complex set of solutions. Yet, the many crises are also set in a long-term process (see Figure 1). The timing and sequence of the

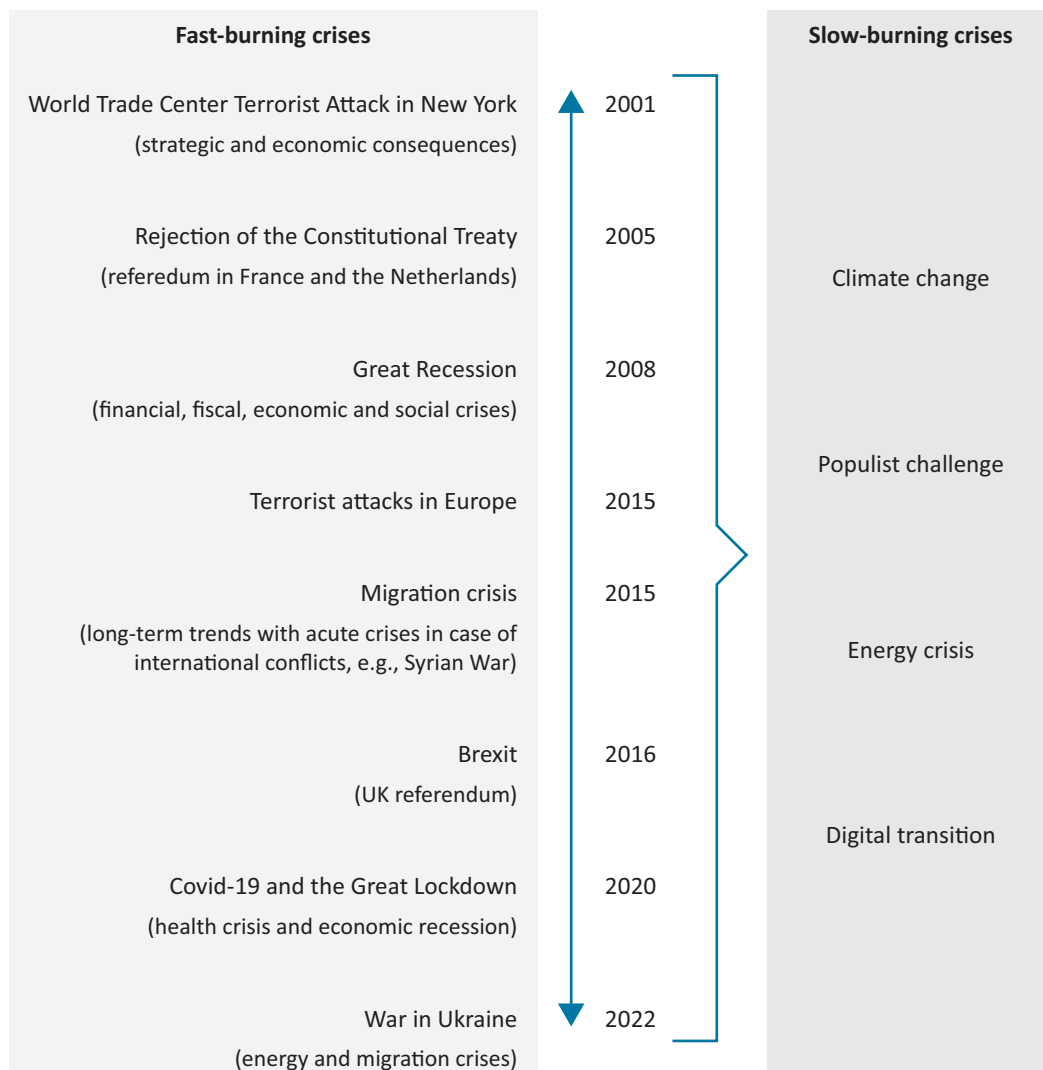


Figure 1. Crises in the EU in the last 20 years. Source: Authors’ elaboration based on European Union (2023).



crises hold significant importance. The rapid alternation of different shocks may activate learning processes and change dynamics that depend not only on the magnitude of each event but also on the sequence of the many events and their cumulative effect.

In the last 20 years or so, there have been countless critical occasions: the Great Recession of 2008, which then turned into the so-called sovereign debt crisis or Euro crisis in 2010–2011; the refugee crisis that exploded in 2015; the referendum held in 2016 in the United Kingdom for the so-called Brexit; the Great Lockdown, i.e., the interruption of economic activity following the health crisis linked to the Covid-19 pandemic; up to the recent Ukrainian crisis with its impact on strategic aspects and energy policy. In addition to these crises, defined in terms of instantaneous crises (“fast-burning crises”), there are also the “slow-burning crises” that affect Europe and often have a global dimension: security crises, climate and energy crises, and the progressive growth of populist political forces that, in some countries, has led to an explicit challenge to the cornerstones of the rule of law.

The extraordinary time we are living in is marked precisely by the magnitude of each single crisis—some of the articles in this thematic issue outline the extraordinary salience and severity of the crisis at stake—and the frequency of the same crises in a short period. This seems consistent with a new normal for the EU and its policymaking: EU institutions adapt themselves to permanent tensions that change in terms of the crises’ origin and nature but are persistent over time.

A second aspect stressed by many articles is the ambivalent reference to crises in the analysis of the EU. Some refer to crises as the triggers of institutional and policy change, a true independent explanatory variable. For others, they are more of a window of opportunity that alters incentives for change. However, actors and institutions have to “use” the crisis to make change happen. Political conditions, inter-governmental politics, processes of path-dependency, and the complex articulation of EU institutions all matter in the way the window opened by the crisis is then exploited. In other words, most contributions to the thematic issue are in line with an actor-centred and ideational approach to crisis. The way the EU reacts to crises largely depends on the position of different individual and collective actors and the way they frame both problems and solutions.

### 3. Institutions: Change Under the Surface

In a recent survey of the definitions of the concept of “institution,” Jupille and Caporaso (2022, p. 2) gathered no less than 80 different meanings. For our purposes here, however, North’s (1991, p. 97) definition as “humanly devised constraints that structure political, economic and social interaction” is particularly helpful. Institutions can be informal constraints (like sanctions or codes of conduct) or formalised rules (such as laws or

property rights). The articles here collected place their analytical focus on both types of institutions, over longer and shorter periods and across different policy fields.

Analysing legislation on EU renewable energy policy following Russia’s invasion of Ukraine, Buzogány et al. (2023) show that the EU has increased its level of ambition in the face of strong preference heterogeneity among the member states. According to these authors, this outcome has been made possible by novel forms of “differentiated integration.” Granted that a one-size-fits-all solution was not an option, rather than allowing some member states to formally opt out, an agreement has been made possible by allowing a strong degree of flexibility at the implementation stage. The Commission has thus managed to overcome conflict and build consensus on legislation.

Also focusing on the energy crisis, Smeets and Beach (2023) delve deep inside the institutional machinery of the European Council. Their contribution casts new light on the functioning of an institution whose working arrangements are still little known. They dissect the internal workings of the EUCO system, where the “control room” run by the heads of state and government needs a “machine room,” where the Commission and the Council of Ministers operate. Substantively, the article shows that the malfunctioning of the EUCO system in the first nine months of the crisis was only apparent. Keeping the issue of price caps on the policy agenda allowed the EU system to deliver as soon as a window of opportunity opened.

Siddi and Prandin (2023) move the focus to the European Commission. They assess the impact of the war in Ukraine on the “geopolitical” Commission, mapping institutional changes in terms of self-conceptions and policy practices. By comparing official documents, they show that geopolitical actorness has shifted from broad multilateral cooperation to more narrowly defined strategic partnerships with Western countries between December 2019 and March 2023. After the war, the Commission has come to embrace a more confrontational approach to energy policy which, although not without tensions with other objectives (such as the Green Deal), has resulted in more strategic autonomy.

The articles by Bressanelli et al. (2023) and Müller (2023) analyse, instead, the European Parliament (EP). Bressanelli et al. (2023) ask whether the Recovery and Resilience Dialogues—a new instrument to hold the Commission accountable for the implementation of the Recovery and Resilience Facility (RRF)—is fit for the purpose. In principle, the Dialogues are an important institutional innovation—modelled on the dialogues established with the euro crisis—as they allow the EP to scrutinise how funds are allocated and spent. In practice, however, parliamentarians’ questions mainly focus on gathering information rather than asking the Commission to justify or change its actions. More broadly, the article shows that the scrutiny of the supranational executive by the EP faces important limitations.

Finally, Müller (2023) takes a diachronic perspective asking if the crises trigger specific demands for institutional reform by the EP. In May 2022, the EP launched a procedure for changing the EU Treaties, framing it (also) as a response to the crises. Yet, comparing it with past reform proposals, the article shows that their content is characterised by a high degree of continuity—despite the stronger prominence of those specific policy fields hit by the crises—featuring the long-standing call by the EP for deepening integration.

#### 4. Policies: Toward New Paradigms?

The contributions that focused more on the policy dimension (that is the main problems originating from the pandemic and the Ukrainian crises and the strategies set up by the EU to address them) provide further evidence of the changes that the EU and the member states have gone through over the last years.

Ceron (2023), as well as Guidi et al. (2023), focus on the RRF, the major innovation in the EU economic coordination after Covid-19. The two contributions outline the innovative aspects of the RRF in the broad NextGenerationEU. Unprecedented grants and loans have been mobilised to help the member states recover from the pandemic while addressing the longer-term challenges to the European economic systems. While Guidi et al. (2023) provide evidence of the large differences in the national recovery and resilience plans, Ceron (2023) suggests that the RRF has contributed to a more balanced EU economic coordination. While the European Semester has been more effective in promoting austerity rather than new policy investments, the RRF has contributed to renewing the member states' priorities. The green transition has been put at the core of the Recovery Plan of the EU with the apparent capacity of the Commission to support it across the national plans.

Further contributions have addressed the question of policy change and/or stability in single policy fields. This is the case of Wendler (2023), who analyses the case of the European Green Deal and the introduction of the RePowerEU programme in the aftermath of the Ukrainian crisis. He uses the punctuated equilibrium theory to test the ability of the EU to control policy challenges and safeguard the overall stability of its agenda and reform programme. That way he proves policy stability outweighs aspects of change, while the complex EU architecture in the field creates new challenges for the coherence of the green transition strategy.

Natali et al. (2023) share the same conclusion in the healthcare field. This policy field has been massively impacted by Covid-19 with the apparent resurgence of the need for public investments in the national and EU policymakers' agenda. Yet, as shown by the analysis of EU and national strategies, economic recovery has taken centre stage over any structural improvement of national healthcare systems. As a consequence, typical governance feedback, in line with neo-institutional the-

ory, has contributed to maintaining both the distribution of competencies across governance levels and the major role of the Economic and Financial Affairs Council and the Directorate-General for Economic and Financial Affairs in setting economic and social priorities with little room for institutional improvement and easing access to healthcare.

Sønsteveid et al. (2023) provide room for optimism. In the aftermath of the pandemic, the EU approach to prevent a labour market crisis has proved effective. In these authors' reading, the Covid-19 crisis opened a window of opportunity that the Commission used to promote job retention schemes across the member states. The latter was promoted through the new SURE programme and the complex development of an intense learning process triggered by the EU.

Contributions sharing the policy analysis approach prove that the EU is not immovable. Yet policy changes are not radical or abrupt. They are more incremental with the capacity of the EU to address new challenges through step-by-step processes.

#### 5. Conclusions: Testing EU Integration (Neither Down nor Out)

The key lesson that the two latest crises of the EU have taught us is that the EU is capable of managing and absorbing new shocks quite effectively. This is partly because it is now able to more quickly rely on pre-set institutional arrangements and policy frameworks which had been tested in previous crises and are revised for new ones. But it is also because not all crises are equal: only the most severe ones are "existential" and could lead to "disintegration." The second lesson learnt is that the EU has been reformed rather than transformed. The evidence here collected shows that institutional adaptation has happened below the level of the Treaties and policy change has seldom shaken the dominant paradigm, albeit not without tensions. Yet, the latest crises have already unleashed further dynamics—e.g., fiscal integration and enlargement—which will, sooner or later, require a systematic reform of the EU's institutional architecture.

The EU is thus characterised by two apparently opposite characteristics. On the one hand, European institutions prove their flexibility to approach different crises (one after the other and/or simultaneously). And to some extent, the same EU institutional architecture seems to learn through an increasingly rapid policy-making process. On the other, the EU does not promote ambitious and coherent policy and political models (or paradigms). Instead, it provides room for experimentation through patchwork-like strategies where old and new instruments and settings are mixed.

While contributions to this thematic issue do not represent a systematic assessment exercise, several provide evidence of the capacity of the EU to provide some answers to the crises through an incremental process of



change. On the one hand, this proves that the EU is not a set of immutable institutions or policies; on the other, there is still an open question on the EU's capacity to progress enough to prevent its long-term decline in the global context.

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### Conflict of Interests

The authors declare no conflict of interest.

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Article

# One Crisis Is not Like Another: Exploring Different Shades of Crisis in the EU

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## Abstract

Against the background of more than a decade of crises in the EU and an increasing inflationary use of the term, this article contributes to the crisis literature in two ways. First, by presenting the state of the art in broader academic research on crises and crisis management, it explores how the more recent EU literature can benefit from this earlier work. At the same time, it also pays attention to the EU specificities and the implications in terms of research, especially with regard to studying actors and perceived threats. Here the unpacking of the well-established crisis definition of Boin et al. (2013), which builds on the work of Rosenthal et al. (1989), serves as a helpful starting point. Second, the contribution argues that one crisis is not like another and that crises can take different gradations. By distinguishing between mild, severe, and existential crises, it makes a first attempt to propose the key analytical dimensions that impact the gradation of a crisis. Building on the findings in EU crisis research, it distils the dimensions of severity, symmetry, and speed as defining characteristics. Depending on the crisis, the gradation of each of these dimensions ranges along a spectrum. In other words, there are different shades of crises. By being more explicit about the gradation, scholars can identify what type of crisis is at stake (i.e., whether the crisis under study is mild, severe, or existential in nature). This in turn has implications for questions such as by whom, how, and when a crisis needs to be addressed. As a final step, the article also identifies a series of avenues for further research.

## Keywords

EU; crisis management; gradations of crisis; multi-level governance

## Issue

This article is part of the issue “Governing the EU Polycrisis: Institutional Change after the Pandemic and the War in Ukraine” edited by Edoardo Bressanelli (Sant’Anna School of Advanced Studies) and David Natali (Sant’Anna School of Advanced Studies).

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## 1. Introduction

It has become commonplace to state that the EU has become caught up in a polycrisis (Zeitlin et al., 2019). The Covid-19 pandemic and the war in Ukraine are but the latest among a long range of crises that have confronted the EU over the past 15 years. As a result, the terms crisis and crisis management have become household terms in the EU academic literature. While in the 1990s and early 2000s, the term crisis management was primarily associated with the emerging Common Security and Defence Policy, today it refers to how the

EU and its member states are dealing with or “governing” this almost permanent state of crisis.

Rather than probing into a particular crisis, this article aims to make a more general contribution to the EU crisis literature. It tries to do so in two different ways. Starting from the observation that the EU crisis literature has developed in relative isolation (Boin & Rhinard, 2023), it explores how these contributions could benefit from the broader and far-reaching debate on crises and crisis management, which especially in the US has led to interesting contributions. In addition to giving a brief state of the art, it also reflects on how its core questions

can speak to the studies conducted in an EU context. While taking the position that EU scholars can undeniably learn from this broader and more long-standing research strand, a simple “cut and paste” approach will not suffice. The EU polity is much newer than the traditional Westphalian state and, as a system of multi-level governance, it faces particular challenges that may require specific approaches and raise additional questions. To get better insight into these specificities, the article takes as a starting point the definition of a crisis by Boin et al. (2013). They characterise a crisis as “a situation where political-administrative elites perceive a threat to the core values of a society and/or life-sustaining systems in that society, that must be addressed urgently under conditions of deep uncertainty” (Boin et al., 2013, p. 6) This definition, in turn, builds on the work of Hermann (1969, 1972, p. 13) and Rosenthal et al. (1989), who posit that threat, time, and surprise are key traits of crises. We then successively apply the core elements of this definition to an EU context.

A second observation that has inspired this contribution is that one crisis is not like another. Crises appear in different gradations. This applies to crises in the EU, as well as to those occurring in a local, regional, national, or international context. Building on the literature on the fundamental characteristics of crises, the article, therefore, introduces three key analytical dimensions of crisis (severity, speed, and symmetry) which can all differ in gradation. These analytical dimensions help distinguish what is considered a crisis (and what is not), therefore allowing researchers to be more precise and explicit about the type of crisis they are examining and apply more conceptual nuances when comparing crises. This endeavour takes place against the backdrop of a lively scholarly debate that has focused on comparing and explaining (divergent) outcomes of recent EU crises, showing that the EU can (temporarily) disintegrate as well as integrate into an ever-closer Union (e.g., Brack & Gürkan, 2021; Dinan et al., 2017; Riddervold et al., 2021; Schimmelfennig, 2018; Schramm, 2023).

In addition, the article works to counter the increasing tendency of an inflationary use of the term crisis (Kelder, 2022; Kraak, 2022). This tendency is not without risk, as it may divert scarce resources from real crises and lead to missed opportunities in terms of building more resilient structures and drawing lessons. The conclusion reflects on further avenues for EU crisis research.

## 2. State of the Art

Crisis has been such a persistent feature in recent years that Collins Dictionary coined “permacrisis” as 2022’s word of the year, defining it as “an extended period of instability and insecurity” (Shariatmadari, 2022). In both academia and the media, the term crisis also seems to be used almost constantly, especially since the global financial crisis of 2008.

When probing into the vast debate on crisis it becomes apparent that it can be grouped into four main clusters, each dealing with specific questions of what, who, when, and how (the four Ws):

1. What constitutes a crisis? What are its main features/characteristics and how can it be defined?
2. Who is empowered to act/who needs to act in times of crisis?
3. When does one need to act; i.e., at what speed does one need to intervene?
4. How does one “solve” a crisis and what type of input and instruments are needed for such a solution?

We will now focus on each of these clusters in turn. The first and most prominent feature of the debate is what actually constitutes a crisis. The academic debate on crisis originated in North America and gave an important place to the definition of crisis (e.g., Brecher, 1979; Hermann, 1969, 1972). Most authors agree on the main facets that make up a crisis: A crisis causes “serious disruption, upheaval, and collective stress” that can have a disordering effect on daily life. These issues have to be addressed urgently and are characterized by “deep uncertainty” (Rosenthal et al., 2001, p. 7). Crises differ according to the object of the basic threat they pose. On the one hand, a crisis can pose a threat to immaterial/ideational issues and “core values” such as the rule of law. Crises can also affect material aspects of a system, such as the destruction of critical (urban) infrastructures that are “essential for the normal functioning of day-to-day life in a country” (Krill & Clifford, 2022, p. 3)—e.g., by earthquakes, floods, forest fires, and hurricanes (Rosenthal & Kouzmin, 1997). These “known unknowns” occur with some regularity (Turner, 1994). Along with the “known unknowns,” material aspects of a system can also be deliberately targeted, for example by terrorist attacks.

Beyond questions of definition, another important scholarly debate relates to how we can disentangle a crisis from a non-crisis situation and to what extent a crisis can objectively be determined and understood (Voss & Lorenz, 2016). Those taking a so-called objectivist perspective consider that one can identify a crisis based on objective criteria and arguments. In other words, the threat exists independently of how it is perceived (Voss & Lorenz, 2016). Constructivists on the contrary see crises primarily as a socially constructed process. They argue that whether a crisis is considered a crisis is only in the eye of its beholders (Gigliotti, 2020; Hermann, 1972); if certain individuals (and the media) define a situation as a crisis, it is then a “crisis in its consequences” (Crelinsten, 1994). This implies that “political actors do not just respond to a crisis, but crucially identify and define it through framing a crisis narrative and discourse” (Laffan, 2014, p. 267). Framing through language is a crucial part of crisis management because

“those who are able to define what the crisis is also hold the key to defining the appropriate strategies for resolution” (‘t Hart, 1993, as cited in Laffan, 2014, p. 267). At the same time, beyond framing, leaders may seek to “mask” the negative repercussions of a crisis, by keeping (crucial) elements off the public agenda (‘t Hart, 1993, as cited in Laffan, 2014, p. 267). This article takes the position that the dichotomy between objectivist and constructivist perspectives is not as clear-cut as it is presented in these two strands of literature. Both facts and evidence, as well as perceptions, play an important role in the process of acknowledging a crisis and often mutually interact. The article therefore adopts what Voss and Lorenz (2016) have called an integrative concept of crisis, which takes the position that both objective and constructivist criteria are at play when leaders and stakeholders are trying to make sense of a crisis and both mutually interact.

The second strand of the debate focuses on the actors that need to act and are empowered to act: Who makes the difference in times of crisis? Here objectivist and constructivist perspectives also present different answers. Seeing the crisis as an objective reality, objectivists tend to emphasise the role of experts who through their scientific knowledge are best placed to formulate possible solutions. Social constructivists pay more attention to the different perceptions of the stakeholders whose views are not based on evidence-based facts but are heavily influenced by factors such as their socio-economic and cultural background (Voss & Lorenz, 2016)

According to Kingdon (1984), attention to (crisis) issues develops in different streams that are not tightly coupled: the public stream (what the public worries about), the policy stream (what policymakers think is important), and the political stream (what politicians want to decide on). Actions or non-actions in one stream may prompt a reaction in another. In crises, the different streams need to overlap for crisis measures to be carried out by a larger public. Without labelling a crisis as such, far-reaching crisis measures that comprehensively tackle the root causes of the particular crisis at stake may thus not be considered necessary or politically feasible. Political elites, media, and the public thus need to agree that there is a crisis. Citizens then in turn count on and expect something from the political elite. Governments have the responsibility to protect their citizens. Crisis management then is centralized in the hands of a small empowered elite that has to prioritize their agenda and work for the common good (Crozier, 1964).

Politicians can, however, “exploit” a crisis, as they resort to measures that would otherwise be seen as unthinkable (Boin et al., 2008). We see an empowerment of the executive that can rely on far-reaching powers during crises. Parliaments and other accountability fora are often sidelined. A very salient example is the Covid-19 pandemic, where in many democratic countries parliaments met irregularly or were even closed.

Crisis can then—under certain conditions—become a playing field to boost political careers, and crisis agencies can seize this moment as their right to exist. Decision-makers are thus not only concerned with crisis management as such but aim to influence the public perception that they have handled the crisis “well” (Rosenthal & ‘t Hart, 1991).

It has already become apparent that speed, urgency, and time pressure are key factors in crisis management. It is crucial when decisions are taken (or not). Time pressure might be so intense that instinctive responses supersede rational choices in decision-making (Rosenthal & Kouzmin, 1997). In this context, the element of perception again plays a crucial role: Decision-makers need to share the sense of urgency that immediate action is needed. This in turn facilitates the coordination of large-scale operations. The factor of urgency poses an additional challenge for crisis decision-making. As previously mentioned, democratic institutions and systems have been designed with the rationale to consult, to deliberate, and to hold others to account, rather than to make quick decisions (Rosenthal & Kouzmin, 1997, p. 293).

Crisis managers face two additional risks when it comes to the timing of crisis management: On the one hand, they might end crisis operations too early, which may result in a vacuum in decision-making when in fact massive efforts are still needed. The alternative risk is that of overextending the crisis if decision-makers become so focused on the crisis that they lose sight of the bigger picture, a phenomenon that is referred to as “bunker syndrome” (Boin et al., 2016).

Last, but by no means least, the fourth element in the debate focuses on how to approach/“solve” a crisis and considers what information these decisions are based on. Leaders who are seen as excellent crisis managers are those who adopt a pragmatic approach. Uncertainty is seen as a key feature of a crisis. It is something that needs to be tackled and managed rather than something that can be brought fully under control. To come to terms with the crisis, actors then need to make decisions based on scarce information and only partial insight into the situation. They need to “figure out what to do while figuring out what they can do” (Ansell & Boin, 2019, p. 1100).

If policymakers are new to crisis management and all that it entails, they might have to make swift and risky decisions (Herek et al., 1987). Trust is an important ingredient here that boosts the relationship between decision-makers, employees, and the public.

It has become clear that there is a broad range of literature on crisis (management), dealing with a variety of questions related to actorness, the impact of crises on accountability, legitimacy, and governance processes. These questions are also questions that are relevant in an EU context and have been studied mainly through case studies, such as on the migration crisis (e.g., Collett & Le Coz, 2018), the euro crisis (e.g., Pisani-Ferry, 2011), Brexit (e.g., Martill & Staiger, 2018), and the Covid-19

crisis (e.g., Maior & Camisã, 2022; Sønstevoid et al., 2023). In addition, several over-arching studies have explored how the idea of “permacrisis” has impacted the overall process of European integration, EU institutions, and decision-making (Brack & Gürkan, 2021; Dinan et al., 2017; Riddervold et al., 2021; van Middelaar, 2019; Webber, 2018).

### 3. Conceptualising the Term Crisis in the EU

While the generic character of the term crisis allows this article to build on the existing crisis literature, “exporting” the term to an EU context nevertheless requires some further reflection on what a crisis means in the particular setting of the EU polity, which is not a state and operates in a multi-national and multi-level context (Hooghe & Marks, 2001). The starting point for this section is the aforementioned baseline definition of crisis introduced by Boin et al. (2013).

We have opted for this definition, as it contains all the core elements of (a) actors (political-administrative elites), (b) perceived threat to material and ideational matters, (c) uncertainty, and (d) urgency identified in the earlier-described crisis literature. While the degree of uncertainty and urgency depends on the crisis itself, the actors and the perceived material and ideational threat invite further reflection on the EU-specific context.

Firstly, in terms of political-administrative elites, it is important to note that in an EU context, these elites are operating at different levels of governance. In the EU’s system of multi-level governance, there is a close interaction and mutual dependency between the domestic and EU arena (Hooghe & Marks, 2009; Stephenson, 2013). In fact, the EU has been labelled as a “new type of political order” (European University Institute, 2017, p. 1), with features of both an interstate and a supra-state (Fabbrini, 2005, 2010, p. 3). Although beyond the scope of this article, various studies (e.g., Caporaso et al., 1997; Laffan, 2010, as cited in Phelan, 2012; Wallace et al., 2010) have analysed the specific, often labelled *sui generis*, nature of the EU polity. This includes the (constraining) impact of public opinion on EU decision-makers (e.g., Hooghe & Marks, 2009; Ioannou et al., 2016; Tosun et al., 2014) and the practices of “blame-shifting” among different levels of governance (Heinkelmann-Wild & Zangl, 2019; Ladi & Wolff, 2021).

Although the delegation of sovereignty differs according to the policy field, today there are hardly any areas where the EU has “no say.” Most policy decisions are taken according to the Ordinary Legislative Procedure, whereby the Council and the European Parliament act as co-legislators and the European Council defines the strategic direction. The European Commission has the exclusive right of initiative. In addition, for reasons of democratic legitimacy, stakeholder involvement (especially by interest groups) is high and institutionalised (Greenwood, 2017). Executive responsibilities are shared between the Commission, the Council,

and its member states (Hix & Høyland, 2022). In other words, power is much more dispersed than in national governmental systems.

However, when a threat must be addressed urgently under conditions of deep uncertainty, this is generally seen as “*Chefsache*,” with the heads of state of the EU member states taking the lead (Culley et al., 2022; Puetter, 2012; Schramm & Wessels, 2022; van Middelaar, 2019). When it comes to issues such as the survival of the euro or addressing the pandemic, these heads of state have the sole legitimacy to (dis)agree on far-reaching crisis response measures (Culley et al., 2022; Puetter, 2012; Schramm & Wessels, 2022; van Middelaar, 2019). At the same time, all recent crises have shown that the European Commission remains crucial, as it is the body that has the expertise and the operational capacity to develop the required policy measures (Kassim, 2022; Ladi & Wolff, 2021; Smeets & Beach, 2021). While we see a similarity with national political systems, where in crisis moments the government/the executive is strengthened, there are clearly also differences. As there is no single government and the EU and its member states have both independent and shared competencies, there is no “apex of authority” (Eriksen, 2005, p. 3). Decisions will thus be taken at different levels and within different loci of EU governance, depending on the crisis at stake. Furthermore, the EU is still very much a polity in the making, with regular turf battles about “who and which level should do what.” This means that at times of crises, the Brussels-based institutional players may especially try to use this window of opportunity to strengthen their position.

In light of the focus of this thematic issue on crisis governance, we observe that during crises both the level of governance and the mechanisms to address the situation change. For example, under (severe) time pressure, the Ordinary Legislative Procedure is often deemed too slow and too open due to involving too many actors. It is in turn often replaced by intergovernmental decision-making, which is supported by a small circle of direct information channels and ad-hoc intergovernmental configurations (e.g., the Eurogroup Working Group or the Committee of Permanent Representatives) that are flanked by mini-summits outside of the normal chain of command to find out member states true “red lines” (Culley et al., 2022). In addition, instruments such as the Integrated Political Crisis Response mechanism bring together key actors swiftly to exchange information on operational matters.

Secondly, in their definition of crisis, Boin et al. (2013) distinguish between threats to both ideational (“core values of a society”) as well as material factors (“life-sustaining systems”). As is the case for nation-states, also the EU draws its legitimacy from a combination of functional outputs as well as common values. When it comes to life-sustaining systems, both scholars and practitioners alike underline that the “core of the core” or “Europe’s crown jewel” (European Commission, 2023) is



the European single market (Pelkmans, 2019). Both the Covid-19 pandemic and the Russian invasion of Ukraine illustrate well how crises can lead to new obstacles to free movement and how they can create shortages in crisis-relevant goods (European Commission, 2022).

Other core policies include the European Monetary Union and Schengen (Schramm & Krotz, 2023). A breakup of the euro, which was seen as a real possibility during the euro crisis, would not only lead to a serious drop in economic growth but also trigger increased unemployment, bank failures, and huge macroeconomic disruptions well beyond the eurozone (Dullien, 2012). The Schengen area of borderless travel has come under pressure both during the migration crisis and the Covid-19 pandemic. Free mobility of persons is not only a highly appreciated benefit of European integration (Schramm & Krotz, 2023) but also an important condition for a well-functioning European single market (Dullien, 2012).

While EU “core values” have played a role throughout the process of European integration, they have gained in importance in the context of eastern enlargement and increasing geopolitical pressures against the background of a changing world order (Foret & Calligaro, 2018). These core values, as enshrined in the Treaty on European Union (2016, Art. 2) include human dignity, freedom, democracy, equality, the rule of law, and human rights. Any country joining the EU needs to subscribe to these values, and they are also at the core of the EU’s foreign policy identity. Priding itself as a normative power, the EU likes to project its norms also on its neighbours and other parts of the world (Manners, 2002).

Compared to the traditional nation-state, the EU is still very much in the process of forging a political identity. Against the background of a little-developed European public sphere, the debate about its political and social values is far from consolidated. The less developed normative foundations of the EU may also have implications for the management of a crisis. Measures invoked in the case of major threats may be seen as less legitimate, as there may be a lack of consensus on the hierarchical order of conflicting values and their translation into policy measures (Lucarelli & Manners, 2006). Additionally, because the EU core values are still in flux (as opposed to traditional nation-states), some policymakers may exploit the crisis to either discard or strengthen certain values.

To summarise, although the crisis definition of Boin et al. (2013) is very helpful and a good starting point for the study of EU crises, it is at the same time important for researchers to pay attention to the particularities of the EU context. Firstly, to understand who is empowered to act, it is important to take into account the multi-level nature of the EU polity with its two-chamber legislature and dual executive as well as the role of its different institutions and plethora of different stakeholders (Coen & Richardson, 2009). An exploration of the complex interaction between the sub-national, national, and

European levels is indispensable to grasp how the crisis impacts power distributions and the regular modes of governance. Secondly, one cannot understand the EU’s intervention in times of crisis without having an insight into its core values and material interests. The fact that the EU’s political identity is still very much in the making requires particular attention to be paid to how the crisis impacts this process.

#### 4. A Gradation of Crises: The Three S’s

The (rapid) increase in the use of the word crisis in the academic and public debate, in particular since the advent of the “decade of EU crises” (Dinan et al., 2017) in the late 2000s, has brought about inflation of its meaning (Kelder, 2022; Kraak, 2022), both in the EU and beyond. Not applying clear nuance when using the term crisis carries the risk that if everything is called a crisis, nothing is a crisis anymore (Langan-Riekhof et al., 2017). In that light, this article proposes to examine the concept of crisis as a continuum of different gradations ranging from mild to severe and to existential. By making the heterogeneity between crises more explicit and suggesting conceptual distinctions between different gradations, we aim to further fine-tune the answers to the aforementioned questions of who, when, and how to address a crisis.

By applying the general crisis management literature to the EU and combining it with the literature focused on the EU’s role in multiple crises since 2008, we have distilled what we see as the three most important defining dimensions of a crisis in the EU: severity, symmetry, and speed. We do this by creating a link to the four W’s mentioned above (who, what, when, and how) and as such relate these to the crisis literature outside the EU context. At the same time, we also take into account the specifics of the EU multi-level system. For instance, the feature of symmetry amongst member states is EU specific, as who/which member states are affected could have implications for whether a crisis is labelled as an EU crisis and for which level/in which fora decisions are made (e.g., Schimmelfennig, 2015).

We thus propose three analytical dimensions, that take into account the severity (what type of crisis is it), the symmetry (who is affected, who needs to act, and how can these actors solve the crisis), as well as the speed of the crisis (when do decisions need to be taken). One can see these three dimensions, or the so-called three S’s, as constituting “different shades of crises.”

The element of severity refers to the intensity of the crisis (the height of the “fire”) and is related to the degree to which values and life-sustaining systems are affected. As a crisis by definition implies a genuine disruption of the latter, it goes beyond turbulence (Ansell & Trondal, 2017). Symmetry is about the extent to which a few or many states are affected (the spread of the “fire”), as well as about the range of policy areas that are affected. Thirdly, speed is about the pace of the crisis (or the tempo at which the “fire” is spreading). This third

dimension is related to the degree of urgency in the definition of a crisis and impacts on the scope to postpone crucial decisions.

Whereas, previous works focusing on the EU have presented the dimension of symmetry (inter alia; Ferrara & Kriesi, 2021; Lefkofridi & Schmitter, 2015; Riddervold et al., 2021; Schimmelfennig, 2015, 2018; Schramm & Wessels, 2022), limited work has been done on the dimensions of speed (with the exceptions of Kamkhaji & Radaelli, 2016; Seabrooke & Tsingou, 2018) and severity (with the exceptions of Dinan et al., 2017; Otjes & Katsanidou, 2016). This article tries to bring these dimensions together but first elucidates each feature separately.

#### 4.1. Severity

Severity refers to the extent of the negative impact of the crisis on life-sustaining functions and the values of the EU system. This encompasses threats to core EU policies and values and the functioning and survival of the EU polity as such (i.e., systemic threat; Jones et al., 2021). This also corresponds to the definition of crisis in the founding document of the Integrated Political Crisis Response mechanism as “a situation of such a wide-ranging impact or political significance that it requires timely policy coordination and response at Union political level” (Council Implementing Decision of 11 December 2018, 2018, p. 1).

#### 4.2. Symmetry

Symmetry, also referred to as symmetrical interdependence, first relates to similar exposure to crisis pressures among EU member states (Ferrara & Kriesi, 2021; Schramm, 2023). It refers to the extent to which multiple EU member states in a joint territorial polity are (significantly) affected by a crisis and benefit from cooperation. Symmetry in a crisis situation is important because a policy issue becomes a common problem (Puetter, 2012). It triggers cohesion in preferences (Schütte, 2022), thereby limiting the “sovereignty reflex” of member states (Wessels, 2015) and the joint decision-making trap (Falkner, 2011). Especially when combined with important EU supranational competencies, earlier research has shown that there will be more scope for addressing a crisis through a joint approach that has an important role for the EU-level institutions (Ferrara & Kriesi, 2021; Jones et al., 2021; Schimmelfennig, 2015, 2018). Second, symmetry also refers to the policy scope of the crisis. Generally, a crisis starts in one particular area but often (though not always) spills over to other policy areas (Riddervold et al., 2021). The Covid-19 pandemic started off as a health crisis but rapidly escalated into a crisis presenting an existential threat to the EU is a good illustration. As such, the pandemic triggered, inter alia, an economic crisis that once again exposed the (financial) interdependence of the EU. Strong policy coordination

across member states and central measures were crucial in order to prevent another sovereign debt crisis (Caetano et al., 2021).

#### 4.3. Speed

Speed refers to the “acuteness” of the threat (Schütte, 2022), based on a temporal scale of crises (Science Advice for Policy by European Academies, 2022; Seabrooke & Tsingou, 2022). One can distinguish between abrupt rapid onset crises that require immediate action by those in charge, often also labelled as fast-burning crises, and crises in which action can be postponed because they lack pressing critical elements and resemble more day-to-day problems (Science Advice for Policy by European Academies, 2022; Seabrooke & Tsingou, 2022), such as “slow-burning” and “creeping crises” (Boin et al., 2021). Slower crises simmer in the background and only manifest at certain times, at which point they can be tackled via a traditional crisis response. Yet even within fast-burning crises, different levels of tempo exist. The higher the speed of the onset of a crisis, the less time there is for deliberation and establishing the facts. Very acute crises therefore are more likely to result in extraordinary behavior (Schütte, 2022). Generally, financial crises, pandemics, and military actions are urgent crises that demand an immediate response (Jones et al., 2021, p. 8).

Adopting an integrative concept of crisis (see Section 2), we consider that while perception plays an important role in the shape of the crisis, objective criteria are also helpful in identifying the place of the crisis across the spectrum. While empirical research is necessary to further operationalise the analytical dimensions, possible indicators that measure perception are opinion polls, speeches by leaders, media, and stakeholder analysis. Objective indicators that come to mind are the number of crisis casualties and the impact on GDP and economic growth (severity), the number of member states and policy areas affected by the crisis (symmetry), and particular deadlines that need to be met or the time span in which immediate measures need to be taken (speed).

The continuum from a rather mild (code yellow) to a severe (code orange) and to an existential (code red) crisis is, however, not static. At some point, a crisis can switch into a severe crisis or even an existential crisis, or vice versa, i.e., moving back and forth on the “crisis scale.” This is not always clear-cut and can depend on perception. For example, one could count the withdrawal of a member state from the EU (as seen in the case of Brexit) as a threat to the life-sustaining systems of the EU (see also Schimmelfennig, 2022). Others (Bujard & Wessels, 2023; Phoenix, 2016), however, argue that such withdrawal does not pose an existential threat, as the process for voluntary withdrawal from and accession to the EU is formally included in the EU treaties (i.e., Treaty on European Union, 2016, Art. 50). This is therefore recognized as part and parcel of the process of EU integration.

In addition, the scale can vary for each of the three dimensions (see also Hermann, 1972). While a crisis might be existential according to one of the three dimensions (for example, speed), it might be mild or severe according to the other dimensions (for example, symmetry). Further research is necessary to understand how the “different shades” of the three dimensions interact with and affect each other. In addition, the analytical dimensions are an invitation to explore how the shades of crises impact the aforementioned core questions of agency (who), timing of the response (when), and type of input and governance of the crisis (how to solve and what level/which fora).

Table 1 summarises the main characteristics of the different types of crises. All three analytical dimensions of severity, symmetry, and speed are factors driving the political elite in nation-states to act. In the EU’s multi-level political system, however, it is the element of symmetry that is often indispensable to triggering a coordinated EU crisis response due to the interdependence of the EU.

## 5. Conclusion and Outlook

After more than a decade of “permacrisis” in the EU, we aimed to contribute to the crisis literature in two ways. First, we tried to build a bridge between the broader academic debate on crises and crisis management and link these to the debate and the specificities of the EU institutional context. Second, by building on the findings of EU crisis research so far, we have distinguished between mild, severe, and existential crises and proposed three analytical dimensions of crises, which are not only relevant to EU scholars but also to the broader crisis management literature.

As concerns the first issue, it has been clear that the four predominant questions in the overall crisis management literature of “what, who, when, and how” are also relevant for those studying the EU. An increased cross-fertilisation between the EU and the overall crisis literature is therefore worthwhile. The unpacking of the well-established crisis definition of Boin et al. (2013) reveals that the key building blocks are also the defining features of crises in the EU. At the same time, we have also seen that the multi-level and transnational character of the EU may bring particular challenges, especially in terms of actors and perceived threats.

As a second step, we have, against the background of an increasing inflationary use of the term “crisis,” proposed to look at the concept of crisis as a continuum of different gradations ranging from mild to severe to existential. In addition, we have made a first attempt to propose three analytical dimensions of crises. As such, we have disentangled crises to reveal their main analytical dimensions: severity, symmetry, and speed. It is clear from the case studies of various EU crises that there is quite a lot of variation concerning the severity of the threats, the speed with which they arise, and, hence, their urgency. We have seen that in an EU context, the dimension of symmetry does not only relate to the scope of affected policy areas but is also related to the range of member states that are affected. A crisis hitting a large number of member states or all member states becomes a crisis of the EU and not only within the EU. Initially, the Covid-19 crisis was primarily Italian but this rapidly changed once the virus spread all over the EU.

These three analytical dimensions of severity, speed, and symmetry are important, as they may have an impact on the three questions that are at the centre of the debate on crisis management—namely, the actors

**Table 1.** Different shades of crises in the EU: Main features.

Defining dimensions of a crisis	A mild EU crisis (code yellow)	A severe EU crisis (code orange)	An existential EU crisis (code red)
Severity of crisis	Light to medium impact on life-sustaining functions and/or core values	Medium to severe impact on life-sustaining functions and/or core values, possibly resulting in the disruption of core EU policies	Very severe impact on life-sustaining functions and/or core values (possibly) resulting in the collapse of EU core policies or even the EU as such
Symmetry of crisis	One or some member states are affected. Contagion of other policy areas is limited	Several member states are affected; National policy options are available but only effective in combination with EU coordination (increased involvement of EU institutions)  The crisis is affecting several policy areas	All member states are affected, need for intense EU coordination and involvement of EU institutions  The crisis is affecting a whole range of important policy areas
Speed of crisis	Medium pace of the crisis spreading	Medium-high pace of the crisis spreading	High pace of the crisis spreading

that have the legitimacy to act (who), the timing of the action (when), and how to address it. It is also noteworthy that for a crisis to be an existential crisis for the EU, the severity of the crisis must have a special connotation in the EU context. On the one hand, a crisis can have a very severe impact on life-sustaining functions within the EU (just like crises outside the EU arena). On the other hand, core values are key for the EU to function. A threat to these values could (possibly) result in the collapse of EU core policies or even the EU as such. Our observations thus lead us to three main avenues for future research within the realm of EU studies:

1. Further theoretical work is needed to conceptualise the term crisis within the EU.
2. Further empirical studies could be conducted on how the three key analytical dimensions of crisis—severity, symmetry, and speed—can be further operationalised, and how they relate to each other. One could also examine to what extent they reinforce each other. It would also be interesting to explore how the different types of crises (mild, severe, and existential) may affect the questions of who, when, and how.
3. We also need further research on the impact of the different types of crises on the mechanisms of EU governance, the legitimacy of decision-making, and whether the EU has applied crisis learning after each crisis (and, if they have, how they have done so).

While no crisis is exactly like another, disentangling some of the main dimensions of the term crisis not only enhances conceptual clarity but might prevent the inflationary use of the term.

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The authors declare no conflict of interests.

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Article

# EU Renewable Energy Governance and the Ukraine War: Moving Ahead Through Strategic Flexibility?

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## Abstract

When faced with highly heterogeneous national conditions and preferences, the EU has often resorted to differentiation to ensure political support for advancing common policies. Despite growing scholarly interest in differentiation in the EU, conceptual clarity and empirical evidence of different forms of differentiation are still in a nascent stage. Particularly the use of differentiation in times of crisis needs to be better understood. To address this research gap, we investigate differentiation in the EU renewable energy policy in response to the crisis stirred by Russia's full-scale invasion of Ukraine. We find that the EU successfully used the Ukraine crisis to increase the ambition of renewable energy policy, but this was accompanied by various and often novel forms of differentiation. Rather than formally exempting countries from common EU provisions (differentiated integration), EU decision-makers strategically incorporated flexibility in implementation, often tailored to a few outlier countries. Strategic flexibility was instrumental in overcoming political disagreements among national governments and adopting a more ambitious and comprehensive renewable energy policy. Our findings contribute conceptually and empirically to understanding various forms of differentiation in EU policymaking and how they are employed to facilitate the building of political majorities during crises.

## Keywords

climate policy; differentiation; energy policy; European crisis; European Union; renewable energy; Ukraine war

## Issue

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## 1. Introduction

While binding EU legal acts typically provide harmonised rules for all member states, they can also be designed to apply only to certain member states or allow for deviation from common rules in the implementation phase. This phenomenon has been referred to in the literature on European integration and policymaking as differentiation (Leruth et al., 2022). The EU has increasingly

made use of various forms of differentiation to advance common policy solutions among member states with heterogeneous conditions and preferences (Holzinger & Schimmelfennig, 2012; Stubb, 1996). While scholarly efforts to improve the conceptual and empirical understanding of differentiation strategies in the EU have grown recently (Princen et al., 2022; Schimmelfennig & Winzen, 2023; Zbiral et al., 2023), this research is still in the nascent stage. In particular, we know little about

the effects of crises on policy differentiation in the EU. Specifically, it is yet to be properly understood whether, and how, differentiation proliferates in EU policy during crises and what role various forms of differentiation play in facilitating joint policy responses to crises. We seek to address this research gap by investigating the use of differentiation in EU renewable energy policy, particularly in response to the crisis triggered by the Russian invasion of Ukraine in February 2022.

Renewable energy policy is an important and highly salient policy area in the EU, but one which has also been associated with high levels of contestation and heterogeneous national energy mixes and preferences (Solorio & Jörgens, 2020). The roots of the policy challenge largely lie in the Treaty on the Functioning of the EU, which stipulates that the EU should promote the use of renewable energy sources (“renewables”) while at the same time, preserving the right of a member state to “determine the conditions for exploiting its energy resources its choice between different energy sources and the general structure of its energy supply” (Consolidated Version of the Treaty on the Functioning of the European Union, 2012, Art. 194). The promotion of renewables has become one of the cornerstones of the EU’s climate policy efforts, and the von der Leyen Commission, with its 2020 European Green Deal strategy, has placed it at the top of the EU energy and climate agenda. Yet, due to the different political, economic, and material conditions surrounding their energy sectors (Knodt & Kemmerzell, 2022), some governments perceived the ever-increasing ambition of renewable targets as economically costly and politically undesirable and/or technically infeasible (Četković & Buzogány, 2019; Solorio & Jörgens, 2020). This resulted in “soft” governance solutions, however, with the tendency to become gradually “harder” over time (Bocquillon et al., 2023; Knodt et al., 2020). The energy crisis, resulting from Russia’s invasion of Ukraine, has led the EU to adjust its renewable energy policy and launch yet another round of legislative changes aiming towards increased policy ambition. While in 2018, EU decision-makers could agree only on a 2030 renewable energy target of 32.5%, a target in place still at the beginning of 2022, policy revisions in June 2023 increased this to at least 42.5% with “an ambition to reach” 45% (Council of the EU, 2023a). In addition to the amendments to the EU Renewable Energy Directive III (REDIII), several associated legal acts have been adopted, most prominently the delegated acts on hydrogen (European Commission, 2023) and the Council regulation on faster permitting processes for renewable energy projects (Council Regulation of 22 December 2022, 2022). While suggesting increased EU policy ambition and scope, this raises questions about the exact nature of policy change and the role of the Ukraine war as a crisis in driving this development. Although certain differentiation elements have traditionally been part of the broader EU energy and climate policy, this trend has seemingly accelerated in recent years. The exam-

ples include the Polish opt-out from the EU 2050 climate neutrality target and the shift away from binding national targets in the RED enacted in 2018 (Bocquillon & Maltby, 2020).

Against this background, this article asks two main questions. First, has the scale-up in the ambition and scope of EU renewable energy policy after the Russian invasion of Ukraine been accompanied by further differentiation, and if yes, in what form? Second, how did different EU actors position themselves on the use of differentiation, and what role did differentiation play in reaching an agreement over the revisions of the EU’s renewable energy policy during the Russian war on Ukraine?

Our analysis contributes to the existing literature in three respects. Firstly, we add to the conceptual and empirical understanding of various differentiation forms in EU policy based on a new framework applied to EU renewable energy policy. With this, we also advance understanding and assessment of EU policy more generally, based on the identification of the varying forms and levels of policy differentiation. Finally, we contribute to the literature on the effects of crises on EU policies (for an overview, see Riddervold et al., 2021), highlighting, in particular, the use of differentiation in reaching joint policy responses.

## 2. Theoretical Framework

### 2.1. Differentiation in EU Legislation

Two main forms of differentiation in the EU have been identified in the literature: differentiated integration (DI) and flexible implementation (FI). DI refers to the practice of explicit exclusion of specific member states from common EU provisions (Schimmelfennig et al., 2015). DI can be introduced at the level of the primary EU law (treaties) when some member states formally opt out from transferring the competencies to the EU in a given field, or it can be part of the secondary EU law, such as regulations or directives. In the former case, certain member states are temporarily or permanently exempted from specific binding provisions in the EU legislation. DI can come in the form of actual differentiation when member states are explicitly exempted or potential differentiation when member states can request to be exempted (Schimmelfennig & Winzen, 2022). DI can be provided for a specified time period or be permanent. While in the case of DI, the rules do not apply to some member states, FI occurs when EU legal provisions apply to all member states but provide a certain level of discretion to member states in deviating from the commonly agreed provisions. FI thus can occur only in EU secondary laws (and by-laws) and can be defined as discretion which “explicitly authorizes member states to make choices in transposing, applying and enforcing EU law” (Princen et al., 2022, p. 9). Princen et al. (2022) identify five different forms of discretion that can characterise flexible EU provisions: (a) elaboration discretion, (b) reference to national legal

norms, (c) minimum harmonisation, (d) scope discretion, and (e) discretion in application on a case-by-case basis. The provided discretion in EU legal provisions also comes with varying levels of constraint (Zbiral et al., 2023, p. 108). EU legislators can, for instance, require member states to justify the reasons for exercising discretion or limit the scope of discretion. In principle, FI can also have a temporal or permanent character. Overall, both DI and FI are responses to the growing heterogeneity of national preferences in the EU, but they differ in the way of addressing those differences. It is also important to note that DI and FI are not mutually exclusive as some policy provisions can formally differentiate among member states while also providing flexibility to the countries to which they are legally binding.

The extent to which DI and FI feature in EU legal acts is an important aspect of policy design which potentially influences policy harmonisation and effectiveness. The extensive use of differentiation, particularly if permanent and tied to few constraints, signals a more limited geographical scope and less transformative potential of EU policies. As noted by Zbiral et al. (2023, p. 116), “too much flexibility may rob joint policy arrangements of the harmonising effect that they are supposed to have.” In the literature, there is a gap when it comes to systematically mapping the design of EU policy based on the form of differentiation across individual provisions in EU acts. Drawing on the differentiation literature (Princen et al., 2022; Schimmelfennig & Winzen, 2022; Zbiral et al., 2023), we categorise DI and FI along two dimensions: time and constraint. The *temporal dimension* relates to whether the differentiation provision is permanent or temporary, with permanent differentiation having a more far-reaching impact on the geographical scope of the provision. The *constraint-related* dimension refers to the conditions attached to differentiation which can, for instance, request previous authorisation by the Commission or specify substantive circumstances under which discretion can be utilised (Zbiral et al., 2023). While in the literature the temporal restriction is understood as one of the constraints (Zbiral et al., 2023), we treat it as a separate category given its importance. In contrast to Zbiral et al. (2023), who count the number of constraints per provision and treat them equally, we propose to differentiate between low and high constraints qualitatively. We assign “low differentiation” when the provision lacks any constraint or defines the constraints broadly, while “high differentiation” is when constraints are more detailed and stricter. If a provision does not feature either DI or FI, this implies that it has a uniform character. It is important to note that constraints are also an important feature of uniform provisions. This specifically concerns the bindingness of uniform provisions, given that the EU law operates with binding and non-binding or indicative provisions. We thus describe the constraints in uniform provisions as binding or non-binding rather than high and low.

## 2.2. How Do Crises Affect Differentiation in EU Policy?

One of the pertinent but underexplored questions is about the actors advancing the use of differentiation in EU policy in times of crisis and the reasons they do so. As noted earlier, DI is generally expected to be employed when a few member states are unwilling to be subject to harmonised EU rules. Such differentiation usually occurs when EU policies penetrate core state powers leading some national governments to opt out from EU-wide rules in a bid to preserve full sovereignty in a respective domain (Rittberger et al., 2013; Zbiral et al., 2023). In their study on the effects of crises on DI, Schimmelfennig and Winzen (2022) found that if the EU is successful in adopting a common policy response this is accompanied by an increase in differentiation. Such differentiation, however, proceeds along the established insider-outside lines meaning that the included member states receive explicit exemptions from certain provisions in secondary law but neither are they excluded from the entire policy nor do previously excluded countries decide to join the common policy. FI, in contrast to DI, is likely to be employed in cases of widespread concerns among member states linked to implementation costs and lack of capacity (Princen et al., 2022). Here, member states acknowledge the need for a common EU policy approach but seek to preserve a certain level of discretion when implementing some of the common rules. Although there is no research on how crises affect FI, Zbiral et al. (2023) offer a useful distinction between strategic and substantive use of FI. The former refers to the situation when flexibility is introduced to overcome political disagreements by offering more autonomy to member states in the implementation phase. Substantive flexibility, on the other hand, is related to the content of EU law. It occurs when implementation flexibility is required due to the high complexity of the legal act and the considerable misfit between national legal norms and the proposed EU norms. Zbiral et al. (2023) do not specify whether the difference in the strategic and substantive use of FI will also be mirrored in the use of different forms of discretion. It is plausible to expect, however, that discretion in application on a case-by-case basis is likely to be employed for strategic reasons, while elaboration discretion and reference to national legal norms should be more common in the substantive use of flexibility. Furthermore, if the strategic use of flexibility aims at overcoming political disagreements, it is likely to particularly target certain member states deemed pivotal to ensuring sufficient collective political support. This implies that although FI is generally associated with offering flexibility to all member states, it can also be utilised to accommodate the concerns of outlier countries.

Based on a quantitative study of 164 EU directives, Zbiral et al. (2023) found that substantive use of flexibility dominates over strategic use. While this seems plausible for general EU decision-making, we explore

whether strategic use of flexibility may proliferate in times of crisis which require overcoming political conflicts and negotiating joint responses under pressure. Thus, if the forces in the EU for a resolute joint policy response to the crisis are strong enough, strategic flexibility may be used to overcome the resistance of more reluctant member states. Regarding the role of different EU institutions, one can expect that supranational institutions, such as the Commission and European Parliament, will advocate for higher policy ambition (Buzogány & Četković, 2021) and more stringent policy response meaning less flexibility. This is because the Commission and European Parliament usually strive to ensure better control over policy implementation by limiting the interpretation space available to member states (Zbiral et al., 2023). Following the neo-functional assumption, during crises, supranational and transnational groups will also be the main drivers behind a common EU policy response, particularly under conducive conditions such as the symmetric character of the crisis and high EU competence in the respective policy area. According to Ferrara and Kriesi (2022), in areas of high EU competence, in both symmetric and asymmetric crises the supranational institutions can be central to reaching policy agreements either by capitalising on the lack of disagreement among member states under symmetric crises or by brokering the agreement among opposing national positions in asymmetric crises. Schimmelfennig (2018) shows that the existence of inherited supranational capacity and vocal transnational groups combined with high interdependence among member states are the main explanatory factors for a successful common EU response to the euro crisis compared to the failure in collectively dealing with the migration crisis from 2015.

In contrast, as an intergovernmental body, the Council is more likely to advocate for higher differentiation in proportion to higher levels of conflict between member states (Zbiral et al., 2023). This should particularly be the case for the acts adopted only by the Council, where the Council enjoys more freedom in setting the legal terms. From the crisis perspective, if the integration forces in the EU are weaker and the conflicts prevail, the Council may be expected to defend more exceptions to the common rules. In the aftermath of the 2009 economic crisis, this was the case when binding national renewable energy targets, defined in a top-down manner, were opposed by the majority of member state governments. Borrowing from liberal intergovernmentalism, we can thus expect member states to be able to significantly shape the terms of the deal, particularly if they are economically strong and if the issue is of high salience to them (Moravcsik & Schimmelfennig, 2019). Such assertive outlier countries are thus likely to secure additional concessions through differentiation. DI is a possible but less likely method of addressing outlier concerns in EU renewable energy policy given that renewable energy does not belong to core state powers and there is no legacy of DI in this field. Another possible way

of addressing outlier concerns is a more targeted strategic use of FI.

### 3. Methods

Our research strategy relies on qualitative content analysis and process tracing of the positions of crucial EU actors. We drew on official EU documents, media reports, and position papers that present the positions and motivations of the main actors concerning the changes in EU renewable energy policy, especially when referencing the war in Ukraine. When investigating the level of differentiation, we focus on the main legislative documents in the field of renewable energy sources, namely the amendments to the RED (Council of the EU, 2023a), the delegated act on the definition of renewable fuels of non-biological origin (hydrogen definition; European Commission, 2023), and the Council's regulation on renewable energy permitting (Council Regulation of 22 December 2022, 2022), all adopted in the aftermath of the 2022 Russian invasion of Ukraine. This offers a variety of legal acts in terms of the legislative process and allows for discerning the influence of different EU institutions and actors on differentiation. While the RED is adopted jointly by the Council and the European Parliament, the Council regulation is adopted solely by the Council. The delegated act is only approved by the Council and the European Parliament without the possibility of amending the text. We exclude some related non-legislative initiatives launched during the same time period, such as the European Solar Photovoltaic Industry Alliance. Given the very detailed and broad character of the three selected legal acts, we limit the analysis to the central provisions in four main thematic areas: (a) headline renewables target; (b) sectoral targets in transport, industry, and buildings; (c) permitting process; and (d) renewable hydrogen definition. While the Council regulation and the delegated act have been formally adopted during our analysis period, the assessment of the RED is based on the agreement text concluded between the European Parliament, Commission, and the Council in March 2023, and endorsed by the Council and European Parliament committee in June 2023 (European Parliament, 2023b, 2023c). The European Parliament officially voted in favour of the text of the revised RED on 12 September 2023 (European Parliament, 2023a) while the Council's formal approval followed on 9 October 2023, with Czechia and Bulgaria abstaining and Poland and Hungary voting against it (Council of the EU, 2023b).

### 4. Empirical Analysis

In 2018, the Council and the European Parliament approved the RED recast, setting goals and measures through 2030. In July 2021, the European Commission proposed amendments to REDII to bring policy efforts in line with the new 2030 goal of a 55% emissions reduction set by the European Green Deal strategy and the



European Climate Law 2050 net zero target (Regulation 2021/1119). In May 2022, the Commission published the REPowerEU plan in response to the Russian invasion of Ukraine, proposing an accelerated deployment of renewables to reduce dependence on Russian fossil fuels and a revised REDIII, renewable hydrogen delegated act, and regulation on faster permitting of renewable energy projects.

#### 4.1. Headline Renewables Target

The headline 2030 renewable target was set at 32.5% in 2018, and the Commission proposed in its 2021 Fit for 55 legislative package to increase this to 40%. The Commission's May 2022 REPowerEU strategy proposed 45% "speeding up the phase-out of EU's dependence" (European Commission, 2022c). The European Parliament supported a 40% target in February 2022, but by the beginning of March, the rapporteur called for an increase to 45% as "the only way we can become more independent and show Putin that we can do without him" (EPP Group, 2022). This position was adopted by 418 votes to 109 in September 2022 (European Parliament, 2022). Immediately after Russia's invasion, all member states "agreed to phase out our dependency on Russian gas, oil and coal" (European Council, 2022). Whilst there was an ambitious group—Austria, Denmark, Estonia, Germany, Greece, Lithuania, Portugal, and Spain—whose position was that "an increase of the renewables target to 45% is indispensable" (EURACTIV, 2022), there was also a group pushing to maintaining the previous 40% target—Bulgaria, Hungary, Poland, and Slovakia (Simon, 2023)—and others not ready to back the increase to 45%—France, Netherlands, and Ireland (Simon, 2022). In March 2023, a binding target of 42.5% was agreed upon, with "an aim" to reach 45%. The implementation architecture remained the same, set out in the EU's energy governance regulation (Bocquillon & Maltby, 2020), with no binding national targets but a prominent role for the Commission in monitoring, reviewing, and coordinating national efforts to ensure the fulfilment of the collective EU target. Targets are indicative and include flexibility in implementation. Underperforming countries are obliged to respond through additional measures if the fulfilment of the EU target is threatened but they have discretion in how to contribute to the collective ambition gap, for example through contributing to the EU budget for renewables projects. Where the collective target is not threatened then member states falling behind their national reference points are only required to say how they will respond without obligation to implement this (Regulation 2018/1999).

The debates in the Council about the renewables target largely reflect the main cleavage which has emerged on renewable energy policy dividing member states into the renewable-friendly and the nuclear-friendly camp. The renewable-friendly camp consists of countries which

share the highest ambition on renewable energy policy and seek to maintain the focus of EU support on renewable energy sources as the main future low-carbon energy technology. Launched at the initiative of the Austrian Ministry of Climate Action and Energy, the renewable-friendly group of countries held its first formal meeting in March 2023 which included representatives from Austria, Denmark, Estonia, Germany, Ireland, Latvia, Lithuania, Luxembourg, Portugal, and Spain, while the Netherlands and Belgium attended as observers (Messad, 2023a). The nuclear-friendly camp includes countries which are concerned with preserving the role of nuclear power in the EU energy structure and ensuring that the promotion of renewable energy sources does not put nuclear power at a disadvantage (Messad, 2023b). Led by France, the formal meeting of the nuclear-friendly groups of countries took place in May 2023 with the participation of Belgium, Bulgaria, Croatia, Czechia, Estonia, Finland, Hungary, the Netherlands, Poland, Romania, Slovenia, Slovakia, and Sweden, with Italy as an observer (Messad, 2023c). It is important to note that while some members of the nuclear-friendly group, particularly the Central-Eastern European countries, display little enthusiasm for renewable energy sources, France but also Belgium, the Netherlands, and Sweden have been favourable towards both nuclear and renewable energy sources. In a bid to meet the growing electricity demand and strengthen its industrial competitiveness, the French government declared the goal of accelerating the deployment of renewable energy sources and nuclear power (Moussu, 2022). This even led France to join the renewable-friendly group of EU countries (Jack, 2023; Messad, 2023a). Sitting in both camps gives France an important broker role but also a solid bargaining position.

#### 5. Sectoral Targets

REDIII specifies several sectoral and sub-sectoral targets. While FI is traditionally associated with discretion in implementation, the targets can be formulated to entail varying levels of differentiation. In the transport sector, the Commission proposed in 2021 to replace the renewable energy target with a binding national target of reducing the greenhouse gas intensity of transportation fuels by 13%. It further sets binding sub-sector national targets of 2.2% for advanced biofuels and 2.6% for hydrogen produced by renewables—4.8% total (European Commission, 2021). REPowerEU proposed increasing the hydrogen sub-target to 5.7% (European Commission, 2022a), a position that was shared by the European Parliament. During the trilogue negotiations with the Council, a combined 5.5% binding sub-target for advanced biofuels and hydrogen was set, with a minimum share of 1% for hydrogen. The combined sub-target provided flexibility for member states to decide on the extent to which they wish to prioritise biofuels and hydrogen. The overall transportation target was



amended, increasing the ambition of the greenhouse gas intensity target from 13% to 14.5% and introducing an alternative target of 29% of renewable energy share in transportation by 2030 on the proposal of the Council (Council of the EU, 2023a). With this, further flexibility to the increased binding targets was introduced, with member states having the discretion to choose targets to meet.

For industry, the 2021 Commission proposal envisaged an indicative national target of a 1.1% annual increase in renewables and a binding national 2030 target of 50% of hydrogen from renewables (European Commission, 2021). REDII included no specific industry targets. Following a European Parliament proposal to increase the indicative target to 1.9%, it increased from 1.1% to 1.6%. REPowerEU proposed increasing the 2030 industry renewable hydrogen target to 70%, and the negotiated outcome was 42.5% by 2030 and 60% by 2035. The final text included a new provision, at the request of the Council, stipulating that member states can reduce their hydrogen target by 20% if they meet two additional conditions: (a) if on track in contributing to the overall renewables target and (b) that the share of hydrogen from fossil fuels does not exceed 23% by 2030 and 20% by 2025 (Council of the EU, 2023a). This novel flexibility provision was a concession to several countries highly reliant on nuclear power, particularly France. Even after the agreement was reached in the trilogue, the French government signalled that it would not support the text in the Council and successfully negotiated the inclusion of a preamble that acknowledges the special challenge of some ammonia production facilities to switch to renewable hydrogen (Abnett, 2023). Such a provision can create legal room for excluding some ammonia production plants from the renewable hydrogen target on a case-by-case basis.

In the buildings sector, the Commission's proposal to increase ambition in 2022 was rejected, and an indicative 49% target and 0.8% binding annual increase by 2026 and 1.1% from 2026 through 2030 was agreed upon, almost identical to its 2021 targets.

### 5.1. Permitting Process

Some of the most tangible changes to renewable legislation relate to permitting procedures for renewables. REDII set the maximum duration of permitting for renewable energy projects to two years in 2018. However, environmental legislation and the standard legal rules in member states continued to apply, so actual permitting time could significantly exceed this. There were no new Commission proposals in 2021, but 2022's REPowerEU highlighted that "slow and complex permitting processes are a key obstacle to unleashing the renewables revolution and for the competitiveness of the renewable energy industry" and that "varying permitting times between member states demonstrate that national rules and administrative capacities compli-

cate and slow down permitting" (European Commission, 2022b, p. 11). The Commission proposed defining renewable energy projects as in the overriding public interest until the EU achieves climate neutrality. This would allow member states to partly bypass other rules, such as those related to environmental impact when deciding on granting renewable permits. Industry representatives, including renewable energy groups and the association of electric power companies, called for legislation that would apply to all technologies, in line with the position of the Commission and the European Parliament (Eurelectric et al., 2023). The Council supported this view but introduced the possibility for member states to restrict the application of the overriding public interest provision to certain technologies, projects, and parts of the territory in "duly justified and specific circumstances" (Council of the EU, 2023a). The provision stipulates that member states must inform the Commission about every planned exception and provide justification.

In December 2022, the EU adopted, at the proposal of the Commission and prioritised by the German government (Giegold, 2022), an emergency regulation on faster permitting processes (Council Regulation of 22 December 2022, 2022). The time scope of the regulation is limited to 18 months as a temporary solution until REDIII is formally adopted and transposed into national legislation. The regulation defines strict uniform deadlines for all member states concerning the permitting processes for specific technologies and projects, including rooftop solar photovoltaic, heat pumps, and upgrading of existing renewable energy plants. The regulation, however, also contains an important FI provision related to the overriding public interest. Based on the amendment to Art. 3 introduced by the Council, member states are given substantial room to restrict the application of this provision to specific technologies, projects, or geographic areas without needing to justify such exemptions. As stated above, substantially higher constraints to this discretion were incorporated in the REDIII text.

### 5.2. Renewable Hydrogen Definition

REDII of 2018 required the Commission to submit by the end of 2021 a delegated act to specify the conditions for defining and calculating renewable fuels of non-biological origin, mainly hydrogen. Upscaling the production and use of hydrogen was a REPowerEU priority (European Commission, 2022c, p. 2). There were two main contested issues related to the design of the delegated act. Firstly, whether renewable electricity for producing renewable hydrogen must come from new renewable energy projects installed for that specific purpose, the so-called "additionality criteria." Secondly, what criteria will be used to prove the match between renewable electricity and green hydrogen production? The Commission was under strong pressure from member states and industry groups to design the rules flexibly enough which delayed the final adoption (Kurmayer,

2022). The rules were to apply to both domestically produced and imported hydrogen. The countries that aimed to import a substantial amount of renewable hydrogen, such as Germany, were also interested in keeping the rules flexible enough. The additionality and matching criteria were relaxed between the Commission's first proposal of the delegated act in May 2022 and the final text in February 2023. The final text maintained that the calculated hydrogen must come from renewable energy sources (European Commission, 2023). However, until 2030 monthly (instead of hourly) matching will apply. Furthermore, the additionality criteria will now apply

only from 2028 and not for bidding zones in which the carbon intensity of electricity is below 18 g CO<sub>2</sub> per megajoule. While this provision opens the possibility for all countries to deviate from the rule under the defined conditions, only two countries in the EU can fulfil the envisaged criteria, France and Sweden, and France due to its large nuclear-based low-carbon electricity sector is particularly set to economically benefit from this rule (Hancock et al., 2023).

Table 1 provides an overview of the examined legal provisions and the type and level of differentiation following the adopted analytical framework.

**Table 1.** Differentiation in EU renewable energy policy.

	Differentiated integration	Flexible implementation	Temporal	Constraints
Headline renewable energy target 42.5% up to 45%		X		High: The 42.5% target is binding, while the 45% target is indicative. The Commission must be informed and monitor and assess compliance.
Transport target: Greenhouse gas intensity target 14.5% or 29% renewable energy share		X		High: Member states have only the discretion to choose among the two targets during the implementation.
Transportation sub-target: Combined 5.5% target for advanced biofuels and hydrogen		X		
Renewable energy target in industry: 1.1% annual increase for each member state				The target is non-binding (indicative).
Renewable hydrogen target in the industry: 42.5% by 2030 and 60% by 2035, but can be reduced by 20%		X		High: The target can be reduced by 20% but only if two strict conditions apply. First, the member state is on track renewable energy target and second, the share of hydrogen from fossil fuels does not exceed 23% by 2030 and 20% by 2025.
Exception from renewable hydrogen target for ammonia production plants		X		Not clear under what conditions the exemptions will be granted on a case-by-case basis.
Buildings target: National 49% target of renewable energy sources				Non-binding.
Buildings target: Annual increase in the share of renewable energy sources by 0.8% through 2026 and 1.1% from 2026 to 2030				Binding.
Overriding public interest		X		Low: Member states have full discretion to limit the application of this provision.

**Table 1.** (Cont.) Differentiation in EU renewable energy policy.

	Differentiated integration	Flexible implementation	Temporal	Constraints
Overriding public interest (RED)		X		High: Member states have the discretion to limit the scope of the provision only in exceptional cases and subject to approval by the Commission.
Additionality criteria in the hydrogen definition		X	Temporary until 2028	Low: Member states can freely choose not to apply additionality criteria by 2028.
Exception to the additionality criteria for bidding zones of below 18 g CO <sub>2</sub> per megajoule of carbon intensity		X		High: Exception only under strict conditions that effectively can apply only to a few countries.

## 6. Conclusions

In this article, we set out to explore the extent of differentiation in EU renewable energy policy and asked about the role of differentiation in negotiating the common EU renewable energy policy response to the crisis triggered by Russia’s invasion of Ukraine.

We found that since 2022 renewable energy legislation has demonstrated increased ambition and scope including headline renewables targets as well as sub-targets. The Commission, the European Parliament, and a group of member states were quick to frame the crisis as one which highlighted the risk of fossil fuel imports from Russia, a warning with echoes of the 2006 and 2009 gas supply crisis (Judge & Maltby, 2017; Maltby, 2013). In turn, accelerating efforts to deploy renewable energy sources has been proposed as one of the main measures to address the problem. Russia’s invasion of Ukraine was essentially a symmetric crisis for the EU, given that almost all countries relied on Russian fossil fuels to some extent and experienced energy price shocks. Combined with a degree of common security concerns toward Russia, the new situation created a sense of solidarity among member states which spilled over to the renewable energy field. This spirit of solidarity and the perceived urgency of the problem increased the pressure for ramping up renewable energy efforts. However, important differences among member states in the level of enthusiasm for renewable energy sources and the approach to nuclear power had to be overcome (Žuk et al., 2023).

As to our main research question, the analysis has shown that the increase in ambition was accompanied and facilitated by the usage of FI in various provisions (see Table 1). This echoes the finding by Schimmelfennig and Winzen (2022) that achieving a common EU policy response to the crisis will be coupled with increased differentiation with differentiation serving as a facilitator of joint policy. Although formal DI has not occurred, as

no country has explicitly been exempted from common provisions, nearly all examined major provisions entailed some level of flexibility in implementation but were often tied to high constraints. Concerning the position of different actors, our expectation has found support given that the supranational institutions, particularly the Commission, have consistently advocated uniform measures while virtually all flexibility provisions were introduced by the Council’s amendments. This is particularly visible in the level of discretion attached to the provision on “overriding public interest” with the regulation which was adopted only by the Council providing few constraints while the RED text, adopted by both the Council and the European Parliament, substantially narrowed the room for discretion by member states. This deviates from the findings in Zbiral et al. (2023) which found no effect of the conflicts in the Council and the role of the European Parliament on the level of discretion. Certain flexibility provisions in the analysed legislation, such as the possibility to choose among two different transport targets or secure temporary exemptions from the Council regulation on permitting, were formulated broadly enough to address a larger number of member states. More contested flexibility provisions, however, were explicitly designed to accommodate the concerns of a few outlier countries through the permission to deviate from the rule under specific conditions. Those exceptions were made not through DI explicitly mentioning the exempted countries but based on a set of criteria which, in practice, apply only to France alongside a handful of other countries. This shows that, contrary to the dominant assumption in the literature (Princen et al., 2022), FI can be strategically used by the EU to accommodate the concerns of a few outlier countries. Our findings also lend support to the assumption that the strategic use of FI will rely on particular forms of discretion. Discretion on a case-by-case basis has featured most prominently, which includes the discretion to deviate from the hydrogen additionality rule or exempt ammonia production

plants from a renewable hydrogen target in an individual case. From the perspective of the literature on EU policy-making under crises, although the Ukraine war in general terms was a symmetric crisis for the EU, the national differences concerning the role of renewable and nuclear energy were still relevant and hardly affected by the crisis. This dissensus among national governments did not empower supranational institutions, as suggested by Ferrara and Kriesi (2022), but crisis pressures combined with high supranational efforts, strong transnational interests, and energy market interdependence rather forced governments to find a consensus. The support from France which sat in both camps (pro-nuclear and pro-renewable) was central to ensuring the qualified majority in the Council. Strategic flexibility provisions were then employed to reach an agreement with France. Other countries that were less enthusiastic about ambitious renewable energy policy but also less pivotal for building the Council majority, such as those from Central Eastern Europe, received no country-tailored flexibility provisions. In sum, EU decision-makers succeeded in achieving a relatively ambitious agreement by allowing exemptions to France while keeping the overall constraints high to ensure sufficient harmonisation.

Overall, the case of EU renewable energy policy following the outbreak of the war in Ukraine demonstrates that the strategic use of flexibility may prevail as an instrument for forging the political majority in times of crisis. This may hold further lessons for resolving conflicts in other EU policy fields characterised by high interdependence but also strong outliers among the member states.

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### Conflict of Interests

The authors declare no conflict of interests.

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Article

# The Institutional Ingredients of Polycrisis Management: Unpacking European Council’s Handling of the Energy Crisis

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## Abstract

This article analyses how the European Council and the institutional infrastructure that supports it have been managing the early stages of the energy crisis. This was the time when the European Council, as the “control room” of EU crisis management, was unable to come up with any solutions to high energy prices. It makes a methodological and empirical contribution to the debate on how the European Council system manages (poly)crises. Methodologically, we introduce the method of embedded process tracing to study EU crisis management from within. Embedded process tracing combines mainstream causal process tracing techniques with elements from interpretivist approaches, to deal with context dependency, case heterogeneity, and empirical density. Empirically, we offer a process-management analysis of the first nine months of the energy crisis. We delineate the roles of various actors and institutions: the president of the European Council, the Council Secretariat, the Commission president, and the Commission Services. We unpack the crucial ingredients of polycrisis management: how to get and keep an issue on the agenda, how to shape and steer European-Council-level debates and conclusions, and how to ensure a proper follow-up by the Commission and the Council. Finally, we re-assess the image of the malfunctioning control room and show the causal relevance of the European Council’s early performance.

## Keywords

energy crisis; EU institutions; European Council; polycrisis; process management

## Issue

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## 1. Introduction

This article analyses how the European Council (EUCO) and the institutional infrastructure that supports it (the EUCO system) have been dealing with the energy crisis. It makes a methodological and empirical contribution to the current debate on how the EU deals with major or “polycrises” (Bressanelli & Natali, 2023; Zeitlin et al., 2019). Methodologically, we introduce the method of embedded process tracing (EPT) to unpack the processual dimension of EUCO crisis management. Empirically, we demonstrate the use of EPT by reconstructing how the EUCO system dealt with the energy crisis, from October 2021 to June 2022. This was the

period when the EUCO system was not (yet) able to deliver any tangible solutions to the problem of high energy prices.

Intuitively, it might seem strange to analyse the EUCO system when nothing is coming out of it. Yet, we contend that for acquiring a deeper understanding of how the EUCO system functions, these first nine months are very revealing. They allow us to go beyond the conventional narrative in which the EUCO tasks, the Commission develops the solutions and the Council (of Ministers) negotiates over the details. EPT uncovers and unpacks crucial elements of process management that post-hoc, outcome-oriented analyses of the EU crisis management would have (dis)missed.

Our analytical focus is on one specific part of the system, which is process management at the highest level. European crises are “*Chefsache*” (matters for the bosses). When a crisis hits, the heads of state or government, united in the EUCO, will be forced to take ownership. The EUCO represents the “control room” of EU crisis management (Smeets & Beach, 2022, Appendix 3; Van Middelaar, 2019, p. 191). However, the job does not just fall to the EUCO itself. During previous crises, a significant part of the job was delegated to specific actors within other EU institutions (the “machine room”). The process of coming up with and negotiating the details of crisis solutions involves the broader EUCO system, which includes the president of the European Council (PEC) and his cabinet, the European Commission (president, cabinets, designated services), designated units of the Council Secretariat, and a select number of representatives from the member states (sherpas, Coreper II ambassadors, Antici).

Our empirical focus is on the early stages when the EUCO system was *seemingly malfunctioning*. By the summer of 2022, European leaders had engaged in six difficult debates on high energy (specifically gas, consequently electricity) prices. Meanwhile, designated civil servants within the Commission services and Council Secretariat were unable to produce policy solutions that would “fix” or “cap” these high energy prices. To be sure, the EUCO’s responses to major crises have often been portrayed as “failing” or “sub-optimal” by outsiders (Jones et al., 2021). However, this time, insiders agreed with the assessment. At the time, process managers from all three sides (PEC, Commission, Council Secretariat) did not consider these first nine months very useful. Leaders’ debates were unstructured and at times uncomfortable, and conclusions were wide-ranging. Solutions only came in the second half of 2022, at which point the EUCO as such played a minor role.

This article demonstrates how EPT can be used to *refine* our theoretical understanding of EUCO crisis management. We ask whether and to what extent the EUCO system was indeed malfunctioning, or if there was not another, at the time unclear, rationale for these repetitive clashes about capping energy prices. In the next section, we introduce EPT and explain how it combines mainstream process tracing (PT) with elements from interpretivist approaches. Section 3 uses EPT to unpack the EUCO system’s handling of the energy prices debates. In Section 4, we show how EPT can be used for hypothesis generation and theory refinement, using the theoretical framework of new institutional leadership (NIL) as a case in point.

## 2. Analytical Framework and Methodological Design

This article provides a *methodological* contribution to a (so far) primarily theoretical debate about how the EU deals with major crises. This section starts by briefly characterizing (the debate about) EU crisis management.

We then introduce EPT and explain how combines mainstream causal PT techniques with elements from interpretivist approaches, to deal with context dependency, case heterogeneity, and empirical density. Finally, we explain how EPT, as an abductive research design, can be used for hypothesis generation and theory refinement.

### 2.1. EU(CO) Crisis Management: A Snapshot of the Debate

For more than a decade, the EU has been stumbling from one crisis to the next. After the financial and euro-zone crisis came the migration crisis, Brexit, and soon afterwards the Covid-19 pandemic, the Ukraine war, and the energy crisis. The accumulation of crises led to the image of an EU in “polycrisis,” a view that was initially propagated by candidate Commission president, Jean-Claude Juncker (Juncker, 2014; Mérand, 2021, p. 3). The concept was taken over by the academic community, where polycrisis came to refer to a situation of multiple, simultaneous crises that threaten to fracture the EU policy space and paralyze decision-making (Zeitlin et al., 2019). Crisis was perceived as “the new normal” in EU decision-making (Dinan et al., 2017; Haughton, 2016). Instead of being demarcated episodes, this “crisisification” seemed to pervade more and more aspects and areas of EU decision-making (Kreuder-Sonnen, 2018; Rhinard, 2019).

One of the most notable consequences of this constant or polycrisis was the rise of the EUCO. The European leaders came to play a prominent role in shaping and steering EU policy responses to, but also beyond, the immediate crises (Smeets & Beach, 2022; Van Middelaar, 2019). This led to a recalibration—according to some a “re-intergovernmentalisation”—of EU decision-making (Bickerton et al., 2015; Puetter, 2014). The European Commission, Council, and European Parliament had to reassess their role and position vis-à-vis the EUCO (Bocquillon & Dobbels, 2014; Bressanelli & Chelotti, 2016). As the EUCO summits took the spotlight, other institutions were initially perceived to be in decline (Nugent & Rhinard, 2016). However, it quickly became clear that the EUCO’s reach and grasp over the EU system was rather shallow. Effective crisis management required an effective interplay between the institutions, in which the EUCO nominally called the shots, but much of the heavy lifting was still done by the Commission and the Council (Kassim, 2023; Kassim & Tholoniati, 2020).

With the Brexit crisis, this EUCO system seemed to have found its *modus operandi* (Ludlow, 2017; Schuette, 2021). The EUCO itself provided the guidelines, while the Commission developed the solutions and managed the day-to-day negotiations, which the Council oversaw. During the Covid-19 crisis, the three EU institutions again worked together quite efficiently to produce a quick and far-reaching policy response in the shape of the €750 billion Recovery and Resilience Facility (Boin &

Rhinard, 2022; Schramm & Wessels, 2023). In spite of harsh clashes between political leaders, the EUCO system as a whole was able to deliver (Smeets & Beach, 2023, p. 381). In terms of process management, this provided a template for dealing with the next major crisis: the energy crisis.

## 2.2. A Methodological Contribution to the Theoretical Debate

In the wake of these successive crises, a rich literature has sought to explain how the EU responded to each individual crisis (for an overview, see Hupkens et al., 2023). The crises have been studied extensively from the prism of European integration theories, which often link crisis responses to further steps in EU integration (Ferrara & Kriesi, 2022). There have also been comparative evaluations of how the EU performed across crises (Börzel & Risse, 2018; Genschel & Jachtenfuchs, 2018; Smeets & Zaun, 2021). However, such comparative analyses face a number of challenges, due to the limited number of cases/crises (“small *N*”), the big differences between these crises (case heterogeneity) and the empirical depth that is required for such reconstructions, which makes it harder to generalize across cases. Another methodological problem in EU crisis and integration studies is the (inadvertent) selection of the dependent variable, meaning the eventual outcome. Most studies seek to explain how the EU system produced a specific crisis response, for instance, the European Stability Mechanism in response to the eurozone crisis or the Recovery and Resilience Facility in response to the Covid-19 pandemic (see, e.g., Dinan et al., 2017).

This article suggests a *process-oriented* alternative to such post-hoc and outcome-oriented analyses of EU crisis management. EPT offers a methodological approach that can be used to *unpack* and *refine* existing theorizing. In this article, we use the NIL framework as an example. The NIL framework was based on a series of empirical analyses of EUCO crisis management, during the eurozone crisis, migration crisis, and Brexit and Covid-19 crisis (Smeets & Beach, 2022, 2023). NIL intends to capture the dynamics within the inter-institutional triangle of EUCO (PEC and cabinet), Commission (president, cabinets, services), and Council (Secretariat) and delineate the roles that the three institutions are supposed to play within the EUCO system.

The article uses EPT to unpack one specific element of the NIL framework, which is the designated role of the EUCO as the control room. In the NIL framework, the role of the control room was reduced to mandating, monitoring, and endorsing the work that was being done in the machine room. Put differently, according to NIL, EUCO involvement worked best if it was limited and targeted. The EUCO’s role in the early stages of the energy crisis was notably different and from a theoretical perspective thus rather puzzling. The leaders played a very active, personal role in shaping and steering the EU’s response

to high energy prices. The EUCO thereby seemed to be repeating mistakes from the handling of the eurozone and migration crisis, by trying to deal with politically contentious and technically complex matters directly at its level (Bastasin, 2014). To people who were directly involved in process management, these dynamics were all too familiar, yet even they had difficulty accounting for the logic (authors’ interviews, October–November 2021). However, instead of simply dismissing this as an inability to learn from past mistakes, we will use EPT to update the NIL framework.

## 2.3. Introducing Embedded Process Tracing

EPT constitutes a refinement of the generic PT methods (Beach & Pedersen, 2019) in which the researcher becomes “embedded” in the operational (causal) logic and evidential record of a social system. EPT can, but does not have to, take the form of a physical embedding in that system, as we know from ethnographic fieldwork, although the latter certainly helps. The embedding is not necessarily about personally experiencing the action, but rather about grasping the logic of the social situation from a *real-time* and *insider* perspective. Instead of becoming insiders themselves, EPT researchers can also work with direct participants in the process, to acquire an insider understanding. EPT does presume profound familiarity with the field, to be able to understand the significance of the (inter)actions that are taking place within the system. However, EPT does not seek the deep immersion into practices and life-worlds that we know from ethnography.

The *real-time* element is crucial, as will become clear from our analysis of the EUCO systems handling of the energy crisis. Even the closest insiders have difficulties reconstructing processes post hoc and tend towards hindsight rationalizations and legitimizations for how things played out eventually. To prevent this, EPT includes the initial, “fog-of-war” stage of the process, when participants were struggling to make sense of developments and were unable to oversee the process. However, EPT does not end with “reconstituting” such participants’ experiences and interpretations, but with the researcher attributing causal leverage to *some* of their interpretations and actions.

## 2.4. Mainstream Process Tracing: Causal Process Inferences

PT is a methodology for doing within-case, *causal* analyses. It provides an alternative to variance-based approaches, which require causal processes to be relatively homogeneous, meaning that the same cause(s) can be expected to have the same effect(s) across cases, thus providing a basis for comparisons and generalization. PT is designed to attribute causality in singular, typically quite heterogeneous, cases that need to be studied in depth. The central element of PT is an explicit,

*ex-ante* specification of these causal processes or mechanisms as (theorized) “systems of interlocking parts that transmit causal forces from X to Y” (Beach & Pedersen, 2019, p. 29).

The problem with mainstream PT techniques is that they work well *once* the researcher knows which elements (actors, activities, linkages) to look for in the process. However, causal mechanisms might work very differently or have very different effects in individual cases. In some instances, it might even be that the mechanism is operating, but it is nevertheless unable to produce the foreseen outcome for idiosyncratic reasons. For the preceding stage of identifying these causal elements and constructing the causal mechanism, mainstream PT offers less guidance. It is here that PT can benefit from incorporating specific elements from interpretivist and ethnographic approaches.

### 2.5. Interpretivist Approaches: Contextualized, Heterogenous, Empirically Dense Explanations

PT and interpretivist/ethnographic approaches have much in common, particularly in how they seek to analyse contextualized social processes, as actions of and interactions between sense-making actors and their effects (Falleti & Lynch, 2009; Robinson, 2017). This explains recent attempts to integrate the two approaches under various labels like social PT, interpretivist PT, or practice tracing (Adler-Nissen, 2016; Norman, 2021; Pouliot, 2014).

PT and interpretivist/ethnographic approaches share three things in particular. First, their analyses are heavily *contextualized*, meaning that case-specificities matter for whether and how a process or mechanism works out. Second, their analyses almost inevitably are *heterogenous*. After all, it is because a specific process is non-routine that an in-depth process-level analysis is required. Third, their analyses are *empirically dense*, requiring the identification of all key actors, actions and interactions through which an outcome was produced. Taken together these features mean that, in order to say something meaningful, causal mechanisms need to be *particularized* or “tailored to the case.” This particularization is different from the operationalization used in theory-testing approaches because it is informed not primarily by theory, but rather by *initial empirics*.

### 2.6. Embedded Process Tracing as an Abductive Research Design

EPT seeks to combine the “experience-near” (dense, contextualized) observations of interpretivism and ethnography with the “experience-distant” (general, parsimonious) causal claims of process tracers. It is here that EPT departs from “deep” interpretivist approaches, which tend to qualify, or even negate, this distinction. First, EPT steers clear from the fundamental, constitutive questions that interpretivists and ethnographers put cen-

tre stage. Such approaches generally shy away from causal vocabulary altogether, instead favouring *constitutive* accounts of the practices within a social setting (Adler-Nissen, 2016; Pouliot, 2014). These methodologies require a deep immersion into the social field, to reconstruct processes of “meaning-giving” by the inhabitants of those “life-worlds” (Guzzini, 2017). As a result, ethnographic accounts and practice theory tend to overemphasize the latent, the unnoticed, and sometimes even the trivial. The methodological focus is on the positionality and reflexivity of the researcher, their impact on the field and their abilities to provide an unbiased reconstruction of these practices.

Second, EPT differs from “deep” interpretivist approaches that move away from methodological individualism (Bevir & Blakely, 2018). Instead, these opt for a “methodological situationalist” perspective in which social systems are reified through habitual practices. Such scholars usually work from an inductive approach that puts perceptions, narratives, and social practices centre stage at an analytical level. Radical interpretivists even doubt whether a clear distinction between the perceptions of participants and the analytical claims of the researcher can be made. For EPT, on the other hand, practices without discernible consequences are causally irrelevant.

EPT uses an abductive—or hypotheses-generating—research design, which requires a back-and-forth between theory and empirics (Tavory & Timmermans, 2014). This back-and-forth approach perhaps gives the impression of *reversed engineering*, setting up a theoretical model on the basis of a case, which is subsequently applied to the same case. Because abductive approaches start from singular causation, they require a more extensive (close to comprehensive) engagement with all relevant actors and actions in the process, otherwise, the explanation would be considered unsatisfactory. Such a theory about the process (or “process theory”) is designed *for* a singular case by the researcher, as part of the research process. An abductive design brings this “creational activity” into the realm of scientific enquiry, and provides practical guidance for researchers. It is the empirics from initial fieldwork that inform which causal elements are present and how they work out in that particular case. It is because such process theories are particularized (tailored to the case) that we cannot consider the subsequent analysis a test.

## 3. Empirical Analysis

In this section we will use EPT to unpack the EUCO system’s seemingly ineffective handling of the early stages of the energy crisis, thus allowing us to go beyond post-hoc, outcome-oriented analyses. We unpack the puzzle into a set of process management questions: Why did energy prices keep appearing on the agenda? Why were the ensuing debates so messy? Why were the conclusions so unfocused? And why was there no follow-up?



### 3.1. How Energy Prices Became and Remained Chefsache (October–December 2021)

The first part of the analytical puzzle is how an issue, that is not (yet) an urgent crisis, makes it onto the agenda of the EUCO. In most post-hoc, outcome-oriented analyses of EU crisis decision-making, the answer is self-evident: The severity of the crisis necessitates the involvement of the leaders. A real-time, insider analysis teaches us that the decision to talk about energy prices was not as clear-cut and obvious as it might appear with hindsight.

By the summer of 2021, the issue of rising energy prices had been raised a number of times already. The issue was owned at the time by three Visegrad leaders (Orbán, Babiš, Morawiecki) who sought to link high energy prices to the Fit for 55 package (the set of legislative proposals that form the basis of the European Green Deal), and the extension of the Emission Trading Scheme in particular. This was *not* a discussion that the PEC, the Commission president, and a number of important leaders were keen on having. After a brief plenary elaboration by Commission President Von der Leyen, the matter typically was defused and energy prices never made it into the EUCO conclusions.

In the autumn, energy prices continued to rise, but this development was linked by experts within the Commission and many member states to the pick-up of global economies after the Covid-19 crisis. The Spanish prime minister, Sánchez, saw things differently. Sánchez had specific concerns with the “marginal pricing” or “merit-order” model, which allowed prices to clear at the rate of the most expensive energy source at a particular point in time. While initially meant to foster the uptake of renewables in national energy mixes, in Spain the model was currently working the other way around with gas setting the price of comparatively cheap renewables.

In preparatory sherpa consultations with the PEC cabinet, Spain let it be known that their prime minister would want to raise the issue at the October Summit (authors’ interviews, PEC and Council Secretariat). At this point, the preparatory process was already well underway. This process starts more than one month before the actual summit and runs from the Annotated Draft Agenda to guidelines to various versions of the draft conclusions, all of which are extensively discussed at Coreper II level and with the sherpas (personal advisors to the leaders).

Proper discussions between leaders require technical input from the Commission. In the short run, the Commission was only able to produce “a toolbox for [short-term] action and support” (European Commission, 2021). The focus was on helping businesses and households deal with the current, sharp spike (European Commission, 2021), but the toolbox steered clear of fundamental interventions in energy markets and prices. In preparatory Coreper II debates, member states expressed their hesitance about discussing such a technically complex issue at the leader level.

The PEC nevertheless decided in favour of Sánchez and provided the Spanish prime minister with a platform to voice his concerns about energy prices and market design. However, the ensuing debate did not go Sánchez’s way. The general sentiment amongst the leaders was that problems were temporary and that appropriate measures were already being developed by the Commission. The October 2021 conclusions duly reflected this: The EUCO had “addressed the *recent* spike in energy prices” and noted that “the toolbox presented by the Commission...contains useful measures for the short *and longer* term” (EUCO, 2021a, pp. 11–12, emphasis added). With this, the EUCO sought to revert the matter to the machine room, specifically the Transport, Telecommunications and Energy (TTE) Council of 26 October (EUCO, 2021a, p. 14). While many of the leaders would have preferred to leave the matter with the ministers, the PEC granted Sánchez a second victory, which was a promise to revert to the issue in December (EUCO, 2021a, p. 14).

The TTE Council meeting of 26 October “exchanged views” on the Commission’s toolbox. Ministers generally supported the Commission’s analysis of the causes of the hike in energy prices, and “looked forward to receiving further analyses and assessments” (Council of the European Union, 2021, p. 3). This seemed to defuse energy prices as *Chefsache*. Preliminary assessments by EU agencies (Agency for the Cooperation of Energy Regulators [ACER], European Securities and Markets Authority) in November and December confirmed the view of energy prices as a temporary spike/problem.

While it was clear that energy prices had to be included on the agenda of the December summit, the process managers tried to limit this debate to a stock-taking exercise. Machine room activity went down to a minimum. There was only one sentence in the draft conclusions mentioning that: “The high level of energy prices...remain[s] a matter of concern” (EUCO, 2021b, p. 9). However, there were no extensive preparatory discussions on energy prices and markets at the Coreper or sherpa level. Instead, the December 2021 summit got derailed by the three Visegrad leaders, who again sought to link high energy prices to the extension of the Emission Trading Scheme, and wanted to pick a fight with the Commission on whether gas and nuclear energy had to be included in the EU’s green taxonomy for sustainable finance. In the end, the three leaders even forced the PEC to withdraw his conclusions on energy prices. For the second time, it seemed that energy prices were about to be dropped off the EUCO’s agenda. The EUCO invited “the Council to keep the situation under review and will revert as appropriate” (EUCO, 2021b, p. 12).

### 3.2. The Messy Debates of March (February–March 2022)

The second analytical puzzle is: If energy prices nevertheless continued to feature on the EUCO’s agenda,

why were the ensuing debates and conclusions so messy? In most post-hoc, outcome-oriented analyses, the answer is again self-evident: The political stakes ran so high that big clashes between the leaders were unavoidable. The EPT analysis reveals that this “mess” was not so much the result of inevitable political clashes, but rather resulted from anticipation errors and process management failures.

At the very least, EPT begs the question: If these political clashes were unavoidable, why were they not better prepared and managed? After all, it is the job of the machine room to identify a potential landing zone for the leaders. If they cannot find such a landing zone, like for instance on nuclear or migration policy, it is generally best to keep the file away from the leaders. The EUCO does not want to involve itself in matters in which it cannot provide a meaningful contribution.

This was also the prevailing opinion in the first months of 2022 when it was considered unlikely that energy *prices* would again be discussed by the leaders. By then, the Russian invasion of Ukraine on 24 February had completely changed the energy outlook. The focus was on energy *security* now, not on markets and prices (authors’ interviews, March–April 2022; EUCO, 2022e). High energy, and specifically gas, prices were initially perceived as inevitable, as was the increased use of other fossil fuels (coal, oil), or otherwise controversial energy sources (nuclear). If higher prices were indeed inevitable, it would be in nobody’s interest to have an open discussion about them at the leader level (authors’ interviews, March–April 2022).

The first real opportunity for the EUCO to discuss the new energy outlook was at the informal summit in Versailles on 10–11 March. The Commission and the French Presidency envisioned a strategic discussion on reducing energy *dependencies* (and other strategic dependencies). The Commission’s first REPowerEU Communication of 8 March sought to channel the debate away from energy markets and prices, towards an enhancement of the Commission’s green transition plan, which focused on increased energy efficiency and increased use of renewable energy (European Commission, 2022a). However, the proponents of price-capping measures did not buy into this narrative. Higher targets for renewables and efficiency would lower energy prices in the medium to long term but would have little effect in the short term.

Versailles itself was an informal, and very French, affair. The PEC cabinet and Council Secretariat were not in control of process management. It is difficult for the process managers when such informal meetings have to end with negotiated statements. This will result in drafting sessions, in which each leader is inclined to get his or her own priorities noted. The process managers could not prevent the inclusion of paragraph 19 in which the EUCO was again tasked “to urgently address...the impact of increased energy prices on citizens and businesses...at the next meeting of the EUCO on 24–25 March 2022”

(EUCO, 2022d, para. 19). With this, energy prices were back on the agenda for the next EUCO meeting.

Process management in the run-up to the second EUCO summit in March again proved challenging but for different reasons. Mostly, it revealed the EUCO system’s huge dependence on input from the Commission. Due to the timing of the two summits, the process managers at the PEC cabinet and Council Secretariat had less than two weeks to prepare proper discussions between the leaders. The Commission had announced that it would come with a second communication on 22 March, but due to internal divisions, this had to be delayed to 23 March, which meant that the Commission’s input would go directly to the leaders (European Commission, 2022c). Without a Commission plan, it was difficult for the PEC cabinet and Council Secretariat to formulate the draft conclusions, and for Coreper II to channel the leaders’ debate. One could say that the leaders were flying blind into the 24–25 March summit.

To insiders and outside observers, the 24–25 March EUCO summit on energy epitomizes system failure. Two different streams fed into the leaders’ debate. Through the sherpa channel, Spain had managed to upload many of its preferred short- (EUCO, 2022c, para. 16a), medium- (EUCO, 2022c, para. 16b) and long-term (EUCO, 2022c, para. 16c) ideas for solutions, that were to be developed by the EU. Next to this, there was the Commission’s late input, which effectively served as a “buffet table” for leaders to pick and choose from.

The result was very long and confusing discussions, mostly pushed for by Spain, Italy, and France, in which the leaders themselves went into the technical details of market functioning and regulation. The Italian Prime Minister Draghi was now the primary advocate of any sort of *price caps*. Those who were less keen on market interventions, the German Chancellor Scholz and Dutch Prime Minister Rutte decided to copy-paste preferred parts of the Commission’s text. Once a leader has provided direct input to a draft, no process manager will dare to touch that text. Paragraph 16b perfectly illustrates this period of maximal confusion:

The European Council...tasks the Council and the Commission, as a matter of urgency, to reach out to the energy stakeholders, and to discuss, if and how, the short-term options as presented by the Commission (direct support to consumers through vouchers, tax rebates or through an “aggregator model/single buyer,” state aid, taxation (excises and VAT), price caps, regulatory measures such as contracts for differences) would contribute to reducing the gas price and addressing its contagion effect on electricity markets, taking into account national circumstances. (EUCO, 2022c, para. 16b)

Even more telling from a process management perspective, was the paragraph that followed in which the EUCO *appeared* to be tasking the Commission. The EUCO:

Calls on the Commission to submit proposals that effectively address the problem of excessive electricity prices while preserving the integrity of the Single Market, maintaining incentives for the green transition, preserving the security of supply and avoiding disproportionate budgetary costs. (EUCO, 2022c, para. 16c)

This was clearly an impossible mandate to lower prices while avoiding any kind of negative repercussions, in terms of market disturbances, risks in energy supply, increased use of coal or oil, and doing all this in a budget-neutral way. It was obvious that something had to give, but the EUCO in March could not yet provide guidance on what that something was.

### 3.3. The Failures and Limitations of Process Management (May–June 2022)

If March had been messy, the next question is: Why did things not get better in the months that followed? This links up with the fourth process management puzzle, which is central to the NIL framework: Why was there no effective follow-up? After all, this was certainly not the first time that the EUCO's debates and instructions were wide-ranging and ambiguous. The question is why was the machine room not able to take up some of these ideas and translate them into feasible solutions?

In most post-hoc, outcome-oriented analyses, the answer is straightforward: The development of such solutions simply takes time. The EPT analysis does not dispute this claim but seeks to account for the why and how behind it. Moreover, the EPT analysis shows that the development of such solutions was certainly not a done deal. Rather than being preordained, initially, it looked like the price cap discussion had been settled in favour of those who were *against* it.

While preparing for the special summit of 30–31 May, it was clear that without concrete proposals on the table, it would not make sense for the leaders to revisit the matter. The process managers at the PEC cabinet and Council Secretariat were set to avoid a rerun of March and were therefore eagerly awaiting price-capping proposals from the Commission. However, through informal channels, it became clear that the Commission had put its faith in different types of solutions, primarily demand reduction and the joint purchasing of gas (authors' interviews, May–July 2022). This "non-interventionist" view within the Commission was strengthened when the ACER presented its final report which stated that "current electricity market design is not to blame for the energy crisis" (ACER, 2022, p. 2).

Aware of these Commission hesitations, the process managers at the PEC cabinet and Council Secretariat then (again) sought to channel the debate away from price caps, and towards tackling long-term energy dependency. Draft conclusions were kept short, basically repeating what had already been agreed in

March (authors' interviews, June 2022; EUCO, 2022f). On 18 May the Commission followed up with its REPowerEU Communication, which again focused on increased energy efficiency and increased use of renewable energy sources, but which offered little to address *current*, high energy prices and market disruptions (European Commission, 2022b).

The EUCO debate on energy on Monday 30 May went largely according to the script, with the leaders focussing on long-term solutions instead of short-term prices and market disruptions. However, on Tuesday, the leaders were back to haggling over price caps. Since Spain and Portugal had already received their temporary exemptions allowing them to lower electricity prices, the lead was with Italy, Malta, Greece, and Belgium. Meanwhile, Polish Prime Minister Morawiecki and Czech Prime Minister Fiala let it be known that they would burn more coal if they needed to. This put the Commission's narrative of reducing energy dependence through the green transition at risk.

The EUCO debate of May was just as long and the conclusions were just as confusing as they had been in March. Leaders were again provided with too many opportunities to upload their preferred options and ideas into the conclusions. One of the many ideas was "temporary import price caps where appropriate," to be explored by the Commission (EUCO, 2022f, para. 27a). This reflected one of the few things that the main protagonists Draghi and Von der Leyen could agree on, which was a targeted price cap on Russian gas. Due to the leaders' interventions, the impossible mandate to the machine room (European Commission) of March was even extended:

The European Council *takes note of* the ACER report and invites the Commission to swiftly pursue work on the optimisation of the functioning of the European electricity market—including the effect of gas prices on it—so that it is better prepared to withstand future *excessive price volatility*, delivers affordable electricity and fully fits a decarbonised energy system, while preserving the integrity of the Single Market, maintaining incentives for the green transition, preserving the security of supply and avoiding disproportionate budgetary costs. (EUCO, 2022f, para. 30, emphasis added)

Instead of providing feasible guidance, the EUCO again passed on the hot potato. The Commission's input, which had indicated that energy markets were *not* the problem and price caps were *not* a feasible solution, was used by the EUCO to double down the work on energy market design and reduce excessive price volatility, while still making sure that there were no negative repercussions. The Commission made it clear that it would not be able to provide such input, certainly not before the Summer.

By June, the EUCO debate shifted to the financial dimension of the energy crisis, the bleak economic

outlook and financial compensation to cushion high energy prices. In the run-up to their summit of 23–24 June 2022, many leaders let it be known through their sherpas that they were *not* eager to have yet another discussion about energy markets and prices. Nothing was said about price caps in the draft conclusions. At the EUCO Summit, Commission President Von der Leyen had to counter harsh criticism from Italian Prime Minister Draghi for allowing energy prices to spiral out of control. However, Draghi, in the end, had to settle for an iteration of the “import price cap where appropriate” phrase in the final conclusions (EUCO, 2022b, para. 24). With this, the EUCO’s debate on energy prices again seemed to be over (authors’ interviews, June–July 2022).

#### 4. Conclusion: “It’s the Process, Schuman”

With the benefit of hindsight, we of course know that the debate about energy prices was far from over. The main reason for this was external. The price spike in August 2022, when gas (Title Transfer Facility futures) prices reached a peak of more than €300 on Friday 26 August, exceeded the worst expectations even within the Commission. As a result, the dynamics would be very different after the summer. In the final four months of 2022, the EUCO system functioned very effectively, with the three institutions doing exactly what they were supposed to do. At their October 2022 summit, the EUCO (finally) provided guidance to the Commission and Council on the kind of price-capping measures it had in mind (EUCO, 2022a). On 22 November, the Commission (finally) delivered a proposal for a price cap, or Market Correction Mechanism (MCM; European Commission, 2022d). Then, the TTE Council (finally) could get to work on negotiating the details. After the EUCO of 15 December had provided its formal blessing, the TTE Council of 19 December could close the final deal (Council of the European Union, 2022).

The only problem is that, from an analytical perspective, we learn very little about how the EUCO system actually functions, if we only look at these final four months. In this conclusion, we show how the EPT analysis of the first nine months allows us to refine the NIL framework, and by extension other post-hoc, outcome-oriented analyses of EU crisis management.

The first process management element that should be added is the constant battles over agenda inclusion. The EPT analysis showed that, even in a crisis situation, agenda inclusion is by no means self-evident. Furthermore, it revealed a crucial distinction between *getting* and *keeping* an issue on the agenda. The PEC is often an easy scapegoat when issues appear on the agenda on which the EUCO system is subsequently not able to deliver. The EPT analysis revealed the PEC’s scope and limitations for setting the agenda. With regard to *putting* energy prices on the agenda, we doubt whether the PEC had much choice. If specific leaders insist on talk-

ing about something, as Spanish Prime Minister Sánchez did on energy prices, it is very difficult for the PEC to say no. However, when it comes to *keeping* energy prices on the agenda, we can justly wonder why the PEC and some leaders were eager to keep discussing the issue at their level, while there was no solution on the horizon.

The next elements of process management that should be added to our analytical understanding, concern the shaping and steering of leaders’ debates, and how these debates are transposed into the EUCO conclusions. Most post-hoc, outcome-oriented analyses would portray the repeated, uncomfortable political clashes on energy prices as both necessary and inevitable. EPT, instead, highlights the scope and limitations of the PEC cabinet and Council Secretariat for keeping the process in check. The process managers were, in fact, trying to channel the debate *away* from energy prices and markets, because they were well aware that these could not result in effective debates or conclusions. While they largely succeeded at the preparatory levels, the leaders themselves could not be held in check. The EPT analysis reveals that while the preparatory drafting process is elaborate and intense, this process tends to get derailed at the final stages when the Commission presents its input and leaders personally start to upload their preferences into the text. This explains the long and winding EUCO conclusions of March and May 2022 in particular.

The final element of process management that refines the NIL framework and our analytical understanding of EU crisis management, in general, is the many contingencies in matching machine room supply with control room demand. A conventional, post-hoc, outcome-oriented, narrative of EUCO crisis management would portray the MCM as the logical and sensible, eventual outcome, thereby missing a number of crucial aspects. It misses the fact that price caps were in the process of being *removed* from the agenda, in favour of other solutions: demand reduction and joint purchasing. The conventional view furthermore ascribes too much rationality to the proponents of price caps (Sánchez and Draghi) for knowing all along that price caps were both a possibility and a necessity.

The main contingency was that these other solutions took time to set up and prove their effectiveness. In the meantime, which means in the second half of 2022, an energy price cap had become a dire *political* necessity. What happened next was that Commission President Von der Leyen chose to acknowledge this political reality and “forced” her services (Directorate-General for Energy and Directorate-General for Financial Stability, Financial Services and Capital Markets Union) to develop and deliver this price cap in any form that was considered feasible. We stress that the MCM that the Commission services eventually came up with is technically not even a price cap. It is a financial device that temporarily makes the futures price for gas into a *tracker* of the international market reference price. It was primarily meant to send a signal.



This unpacking of real-time process-level dynamics allows us to reassess the overarching question: Was the control room *really* malfunctioning? Or was there an, at the time and by insiders, unforeseen purpose to these uncomfortable debates and long conclusions? We contend that these debates were in the end causally relevant, albeit not in producing outcomes, but rather in terms of propelling the process. After all, major or “poly-crises” are defined by a clash between what is politically necessary and what is technically possible.

By June 2022, it looked as if the political necessity had faded. The interventions by the Spanish Prime Minister Sánchez and Italian Prime Minister Draghi were therefore perceived as largely ineffective. We now know that their significance lay in the fact that they kept the idea of a price cap alive, at the times (December, March, May, June) when it was dying out. This meant that when a window of opportunity opened up, caused by the price peak in August, the system was already poised to deliver. Ironically enough, the MCM came into existence at a time when other solutions were proving their effectiveness and the technical necessity was fading (Cooper et al., 2022; “Moving past the price cap,” 2022). Rather than portraying the MCM as the ultimate answer to the energy crisis, it epitomizes EUCO crisis management as a continuous process of clashes and continuations.

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### Conflict of Interests

The authors declare no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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Article

# Governing the EU’s Energy Crisis: The European Commission’s Geopolitical Turn and Its Pitfalls

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## Abstract

European Commission President Ursula von der Leyen has been promoting the concept of a “geopolitical Commission” since her appointment in late 2019. Since then, successive crises—the Covid-19 pandemic, the ever-worsening climate crisis, and the war in Ukraine—have tested the Commission’s intention to turn the concept into practice. This is particularly evident in the field of energy politics following Russia’s attack on Ukraine. When the war started, Russia was the EU’s largest energy supplier. The EU’s desire to end its energy dependency on Russia called for “geopolitical actorness,” notably swift political and diplomatic initiatives to find alternative suppliers considering the rapidly changing geopolitical circumstances. To what extent and how did this occur? Did the Commission achieve its goal of becoming a geopolitical actor in the field of energy politics? What does geopolitical actorness imply for the EU’s energy policy and low-carbon transition? The article addresses these questions through an analysis of policy documents published by the von der Leyen Commission between 2019–2023, including the communications on the European Green Deal and Critical Raw Materials Resilience, the EU Hydrogen Strategy, the Global Gateway, the REPowerEU Plan, the External Energy Strategy, the Solar Energy Strategy, and the Green Deal Industrial Plan. The article argues that EU policy priorities progressively shifted from a focus on broad multilateral cooperation and open strategic autonomy to more narrowly defined strategic partnerships with “like-minded” Western and neighbouring countries. The 2022 war in Ukraine was a strong catalyst for this shift.

## Keywords

energy; European Commission; European Union; geopolitics; Russia

## Issue

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## 1. Introduction

In November 2019, in her first press conference, European Commission President Ursula von der Leyen stated that she would lead a “geopolitical Commission” (von der Leyen, 2019). According to her, this meant making the EU “a champion of multilateralism.” At the same time, she argued that the EU should “invest in alliances and coalitions to advance [its] values,” “promote and protect Europe’s interests through open and

fair trade,” and “strengthen [its] partners through cooperation.” Achieving technological sovereignty and leading in climate action were central pillars of her proposed strategy.

Von der Leyen’s geopolitical agenda was a response to what she described as “an unsettled world, where too many powers only speak the language of confrontation and unilateralism” (von der Leyen, 2019). Three and a half years later—after a pandemic, Russia’s attack on Ukraine, growing US–China competition, an energy

supply crisis, and several emergencies related to the ongoing climate crisis—the polycrisis facing the Union has only worsened. As von der Leyen’s mandate nears its end in 2024, it is timely to evaluate the Commission’s declared geopolitical shift. This article provides an assessment by analysing policy documents regarding the European Green Deal and the EU’s energy transition that were published by the Commission between December 2019 and March 2023. A focus on documents concerning the European Green Deal and the energy transition is particularly instructive due to the almost all-encompassing nature of this policy area, which covers broad domains from energy to industrial strategy and external relations. Moreover, the selected timeline is apt for assessing how the Commission’s choice of language and policy priorities changed over time, in response to mounting multiple crises.

The article argues that, over this period, the EU policy priorities progressively shifted from a focus on broad multilateral cooperation and open strategic autonomy to more narrowly defined strategic partnerships with “like-minded” Western and neighbouring countries. The 2022 war in Ukraine was a strong catalyst for this shift. Geopolitical logic became central in the Commission’s policy documents, but in a narrower sense than in von der Leyen’s 2019 definition. Most notably, securing supplies of critical raw materials (CRM) and hydrogen, leading in the domestic production of low-carbon technologies and reducing reliance on—especially non-Western—trade partners became more prominent in the documents than some of the concepts stressed by von der Leyen in her 2019 speech, such as multilateralism, trade openness, and value-driven cooperation.

Analysing the nature and extent of the Commission’s geopolitical shift in energy policy is important because issues of energy supply, governance, and sustainability are central to current EU politics. The EU depends heavily on energy imports from abroad, hence guaranteeing the flow of necessary supplies is essential for the future of the EU’s economy and the well-being of its societies. While scholarly literature has debated a progressive EU turn to a strategic geopolitical stance in energy policy for well over a decade (see for instance Boersma & Goldthau, 2017; Goldthau & Sitter, 2014; McGowan, 2008; Siddi, 2019; Siddi & Kustova, 2021), this shift has accelerated markedly since 2022. Moreover, energy policy is closely interrelated with climate policy. The choices that the EU makes in energy policy affect the Union’s greenhouse gas emissions levels, and therefore its performance in climate policy. For example, investments in differentiating external fossil fuel providers rather than in boosting domestic production of renewables contradict the EU’s decarbonisation agenda. Moreover, adopting a geopolitical, and thus more confrontational approach in global energy policy (i.e., by reducing energy trade with perceived geopolitical competitors, by restricting the export of low-carbon technologies) has an impact on cooperation in the multilateral frameworks where global efforts

to tackle climate change are discussed and agreed upon (cf. Bazilian et al., 2020).

Hence, the article investigates the following issues: To what extent and how did a geopolitical shift occur in EU energy policy between 2019 and 2023? What does a shift to geopolitical actorness imply for the EU’s energy policy and low-carbon transition? The analysis begins with a conceptual discussion and definition of the “geopolitical approach” in energy policy, followed by a review of recent literature on energy geopolitics and the geopolitics of the energy transition. Then, it briefly outlines the methodology adopted in the article and the primary sources on which the study is based. The central part of the article presents the empirical analysis following a diachronic approach, which shows how the Commission’s use of geopolitical rhetoric and policy focus has changed in its documents during the period under consideration. This is followed by a discussion of the (possible) implications of the Commission’s geopolitical shift, particularly those concerning the EU’s low-carbon transition.

## 2. Conceptualising and Studying Geopolitics in Energy Policy

### 2.1. Defining a Geopolitical Approach to Energy Policy

While von der Leyen provided a broad idea of what she meant by “geopolitical” in her inaugural speech as Commission president in November 2019, defining the term more precisely is useful to understand what it implies, particularly in terms of energy policy. At the most basic level, geopolitics refers to the interaction between geographic factors and foreign policy. A geopolitical analysis highlights the importance of natural endowments and economic resources in shaping the foreign policy of a state. Accordingly, geopolitical actorness involves the mobilisation of a country’s natural resources and related infrastructure for the achievement of foreign policy goals (Kropatcheva, 2011, p. 555).

In energy policy, a geopolitical approach focuses on securing access to primary resources and technologies and on controlling their supply chain. It entails the adoption of foreign policy strategies that are functional to attaining these goals. Security of supply is the main objective and overshadows other traditional aspects of energy policy, such as sustainability and competitiveness. A geopolitical actor tends to focus on the pursuit of a political agenda, even if this involves sacrificing market or liberal principles; optimum market outcomes and economic considerations are subordinated to political calculations. Governments that follow a geopolitical logic treat energy as a strategic good and play a central role in planning external energy policy, as opposed to allowing private companies and market forces to determine its outcome. This involves the political, regulatory, and diplomatic backing of strategies aimed at controlling energy resources, usually to the detriment of other international actors (Siddi & Kustova, 2021, p. 1078).

For example, a geopolitical actor can support diplomatically and financially the construction of a pipeline that has limited economic rationale because it sees the project as advancing its geopolitical interests and countering those of its adversaries. Moreover, to advance its agenda and justify exceptional procedures or anti-economic energy projects, a geopolitical actor often relies on arguments focusing on security, which leads to the securitisation of energy policy (Heinrich & Szulecki, 2018). Securitisation is the discursive process through which an issue is constructed as an existential threat within a political community, and urgent and exceptional measures are called upon to address the supposed threat (Buzan & Waeber, 2003, p. 491). In the context of energy policy, securitisation may involve the discursive construction of imports of fossil fuels or critical minerals from a certain country as a security threat, calling for quick policy responses to counter the menace. Hence, securitisation is closely correlated with a geopolitical approach; the adoption of such an approach is often the policy response to the discursive construction of a major threat.

On the other hand, geopolitical actorhood can be invoked in response to rapidly changing geopolitical circumstances, when conflict suddenly trumps market logic and mutual economic benefits. In such a situation, a state is called upon to intervene and minimise risks by enabling access to alternative and reliable energy suppliers, or by implementing exceptional measures to curb energy consumption. This is arguably the context in which the EU found itself after Russia's attack on Ukraine in February 2022. In these circumstances, the shift to a geopolitical approach in the EU's external action accelerated, affecting also the intra-European discursive contestation. For instance, prior to 2022, EU policymakers attempted to square the perceived need for greater EU autonomy and sovereignty in the international arena with the export-driven (and import-dependent, in many areas) nature of the EU's economy. This attempt is reflected in the adoption of the term "open strategic autonomy" by the Commission's liberal actors, where the adjective "open" is meant to reiterate the EU's credentials as a free trader and an open economy and, thus, relativise the more protectionist-sounding "autonomy" (Gehrke, 2022, p. 62). However, understandings of "strategic autonomy" remained very diverse within the Union (Helwig & Sinkkonen, 2022, p. 17); as we shall see, the post-2022 geopolitical shift has led to an emphasis on decoupling from some key trade partners (China) and on reducing economic relations to a minimum with others (Russia).

A geopolitical approach largely contradicts a market liberal approach, where the state is only a rule provider and market forces determine the flow of energy. Following a market liberal approach, the European Green Deal and the energy transition can be sustained by international trade of low-carbon technology and by mutually beneficial multilateral cooperation. Conversely, geopo-

litical logic postulates competition between rival blocs, protectionism, and a focus on avoiding dependence on imports; cooperation can only take place within clubs of "like-minded" countries (Bazilian et al., 2020). Following this logic, the application of norms and standards in international energy markets is geared to geopolitical goals, such as fostering the pre-eminence of a particular country by having it dictate the rules to others. As the EU has long been described as a market liberal actor that relies on competitiveness and open markets in energy policy (see for instance Goldthau & Sitter, 2014), the adoption of a geopolitical posture implies a significant departure from earlier EU practice.

## *2.2. Energy Geopolitics and the Low-Carbon Transition: An Overview of Recent Scholarship*

The article contributes to the burgeoning literature on energy geopolitics and the geopolitics of energy transition through a focus on how recent EU policy documents conceptualise central issues such as the geopolitics of hydrogen, critical minerals, and fossil fuels, as well as the development of the net-zero industry. The literature on the geopolitics of the energy transition is now extensive, hence comprehensive analytical reviews have attempted to systematise it. Drawing on recent literature, Vakulchuk et al. (2020) argued that renewable energy has many advantages over fossil fuels in terms of international security and peace, but exacerbates geopolitical tensions related to critical minerals and cybersecurity. Accordingly, Kalantzakos (2020) claimed that a "race for critical minerals"—rare earths, cobalt, and lithium, in particular—is taking place among great powers, with China leading the competition. Overland et al. (2019) attempted to evaluate geopolitical gains and losses for individual states from the energy transition, whereas Bazilian et al. (2020) developed four scenarios for the transition, including geopolitical implications.

Comprehensive edited volumes were published, with both academic and policy-oriented angles of enquiry, analysing the consequences of the energy transition for individual countries and regions, as well as the geopolitical implications of the diffusion of low-carbon energy sources, carriers, and technology (see contributions in Hafner & Tagliapietra, 2020; and Oxford Institute for Energy Studies, 2021). In addition to critical minerals and rare earths, the geopolitics of hydrogen has received special attention. Van de Graaf et al. (2020, p. 1) have argued that hydrogen "has the potential to fundamentally redraw the geography of global energy trade, create a new class of energy exporters, and reshape geopolitical relations and alliances between countries." An extensive report published by the International Renewable Energy Agency (2022) and other studies (cf. Noussan et al., 2021) have shown that the hydrogen business will be more competitive and less lucrative than oil and gas and that it faces considerable technical challenges. However, these studies also highlight the geopolitical and economic



significance of hydrogen. This has important implications for the EU, which aims to drastically increase domestic hydrogen production and imports from abroad.

Another strand of research has examined prospects for the nuclear industry in the low-carbon transition. Especially after the disaster at the Fukushima Daiichi nuclear power plant in 2011, this debate has become more controversial and polarised, both in the EU and globally. Recent studies have highlighted high costs and long construction times for new plants, as well as technical and environmental issues (Markard et al., 2020). In the West, the nuclear sector has been in a long-term crisis, while Asian and especially Russian competitors have expanded their influence in global markets. Moreover, the levelized (long-term) cost of electricity from nuclear is higher than for most renewable sources (Rothwell, 2022). However, several EU members see nuclear power as central to their low-carbon energy mix, and the EU has included nuclear-related investments in its taxonomy for sustainable activities, meaning that nuclear projects can receive funding from the Union's sustainable finance package (Directorate-General for Financial Stability, Financial Services and Capital Markets Union, 2022).

Most of the literature on the geopolitics of the energy transition portrays the EU as a net beneficiary, arguing that the low-carbon transformation will allow the Union to overcome its long-standing dependence on fossil fuel suppliers and become a prosumer. However, large EU fossil fuel imports are expected to continue in the short and medium term, while new security issues are anticipated for the EU's supply of critical minerals and hydrogen. Kalantzakos et al. (2023) have argued that the EU has developed a distinct approach to the energy transition by pushing back against Sino-American bipolar geopolitics and by utilising its normative, economic, and regulatory power and strong networks of global institutional relations to maintain a competitive but working relationship with China. The article follows this strand of research by relying on recent empirical material to question whether the EU has indeed adopted such a distinct approach.

### 2.3. A Qualitative Analysis of EU Energy Policy Documents

The documents under consideration include the Commission's communications on the European Green Deal and the Critical Raw Materials Resilience, the EU Hydrogen Strategy, the Global Gateway, the REPowerEU Plan, the External Energy Strategy, the Solar Energy Strategy, and the Green Deal Industrial Plan (European Commission, 2020a, 2020b, 2020c, 2021, 2022a, 2022b, 2022c, 2023a). While the Commission also published other important documents within the context of the Green Deal, the focus here is on those that—based on an extensive review of such policy documents—we consider most relevant for the EU's external action. Examining them allows an investigation of whether the Commission's policymaking has really turned “geopolit-

ical.” As argued, an analysis of documents concerning the European Green Deal is particularly representative due to the wide reach of this policy field, which covers areas from energy to industrial strategy and external relations. The Green Deal and the energy transition have been central to the policy agenda of the von der Leyen Commission. Moreover, the period under consideration (2019–2023) is optimal to evaluate whether the Commission's rhetoric and policy priorities changed in response to the occurrence of multiple international crises with strong implications for energy policy—the Covid-19 pandemic, the global energy crunch and the subsequent rise in prices, and Russia's invasion of Ukraine.

Arguably, the EU's turn to a geopolitical stance in energy policy, as well as in other policy areas, began before 2019. For instance, in 2016 the EU published its Global Strategy, which stated: “We live in times of existential crisis, within and beyond the European Union. Our Union is under threat” (European External Action Service, 2016, p. 10). It also argued that “terrorism, hybrid threats, climate change, economic volatility and energy insecurity endanger our people and territory” (European External Action Service, 2016, pp. 18–19). A geopolitical shift in the EU's external energy policy could be detected as early as 2015, when, following Russia's annexation of Crimea, the Commission launched the Energy Union strategy. One of the main goals of the strategy was to reduce gas imports from Russia by diversifying suppliers (Siddi, 2016). However, this plan was hardly followed by any consequential policies, as shown by the fact that energy trade with Russia (as well as dependence on China-controlled supply chains for critical minerals and low-carbon technologies) continued and even increased in the late 2010s. At this stage, a clear and overt intent of becoming a “geopolitical actor” had not been formulated by the EU, or certainly not in the explicit terms used by von der Leyen in 2019. It is also for these reasons that the article focuses on the period between 2019–2023. While a comprehensive analysis of the EU's geopolitical shift in energy policy could start earlier than 2019, this would require a wider scope and, especially, a lengthier study than an individual article (for a more extensive *longue durée* investigation, see Siddi, 2023). On the other hand, a narrower focus on recent years complements earlier studies on EU actorship in external energy politics (cf. Goldthau & Sitter, 2014; McGowan, 2008) with new empirical material.

Scope limitations also explain why the article focuses solely on European Commission documents, and not on the texts produced by other key EU institutional actors, such as European Council conclusions. Indeed, the European Council has become more influential in numerous areas of EU policy-making, including energy (Bocquillon & Maltby, 2021; Thaler, 2016). Future studies could widen the scope to include an analysis of Council documents. However, Commission policy documents are often drafted in response to political guidance

from the Council. For example, in their Versailles declaration of 10–11 March 2022, EU heads of state and government explicitly invited the Commission to propose a REPowerEU Plan to phase out the Union's dependency on Russian fossil fuels as soon as possible (European Council, 2022, pp. 5–6). The declaration also identified several strategies to pursue this objective, which were duly examined and specified in the document presented by the Commission the following May. In this article, the focus is on an in-depth analysis of the usually longer and more technical texts produced by the Commission on energy policy. The final, published versions of these texts usually reflect the political guidelines of, or at least the prevailing discourses and power relations within the European Council. They are therefore a very good excerpt of the EU's (rather than just the Commission's) strategies in energy policy.

The documents are investigated through qualitative document analysis, with a focus on detecting terms, phrases, and arguments that point to a geopolitical approach. Qualitative document analysis is an empirically grounded methodology that is used to identify and analyse the presence, meaning, and relationships of certain words, concepts, or themes in a text (Bowen, 2009; Ercan & Marsh, 2016). It can be used to analyse documents such as foreign policy strategies, parliamentary transcripts, party manifestos, and political speeches. Qualitative document analysis allows an interpretive investigation of policy documents, which is enriched by the researcher's awareness of the background, political context, and goals of the documents (Wesley, 2014). Knowledge of the broader framework in which a political text is produced also enables a plausible interpretive analysis of causal relationships, for example, between political and societal developments and policy planning.

In this article, qualitative document analysis is applied to the exploration of EU official documents that are publicly available on the European Commission's website. The analysis specifically focuses on detecting terms and concepts that can indicate a geopolitical approach to energy policy. Most notably, these include semantic fields related to security (i.e., "security," "energy security," "security of supply"), geopolitical competition (terms or phrases identifying competitors or enemies that pose a threat to the self in energy policy), and security-driven cooperation (in the case of the EU, international energy partnerships that are driven primarily by security considerations rather than by economic factors). The identification of these semantic fields allows an interpretive analysis of whether and how EU energy policy planning has become geopolitical. The analysis focuses on policy planning, rather than policy practice. Assessing policy practice would require studying the implementation of the documents under investigation, which involves the collection of a vast and different array of data and, for some policies, would only be possible in a few years. Nonetheless, the exploration of planning documents and strategies gives us a clear sense of the direc-

tion that EU energy policy is taking and of the rationale that should guide future policy developments.

### **3. Detecting the "Geopolitical" in Commission Documents: From the Green Deal to the Industrial Plan**

#### *3.1. The External Dimension of the European Green Deal Communication*

The European Green Deal can be conceptualised as a roadmap of policies for the EU's climate agenda (Siddi, 2020). These policies were first presented in a European Commission communication in December 2019, and thus before the Covid-19 pandemic and the rapid escalation in international tensions that followed Russia's attack on Ukraine in February 2022. They were later developed through strategic documents and legislative proposals. The focus here is on the Commission's communication from December 2019, particularly its aspects about external action, where a geopolitical stance will be detected if present.

The Green Deal communication emphasised multilateral cooperation in fora such as the UN, the G7, the G20, and the WTO, as well as partnerships with a diverse group of actors to tackle climate change (European Commission, 2020a, pp. 20–21). The document included an emphasis on supporting the ecological transition in the EU's immediate neighbours. This could be seen as entailing a geopolitical dimension, notably the attempt to expand EU influence in Eastern partnership countries and the Southern Mediterranean. However, China was also described as a partner, while green alliances were envisaged practically across the globe. Conversely, energy cooperation with the EU's main security partners, the US and NATO, was neither singled out nor mentioned explicitly. This suggests that the document conceptualised the Green Deal and the energy transition in terms of open and broad multilateral cooperation, rather than through the prism of security and geopolitics.

A geopolitical approach emerged in the declared intention to set EU standards that apply across global value chains, and arguably in plans to adjust trade policy to support the ecological transition. Most significantly, a carbon border adjustment mechanism (CBAM) was proposed to prevent carbon leakage (European Commission, 2020a, pp. 5, 21–22). CBAM has been criticised by many of the EU's trade partners as a form of "green protectionism" that advances the European economic and political agenda, rather than multilateral cooperation in the energy transition (Grimm et al., 2021). At the same time, the proposed measures on trade policy, promoting EU standards and CBAM can also be seen as an attempt of the EU to advance the energy transition, rather than (just) its geopolitical interests. Overall, the Green Deal communication reflected primarily a focus on broad and comprehensive multilateral cooperation for the energy transition, whereas geopolitical considerations played a secondary role.

### 3.2. *The 2020 Strategies for Hydrogen and Critical Raw Materials*

In the summer of 2020, the Commission published two policy documents that were highly relevant to the energy transition and had a clear international dimension: *A Hydrogen Strategy for a Climate-Neutral Europe* and *Critical Raw Materials Resilience: Charting a Path Towards Greater Security and Sustainability* (European Commission, 2020b, 2020c).

The hydrogen strategy highlighted the importance of hydrogen as a vector for renewable energy storage, alongside batteries, and for transport. The main focus of the document was on trade and investments to create a European Clean Hydrogen Alliance, as well as on technical aspects such as transportation (building new infrastructure, repurposing gas pipelines), use, and further development of hydrogen. The last section of the strategy, focusing on the international dimension, argued that “taking into account natural resources, physical interconnections and technological development, the Eastern Neighbourhood, in particular Ukraine, and the Southern Neighbourhood countries should be priority partners” (European Commission, 2020c, p. 19). In addition, it stated that the EU should strengthen its international leadership for “technical standards, regulations and definitions on hydrogen” and “facilitate the development of a structured international hydrogen market in euro” (European Commission, 2020c, pp. 21, 23). However, broader cooperation was also envisaged, for instance with the African Union. The focus on neighbouring countries can be at least partly explained by the nature of hydrogen markets, which tend to be regional due to transportation challenges. Overall, geopolitical considerations were present in the strategy, such as the prioritisation of cooperation with specific geographic areas and the call for achieving technological and regulatory leadership. Nonetheless, economic, technical, and climate considerations played a more central role in the document.

On the other hand, security, resilience, and open strategic autonomy were at the forefront of the CRM communication. The document presented the EU’s 2020 list of CRM, the challenges to the security of supply, and actions to increase resilience. Sustainability was also mentioned, but much greater emphasis was placed on security. Geopolitical factors were mentioned explicitly in the context of preparing for future supply challenges: “The geopolitical aspect should also play an integral part in foresight, enabling Europe to anticipate and address future needs” (European Commission, 2020c, p. 4). The communication highlighted that the extraction of CRM is highly concentrated in a few countries (for example, rare earths in China, borates in Turkey, and platinum in South Africa); accordingly, the EU should strengthen domestic sourcing, recycling and processing, and diversify imports from third countries (European Commission, 2020c, pp. 3, 6–8). Moreover, the docu-

ment recommended the creation of strategic partnerships with resource-rich third countries. However, the stated range of possible partners was broad, and not limited to the EU’s allies in the field of security and defence. For instance, the document mentioned “bilateral raw materials dialogues with a range of countries, including China” (European Commission, 2020c, p. 15). Cooperation in multilateral fora such as the UN, the G20, and the WTO was also stressed. Therefore, while geopolitical logic was present in the CRM communication, reflecting the EU’s high level of dependence on this sector, a diverse spectrum of partnerships and dialogues were identified as possible solutions. A focus on broad multilateral cooperation coexisted with, and arguably prevailed over confrontational arguments driven by geopolitical factors.

### 3.3. *From the Global Gateway to the REPowerEU Plan: The Commission’s Geopolitical Turning Point*

The Global Gateway was the Commission’s last major policy document concerning, inter alia, the green transition that was published before Russia’s attack on Ukraine in February 2022. Largely a response to China’s Belt and Road Initiative and the EU’s waning influence on the international stage, the Global Gateway reflected growing strategic competition by calling for a “concerted effort with like-minded partners,” particularly the US and the G7 (European Commission, 2021, p. 2). At the same time, it mentioned comprehensive “connectivity partnerships” with Japan and India; economic and investment plans in Western Balkan; Eastern partnership and Southern Neighbourhood countries; and EU–Africa green partnerships (European Commission, 2021, pp. 2, 6). The main objective of the Gateway was that of building new, resilient, and sustainable connectivity infrastructure after the disruptions caused by the Covid-19 pandemic. The goal of strengthening the resilience of supply chains recurs several times in the document. Taking into account the Global Gateway’s framing as a response to the Belt and Road Initiative, this also implied reducing dependence on China-controlled supply chains, even if China was not explicitly addressed in the document (however, this framing is prominent in speeches of EU top policymakers and the broader policy debate; see for instance Borrell, 2022; Lau & Moens, 2022).

Conversely, the REPowerEU plan—released in May 2022—was explicit about its geopolitical goals. The document stated that “REPowerEU is about rapidly reducing our dependence on Russian fossil fuels” (European Commission, 2022a, p. 1). This was to be achieved by saving energy and accelerating the green energy transition, but also by diversifying supplies of fossil fuels. As opposed to the documents analysed earlier, the REPowerEU plan was not exclusively focused on the green transition. The centrality of geopolitical considerations after Russia’s attack on Ukraine paved the way

for substantial derogations from the green agenda, such as “investments estimated at EUR 10bn” which would enable the EU “to import sufficient liquefied natural gas (LNG) and pipeline gas from other suppliers,” as well as to build new infrastructure to interconnect the domestic EU gas markets (European Commission, 2022a, p. 13). Considerations about security, and specifically the security of energy supply often recurred in the document.

The REPowerEU plan also cited the changed geopolitical landscape as the main reason (together with climate change) for accelerating the energy transition by boosting renewable energy production and deploying the necessary technology. This logic also emerged in one of the Commission’s documents focused on renewables that accompanied the REPowerEU plan, the EU Solar Energy Strategy. The strategy began by stating that solar energy will be the “kingpin” of the EU’s efforts to end dependency on Russian fossil fuels (European Commission, 2022b, p. 1). Moreover, it highlighted the “marginal EU contribution in the manufacturing and assembly stages of the [solar photovoltaic] supply chain, combined with the quasi-monopolistic role of one country”—a clear reference to China—which “diminishes the EU’s resilience in case of extensive external supply disruptions” (European Commission, 2022b, p. 18). China’s leadership in solar power technology was framed as a threat to the EU, which highlights the strong penetration of geopolitical logic in (green) energy policy planning by mid-2022. The strategy advocated international cooperation on solar power with neighbouring countries, India, the US, Africa and, through the International Renewable Energy Agency, other global contexts.

Furthermore, the REPowerEU plan argued in favour of using the EU’s market power to obtain better conditions in global energy trade, for instance by aggregating EU purchases of gas, LNG, and hydrogen through an EU Energy Platform (European Commission, 2022a, p. 4). Other measures with clear geopolitical significance were the emergency synchronisation of the Moldovan and Ukrainian electricity grids with the EU’s grid and the planning of three major hydrogen import corridors via the Mediterranean, the North Sea area, and “as soon as conditions allow, with Ukraine” (European Commission, 2022a, pp. 5, 7). While the former aimed at diminishing Russia’s leverage over Moldova and Ukraine, the latter served the purpose of phasing out EU energy imports from Russia; both were functional in strengthening the EU’s geopolitical influence in its neighbourhood.

### 3.4. The EU’s 2022 External Energy Strategy

The Commission’s communication EU External Energy Engagement in a Changing World, published simultaneously with the REPowerEU plan, is a prime source for assessing the EU’s geopolitical shift in energy policy. The strategy attempted to combine geopolitical and climate-related arguments; however, a close reading of the text shows that energy security and geopoliti-

cal considerations were prioritised. The strategy stated that the green energy transition is the only way to tackle climate change and reduce dependence on Russia. Diversification of fossil fuel imports is the first issue discussed in the document, which states that “the EU must increase its gas imports from non-Russia sources” by 50 additional billion cubic metres of LNG and 10 billion cubic metres of pipeline gas per year (European Commission, 2022c, p. 3). This gas was expected to arrive primarily from the US, Norway, Algeria, Azerbaijan, Canada, and Qatar. Therefore, the Commission hoped to obtain gas from Western allies, a few neighbouring states, and countries that it perceived as reliable suppliers. Security considerations, rather than economic and open market logic, drove the Commission’s stance.

Geopolitical factors also shaped the following part of the document concerning hydrogen imports. In this regard, the Southern Mediterranean region and Africa were seen as the main potential suppliers. Moreover, the document advocated reducing dependency on other Russian energy imports beyond oil and gas, most notably nuclear fuel. A whole section of the strategy was devoted to “supporting partners impacted by Russia’s invasion of Ukraine”—including Moldova, Georgia, and the Western Balkans—through reverse flows of gas, the provision of energy equipment and common purchases of gas (European Commission, 2022c, pp. 6–7, 10–11).

The section of the strategy on accelerating the green transition proposed several global partnerships to boost renewable energy production and energy efficiency, as well as cooperation on research and technology, but also returned to the topic of ensuring access to CRM through cooperation with Western states and resource-rich countries in the Global South (European Commission, 2022c, pp. 11–17). The last section, titled “Laying the Foundations of the New Global Energy System,” was explicit about the geopolitical logic driving the strategy. It stated that “the EU will continue to work in tandem with the US, with whom priorities are well aligned across the full energy policy spectrum,” as well as with “partners like Norway, Japan, Australia, Chile, United Kingdom and others” (European Commission, 2022c, pp. 17–18). Significantly, it concluded by stating that the energy transition “can support the EU in achieving its broader geopolitical objectives to reinforce resilience and open strategic autonomy” (European Commission, 2022c, p. 19).

### 3.5. The Green Deal Industrial Plan: Net-Zero Industry and Critical Raw Materials

In February 2023, the European Commission published the communication A Green Deal Industrial Plan for the Net-Zero Age. The plan intended to make the EU “a leading player in the net-zero industries of the future” by underpinning industrial manufacturing of key technologies in the Union (European Commission, 2023a, p. 2). A simplified regulatory framework, a faster permitting



process for strategic projects and quicker access to funding are essential goals of the plan. The document argued that third actors' subsidies were "unleveling the playing field," and hence the Commission intended to relax rules on state aid through the Temporary Crisis and Transition Framework. Based on this proposal, state aid could be granted to all renewable technologies, green hydrogen, and biofuel storage projects (European Commission, 2023a, pp. 7–10). Allowing substantial state intervention, notably through the direct provision of financial aid, was a significant derogation from the EU's long-standing approach that prioritised market competition in energy policy. Such an influential role for the state in policy planning and implementation reflects a geopolitical approach to energy markets—particularly as it was invoked to counter the practices of third countries.

In March, two draft legal acts detailed the substance of the Industrial Plan. The Net-Zero Industry Act proposed that the EU's manufacturing capacity of strategic net-zero technologies should reach at least 40% of the Union's deployment needs by 2030 (European Commission, 2023b). Such technologies include solar photovoltaic, onshore and offshore wind, geothermal energy, batteries, heat pumps, electrolyzers, carbon capture and storage, sustainable alternative fuels, biogas, grid technologies, and advanced nuclear power technologies. Moreover, the Critical Raw Materials Act set benchmarks for domestic EU production capacity along the supply chain of CRM: at least 10% of the EU's annual consumption for extraction, 40% for processing, and 15% for recycling (European Commission, 2023c). Supply diversification measures were also included: Not more than 65% of the EU's annual consumption of each strategic CRM at any stage of processing can come from a single third country. This was an ambitious target given that the EU is currently over 95% dependent on foreign supplies for 17 out of 27 CRMs. China would be impacted heavily by these targets as it is a key CRM supplier to the EU and has more than an 80% share of the European market across the solar industry supply chain (Menkhoff & Zeevaert, 2022). Taken together, the Net-Zero Industry Act and the Critical Raw Materials Act aimed primarily at strengthening the EU's resilience and position vis-à-vis other major powers, particularly China, in a critical field for the energy transition. Geopolitical competition and China's potential disruption of relevant supply chains provided the logical foundations for both documents.

Overall, the Industrial Plan was intrinsically driven by security and geopolitical considerations. It stated that "at the time of rising geopolitical tensions, the EU and its member states should act together to defend their interests" (European Commission, 2023a, p. 19). By supporting the domestic extraction of CRMs and the manufacturing of green technologies, including through state aid, the Commission tried to strengthen the EU's position vis-à-vis geopolitical competitors. To achieve this goal, the Commission planned to deploy the EU's regulatory power. For instance, the Industrial Plan stated that the

EU will continue to make use of trade defence instruments and of the Regulation on Foreign Subsidies, introduced in January 2023 to investigate subsidies granted by third countries. Furthermore, it argued for using the EU framework for screening foreign direct investments "to safeguard key European assets and protect collective security" (European Commission, 2023a, p. 19) and for deploying the International Procurement Instrument to support EU companies in accessing procurement markets in third countries.

#### 4. Conclusions

This article has shown that the EU's policies for a green energy transition have taken a decisive geopolitical turn following the Covid-19 crisis and particularly Russia's attack on Ukraine in February 2022. While geopolitical logic was partly detectable in earlier documents published by the von der Leyen Commission, the shift in language and policy goals has accelerated since 2022. To this end, in energy policy planning, the Commission has been consistent with von der Leyen's proclaimed intent of leading a "geopolitical Commission." As the EU polycrisis shows no signs of abating—with further military escalation in the Russia–Ukraine war and growing tensions between China and the West—the EU's shift to a geopolitical approach in energy policy will likely continue in the foreseeable future.

This also has implications for Europe's green transition. The Commission has tried to reconcile its geopolitical turn with the Green Deal, but contradictions have become evident. As fully phasing out fossil fuel dependence is impossible in the short term, large new investments must be made in infrastructure to import gas from countries that are not perceived as geopolitical competitors. This increases the risk of carbon lock-in and of distracting resources from the green transition. Hence, EU policy responses to the polycrisis may end up delaying the transition.

Meanwhile, the EU's focus on securing access to CRM and to green hydrogen production in the Global South runs the risk of eliciting a negative response from some countries, where the EU's new external energy policy could perpetuate disadvantageous trade patterns. For instance, recent policies in Morocco and Egypt signal a focus on domestic green industrialisation, rather than on supplying resources and renewable energy for decarbonisation in Europe. To avoid accusations of "green colonialism," the EU needs to develop partnerships aimed at decarbonisation and socio-economic development in partner countries too (Quitow et al., 2022).

Furthermore, easing regulations for mining CRM in Europe can impact negatively biodiversity, especially as most of the EU's known reserves are in or near protected areas. Environmental campaigners argue that mining projects can cause water and soil pollution, deforestation, and biodiversity loss. At the same time, offshoring mining would only transfer the ecological consequences



to other contexts, notably the Global South, where environmental regulation tends to be laxer.

Meanwhile, in the business sector, responses to recent EU policies like the Industrial Plan have been mixed. While the battery industry has welcomed plans to support domestic production, stakeholders in the solar industry worry that local content sourcing will have a strong impact on prices and competitiveness (Yang et al., 2023). The EU's energy transition policies will have to navigate these challenges and carefully ponder the trade-off between geopolitical considerations and the climate agenda. The "geopolitical" turn in the Commission's energy policy cannot always be reconciled with climate policy priorities and could hinder the multi-lateral cooperation that is necessary to drive the energy transition and tackle climate change.

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### Conflict of Interests

The authors declare no conflict of interests.

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Article

## The Recovery and Resilience Dialogues: Cheap Talk or Effective Oversight?

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### Abstract

The recovery and resilience dialogues were introduced by the regulation of the Recovery and Resilience Facility, and the first of such dialogues took place in May 2021. The European Parliament invites the Commission, approximately every two months, to exchange views on matters relating to the national recovery and resilience plans and progress in their implementation. Through an analysis of an original dataset composed of the questions asked by the MEPs in the 10 dialogues held between May 2021 and April 2023, this article provides a systematic empirical assessment of the European Parliament’s capacity to hold the Commission accountable. Drawing on the literature on the economic and monetary dialogues and adapting the operationalisation of key variables to the new instrument, this article shows that the recovery and resilience dialogues are an effective instrument for information exchange and debate, but they serve as a weak instrument of political accountability. Additionally, it casts new light on significant differences between MEPs: South and East European members are considerably more active than members from Northern Europe. At the same time, parliamentarians only occasionally ask questions targeting other member states.

### Keywords

accountability; European Commission; European Parliament; post-pandemic recovery; recovery and resilience dialogues; Recovery and Resilience Facility

### Issue

This article is part of the issue “Governing the EU Polycrisis: Institutional Change after the Pandemic and the War in Ukraine” edited by Edoardo Bressanelli (Sant’Anna School of Advanced Studies) and David Natali (Sant’Anna School of Advanced Studies).

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### 1. Introduction

In July 2020, the European Council reached an agreement on NextGenerationEU (NGEU): the Commission was empowered to borrow up to €672.5 billion (in 2018 prices) from financial markets to enable the member states to recover from the pandemic crisis and to push their digital and green transitions. The key instrument of NGEU, the Recovery and Resilience Facility (RRF), allocated up to €312.5 billion in grants and €360 billion in loans to member states. Although the EU has been borrowing from the markets since the 1950s, NGEU combines traditional features with some novel ones (Hodson & Howarth, 2023). Significantly, it is financed directly

by the EU rather than through transfers from member states, and the amount of money the European Commission has been authorised to borrow is exceptionally large. The RRF also has tangible redistributive effects, with those countries most hit by the pandemic receiving a larger quota of resources (i.e., Italy in absolute terms, Greece as a share of its GDP).

To receive the EU funds, member states submit national recovery and resilience plans (NRRPs) to the European Commission, which assesses them and proposes its recommendations to the Council for final approval. Payments are subsequently managed by the Commission and made in successive instalments, pending a satisfactory assessment of the member state’s

progress toward agreed milestones and targets. The RRF Regulation concluded in February 2021 tasked the European Parliament (EP) with scrutinising the RRF and its implementation. Through the recovery and resilience dialogues (RRDs), the European Commission is heard and questioned by MEPs.

To what extent are the RRDs ensuring the accountability of the Commission before the EP? Drawing on a classic definition, we understand political accountability as the requirement for public officials to justify their conduct before an accountability forum (typically a parliament), be assessed for their (past) actions, and possibly face consequences (Bovens, 2007). Broadly speaking, the Commission is directly accountable to the EP: its president and the College of commissioners are voted into office by the EP, which also has the power to table a motion of no confidence, forcing its collective resignation. The RRDs are an additional accountability tool that allows the MEPs to ask the Commission to justify its conduct or change its actions. In turn, commissioners shall publicly defend their actions or promise MEPs that they will change their behaviour. Although commissioners cannot be individually dismissed, and the possibility of collective removal is highly unlikely, the Commission's behaviour can be publicly exposed to negative media coverage and publicity and, therefore, sanctioned with reputational and political costs.

Previous studies have shown how parliamentary dialogues, particularly the economic dialogues and monetary dialogues, have been used by the EP to hold executive actors in economic governance and monetary policy accountable, also highlighting the limits of such instruments (e.g., Chang & Hodson, 2019; Kluger Dionigi, 2020; Maricut-Akbik, 2022). Building on this literature, we provide a comprehensive analysis of the ten RRDs held from May 2021 to April 2023. Our main goal is to empirically assess the strength and type of accountability, classifying all the questions asked by MEPs based on their content and the answers provided by commissioners based on their level of detail. In particular, we investigate three dimensions of accountability: the strength of the EP's accountability efforts, the level (national, supranational, or transnational) to which the EP's accountability is directed, and the change (or lack thereof) in the MEP's oversight over time. To our knowledge, our analysis provides the first empirical exploration of these dialogues. As such, rather than systematically testing hypotheses or causal mechanisms, it aims to generate new insights and provide original empirical data for further investigation by future research.

On the strength of accountability, we find that RRDs are useful instruments for MEPs to gather information and publicly debate issues related to the implementation of the RRF. However, they are weak instruments of accountability, as the Commission is only occasionally asked to justify or change its actions.

Regarding the level to which the accountability is directed, the RRDs are mainly used by the EP to

inquire about the RRF rules and challenges for the EU as a whole, focusing less on the member-state level. To an extent, this is understandable, as national parliaments are also responsible for scrutinising their national governments, which are in charge of implementing the NRRPs. However, MEPs could—and, arguably, should—focus more on how EU funds are disbursed and spent across the member states, also scrutinising the implementation of the RRF in countries rather than their own.

Finally, looking at the longitudinal change in MEPs' oversight, we find evidence that, over time, the strength of their scrutiny does not change, their focus on national-level issues increases, and the commissioners become slightly more explicit in their answers.

We complement the assessment of the RRDs as accountability tools with a second line of inquiry, i.e., an analysis of which MEPs take the floor more frequently in the dialogues. Although we address this question only in an exploratory fashion, our findings reveal that MEPs from Southern and Eastern Europe are particularly active in the dialogues, while MEPs from Nordic Europe especially are underrepresented. This suggests that the redistributive aspects of the RRF mainly activate those MEPs from the countries which mostly benefit from the EU financial resources for post-pandemic recovery. This finding may cast some doubts on the legitimacy of the EP as the EU accountability forum. At the same time, it shall be recalled that the selection of MEPs is driven by various factors: most fundamentally, their expertise as (shadow) rapporteurs on legislation on post-pandemic recovery. Therefore, a national "bias" could have a solid functional justification (i.e., as the most engaged MEPs in the dialogues are, effectively, policy experts).

Our analysis of the RRDs not only casts light on the role of the EP in post-pandemic recovery, but it may also be illustrative of the difficulties encountered by parliaments to exercise effective oversight of executive actions in (post-)crisis situations. According to scholarship going back to Schmitt (Ginsburg & Versteeg, 2021, p. 1498), "Emergency governance is...executive governance." Parliaments play, at best, a reactive role and are ill-equipped to oversee executive actions (see also Bressanelli & Chelotti, 2019). In the post-pandemic EU system, the "NGEU show" is run by executive actors: at the EU level, the Commission and the Council (assessing implementation and authorising payments); at the member state level, the national governments (implementing the NRRPs). The RRDs are the main tool through which the EP has attempted to exercise its scrutiny over the actions of the supranational executive, and, as our empirical analysis demonstrates, it has only held it accountable to a limited degree.

This article is structured as follows. Section 2 introduces the RRDs and discusses them regarding other dialogues previously established by the EP. Section 3 outlines the conceptual framework and our expectations. Section 4 illustrates the research design and the coding



procedure, while Section 5 presents and discusses the empirical analysis. Section 6 concludes.

## 2. The Recovery and Resilience Dialogues

Negotiating the RRF under the ordinary legislative procedure, the EP managed to expand its powers to scrutinise the implementation of the RRF (Fasone, 2022; Bressanelli, 2022). According to Regulation (EU) 2021/241 (2021), the Commission is expected to submit an annual evaluation report on the implementation of the RRF to both the EP and the Council. The NRRPs submitted by member states to the Commission and the proposals for Council implementing decisions must be sent to both the EP and the Council “simultaneously and on equal terms.” The EP must also “simultaneously” receive information that the Commission relays to the Council, while its competent committee is informed about the “relevant outcomes of discussions” in Council preparatory bodies. The Commission shall also keep the EP updated on the fulfilment of the relevant milestones and targets during the implementation phase. Finally, the procedure to suspend payments to member countries requires the Commission to keep the EP fully informed in a timely manner, and allows the EP to invite the Commission to explain the motivations behind any proposal for suspension (or for lifting such a suspension).

An important institutional innovation introduced by the RRF Regulation has been the establishment of the RRDs. Consistent with the assumption that crises act as a trigger of institutional change (see Bressanelli & Natali, 2023), the EP successfully managed to insert RRDs into the regulation as an instrument of accountability, one which was not originally included in the legislative proposal presented by the Commission. Thus, Art. 26 of the RRF Regulation allows the EP to invite the Commission, every two months, to exchange views on the implementation of the RRF, about the state of recovery, resilience, and adjustment capacity in the EU; the assessment of the NRRPs; the main findings of the evaluation report presented by the Commission; the status of fulfilment of the milestones and targets in the NRRPs; payment, suspension, and termination procedures; and any other relevant information and documentation provided by the Commission concerning the implementation of the RRF. The regulation stresses that the views expressed in the dialogues, together with the relevant resolutions voted by the EP, shall be duly considered by the Commission.

The RRDs take place before a joint meeting of two parliamentary committees—EP’s Committee on Budgets (BUDG) and the Committee on Economic and Monetary Affairs (ECON). An ad hoc body (a working group composed of 27 full members and 14 substitutes, representing all political groups and mainly—but not only—recruited from the BUDG and the ECON Committees) is responsible for the preparation and the follow-up of the RRDs.

The instrument of the “dialogue” is not new, as it has already been used by the EP in other contexts.

The “economic dialogue” has been introduced by the legislation reforming economic governance, the six- and the two-pack (i.e., Bressanelli & Chelotti, 2016; Kluger Dionigi & Koop, 2019). Through it, the ECON Committee invites representatives of the member states, the European Commission, the president of the Council, and the president of the Eurogroup to discuss economic and policy issues. In the “monetary dialogue,” instead, the president of the European Central Bank (ECB) appears on a quarterly basis before the ECON Committee. He/she delivers an introductory statement on the EU’s economic and financial outlook and the ECB’s decisions to MEPs, who then address their questions to him/her (see Moschella & Romelli, 2022).

Compared to the other types of “dialogues,” some specificities of the RRDs are worth emphasising. First, unlike economic dialogues, where the president of the Council and representatives of member states can also be invited, only the Commission is expected to participate. While it is for the national governments to submit the NRRPs and ensure their implementation, the EP is only empowered to address questions to the Commission (Dias Pinheiro & Dias, 2022). Incidentally, the EP is not involved in the approval of the NRRPs or the adoption of the implementing decisions that authorise financial contributions. Second, the RRF regulation gives a broad remit to the RRDs, as it allows the EP to discuss “any relevant information...concerning the implementation of the RRF.” Even if, in practice, the agenda of economic dialogues has also been quite broad (Maricut-Akbik, 2022), their regulations are, in theory, more stringent.

## 3. Conceptual Framework

To what extent, and how, does the EP hold the Commission accountable within the RRF framework? Parliamentary questions are one of the few mechanisms at the EP’s disposal to control the Commission’s exercise of power. They allow MEPs “to check, verify, inspect, criticise, or challenge [its] activities” (Maricut-Akbik, 2022, p. 2). In what ways are they used in the context of the RRDs to inspect, criticise, and challenge the decisions of the Commission?

In this article, we break down accountability into three analytical dimensions. First and foremost, we analyse the strength of the EP’s oversight of the Commission. Previous work has shown that the accountability assured by the monetary and economic dialogues was, overall, limited. The monetary dialogue provided greater transparency and legitimacy to the ECB’s decisions, but space for significant improvement existed—e.g., reducing the number of policy issues discussed or improving the cooperation among MEPs (Chang & Hodson, 2019; Maricut-Akbik, 2021). Kluger Dionigi (2020) measured the quality of the scrutiny in economic dialogue and showed that most of the MEPs’ questions were unfocused and hardly directed to scrutinise the actions of EU

institutions. By looking at the strength of the questions asked by MEPs and the responsiveness of EU executive actors, Maricut-Akbik (2022) reached similar conclusions: the EP has been able to hold EU institutions accountable only partially—with the scrutiny being stronger in the case of the Eurogroup than of the Commission or the Economic and Financial Affairs Council (ECOFIN).

We devote most of our efforts to operationalising and measuring the strength of these accountability efforts. Does the EP act through softer (e.g., requesting more information) or stronger (e.g., demanding specific changes of policy or behaviour) forms of oversight? At the same time, accountability also includes assessment of the quality of the Commission's response—i.e., the types of answers provided by the commissioners. Our assessment of the strength of the EP's oversight in the RRDs employs and adapts Maricut-Akbik's (2021) framework and methodological approach, which is illustrated in Section 4.

Second, we examine the level to which the MEPs' questions are addressed. On the one hand, MEPs represent EU citizens, not their national constituencies. One of the strongest arguments in favour of expanding the EP's powers is the legitimacy gap created every time EU integration has deepened. As more and more powers are assigned to the EU institutions, the national accountability chain is weakened, if not severed. The EP has—often successfully—exercised normative pressure to fill this void (Rittberger, 2003). As such, we should expect that, in the case of RRDs, MEPs' oversight would be primarily directed to decisions and policies that concern the EU as a whole.

On the other hand, we also know that MEPs are very much interested in, and have great knowledge of, their domestic politics. There might be many reasons why they would ask questions about their own country's NRRP—not least because they can score points in their national polity by defending or criticising the situation at home. Evidence from the economic dialogues indeed reveals that MEPs are more likely to question ministers from their own member states (Brack & Costa, 2019; Chang & Hodson, 2019; Kluger Dionigi, 2020). There is also a third possibility: that parliamentarians pose questions that inspect what happens in other member states. For instance, MEPs attentive to the rule of law might look into the NRRPs of Hungary or Poland. The debtor/creditor distinction could apply at this level: countries from Northern Europe might have strong incentives to examine the design and implementation of NRRPs of highly indebted countries. We therefore aim to evaluate whether questions are directed at the EU, the national, or the transnational level.

Finally, we add a temporal dimension to our analysis. We cover 10 dialogues from May 2021 to April 2023. During this time, it is likely that the kind of accountability exercised by the EP changed. This could be because MEPs have become more experienced in the RRDs process, format, or content. They might have learned how to

better review and challenge the commissioners, or they might have acquired greater knowledge of the dossiers. Alternatively, this could be because the dialogues simply happened at the different stages of the RRF cycle, e.g., MEPs initially asking questions related to the EU level (e.g., the rules of the games, the methodology used by the Commission in the assessment of the plans) and then inquiring about the implementation of specific projects in the member states once the NRRPs were underway. Not only the questions of MEPs but also the answers of the commissioners could/should change over time. Commissioners are likely to become more thorough (or “explicit,” in the terminology we employ) in their answers as they acquire greater expertise with the RRF and the way RRDs are conducted.

Therefore, our research aims to assess the EP's accountability of the Commission in the RRDs by looking at the (a) strength, (b) level, and (c) change over time of these accountability dimensions. To this main line of enquiry, we add a second, exploratory one, where we investigate which MEPs take the floor in the RRDs. Given that the time available for these executive-legislative exchanges is scarce, only a handful of parliamentarians are able to ask questions. Exploring their profiles can shed greater light on the type of oversight provided by the EP. MEPs' engagement in these fora can be explained by a plurality of reasons. For instance, the EP political groups have an incentive to actively participate in the RRDs so that their voice can be heard by the commissioners, or they can signal their political activism to their constituencies (Bowler & Farrell, 1995).

In this article, we preliminarily assess two aspects of MEPs' individual profiles, i.e., their nationality and partisan affiliation. Most importantly, we want to determine if there is any systematic pattern in the nationality of the parliamentarians who take the floor. While the null expectation is that the share reflects the country number of seats in the joint BUDG-ECON Committees, an interesting question is whether there is a significant difference between Northern and Southern countries, or better, between countries that received the most (e.g., Italy, Spain, Greece, Romania) and the least (e.g., Netherlands, Denmark, Sweden) in terms of financial resources from NGEU. We expect that MEPs from the latter group—who are likely to be net contributors to the programme—will have greater incentives to participate in the dialogues and hold the Commission accountable for the running of the NRRPs. On the other hand, Kluger Dionigi (2020) has shown that opposite trends are at work in the economic dialogue: MEPs from debtor countries are more likely to ask questions than MEPs from creditor countries.

The allocation of speaking time in the RRDs is also likely to be related to the specialist role of MEPs in the joint BUDG-ECON Committees (i.e., Proksch & Slapin, 2011, p. 61). More senior MEPs (i.e., chairs or vice-chairs of the BUDG and ECON Committees) and policy experts (i.e., rapporteurs or shadow rapporteurs of the regulations on the RRF or REPowerEU) are likely to be in

the best position to inspect and question the actions of the Commission. As such, the probability of them being selected by their political group to take the floor in the RRDs may well be higher.

#### 4. Research Design

This section illustrates the methodological choices adopted to analyse the RRDs (for additional details, see the Supplementary File). We analyse the type and strength of the EP's accountability through a "political claims analysis" that involves the qualitative analysis of the claims made by specific actors in the context of interest (Koopmans & Statham, 1999, p. 6). The basic unit of analysis is the "claim." A claim can be defined as a "purposive unit of strategic or communicative action in the public sphere" (de Wilde et al., 2014, p. 7). In our approach, a claim is "a sentence or a set of sentences on a particular topic" (Maricut-Akbik, 2021, p. 551) and can be either a question by the legislative actors (in our case, the MEPs) or an answer by the addressees (in our case, the EU commissioners).

Critically, claims cannot be confused with "interventions" as formally defined during legislative oversight procedures. Usually, each intervention by a legislative or executive actor contains multiple claims, which can be identified both through explicit statements (i.e., when they enumerate their questions/answers) and/or changes in topics (Maricut-Akbik, 2021, pp. 13–14; see Supplementary File). Therefore, the first step of political claims analysis is isolating the single questions-claims and answers-claims. For example, this quotation comes from an intervention by an MEP in the RRD of 12 September 2022:

On macroeconomic considerations, I'd like to pick up on what Commissioner Gentiloni said. You're right, we need to look at necessity, we need to coordinate budgetary and monetary policy. My question is the following: how can that be done at the EU level? Coordinate budgetary and economic or monetary policy? How can we strengthen these policies to fight inflation, to prevent our economies from falling into recession? Another question. The decision on a global minimum tax: what is the state of play on the debating Council? We know that at the most recent Ecofin Council, some Member States said that they would like to see enhanced cooperation here. That is my question: what is the current update on that debate? Thank you.

Through the specification of the MEP and the shift of topic, we can notice that there are two separate question-claims. The first is about budgetary and monetary policy coordination and the second is about the Council debate on the OECD global minimum tax. From now on, we use the words "questions" and "answers" to indicate "question-claims" and "answer-claims." After

isolating questions and answers, a series of features are investigated for each.

To assess the strength of the EP's accountability through RRDs, we employ the Q&A approach to legislative oversight (hereafter, the Q&A approach), which is a framework provided by Maricut-Akbik (2021) to analyse parliamentary oversight procedures. Such an approach assumes that to assess the effectiveness of parliamentary questions, the questions asked by an accountability forum should be analysed together with the answers from the executive actors (Maricut-Akbik, 2021, p. 543). In particular, the Q&A approach identifies five types of questions that the legislative actors can ask the executive: (a) request information about a decision taken; (b) justify a decision or conduct; (c) change a decision or conduct; (d) adopt sanctions toward certain actors; and (e) request policy views, when the question does not contest anything about the past conduct of the addressees. In addition to the original framework, we have added a sixth category of (f) irrelevant questions, for questions on policy issues that fall outside the scope of the dialogues, as defined by Art. 26 (cf. Section 2).

Depending on how the addressee engages with the type of question, the executive's replies are classified as (a) explicit, (b) intermediate, and (c) non-reply. Explicit replies fully engage with the core of the question by presenting an exhaustive answer, intermediate answers are partial and/or incomplete, and non-replies do not engage with the question at all (Maricut-Akbik, 2021, pp. 23–25; see Supplementary File).

To assess the level to which the EP's oversight is directed, we have introduced a new variable called "level," which captures whether a question focuses on the EU level, the national level (when MEPs ask a question about their own country), or the transnational level (when MEPs ask a question about a different country from their own). To scrutinise the temporal dimension, every claim is linked to the RRD in which it was made.

Finally, to make a preliminary assessment of the second line of inquiry (about who takes the floor during the RRDs) we compare the share of interventions with the share of seats in the joint committee both by political group and nationality. Information on the composition of the joint committee and the MEPs' political affiliation, nationality, and roles—as (vice)chair of either the BUDG or the ECON Committees or (shadow) rapporteur on legislation on the RRF or REPowerEU—were retrieved from the website of the EP (European Parliament, 2023; last accessed on 23 June 2023).

In practical terms, the coding procedure consisted in watching the video recordings of the RRDs available on the EP's website—European Parliament Multimedia Centre (europa.eu)—and, following our codebook adapted from Maricut-Akbik (2021), creating a dataset where every row includes a single question-claim by an MEP and the connected answer-claim by the commissioner(s). As additional support for the coder, every RRD was automatically transcribed with speech-to-text

software. Whenever questions were asked in a language not known to the coders, the English translation provided by the EP was used.

In order to improve the validity of the coding, at the beginning of the process, each author independently coded one of the dialogues, following the Maricut-Akbik (2021) codebook. Later, we ran a “collective coding” session in which we compared our coding choices to clarify the interpretation of the various parameters and adopt modifications to the codebook. As we soon realised that the classification of some questions could vary a lot depending on the coder’s interpretation of the tone and the context, we compiled and shared a vademecum (see Supplementary File) to interpret the codebook most coherently.

After this step, every author has coded one-third of the dialogues. They have been assigned in such a way that no one had more than two consecutive dialogues to give every coder a wide variety of periods and topics. After coding all the 10 dialogues, we conducted an inter-coder reliability test that consisted of (a) extracting a stratified sample of claims, (b) having such sample independently coded by two different coders, and (c) measuring the level of agreement with the following indices: percentage agreement, Krippendorff-alpha, and Gwet’s  $AC_2$ . Overall, for the three indexes, the scores reflect high reliability according to the current literature. The percentage agreements for question type, answer type and focus are 73.48%, 77.27% and 92.42%, respectively. The Krippendorff-alpha scores are 0.7054, 0.5870, and 0.7820, respectively. The partly unsatisfying result for the Krippendorff-alpha on answer type (below the minimum score of 0.667 indicated by Krippendorff, 2004) despite the high percentage agreement might be related to the skewed distribution of the variable (Feinstein & Cicchetti, 1990; Gwet, 2015). For this reason, we also tested for an index that is less sensitive to such a feature, Gwet’s  $AC_2$ . With that index, the scores are 0.9430, 0.7810, and 0.9345, respectively, thus supporting the overall robustness of the intercoder reliability of the dataset (see Supplementary File for additional details).

## 5. Empirical Analysis

The analysis covers the 10 dialogues held between May 2021 and April 2023. Before delving deeper into the dialogues, it is useful to provide some information about their format. The dialogues have been held roughly every two months and attended by both Executive Vice-President Dombrovskis and Commissioner for Economy Gentiloni. The dialogues take MEPs’ questions in slots of two or three interventions. MEPs intervene on behalf of their political group in decreasing size order—the European People’s Party (EPP) group has the first slot, the Socialists & Democrats (S&D) the second, etc. After each slot, the questions are addressed by Dombrovskis and then Gentiloni until all political groups have taken the floor. Towards the end of the meeting, there is some-

times time left for a “catch the eye” procedure, where other MEPs, who had not been originally selected by their groups, ask questions.

The dialogues have an average duration of about 1 hr 30 min, with a minimum of 10 MEPs (in the sixth dialogue on 2 May 2022) and a maximum of 16 MEPs (in three cases) taking the floor. There has been significant variation in the number of questions asked to commissioners, ranging from 23 to 42 per dialogue. On average, each member taking the floor asked about two questions, although a few members asked four questions or more in their interventions. In total, our dataset includes 334 questions asked in 140 interventions by MEPs.

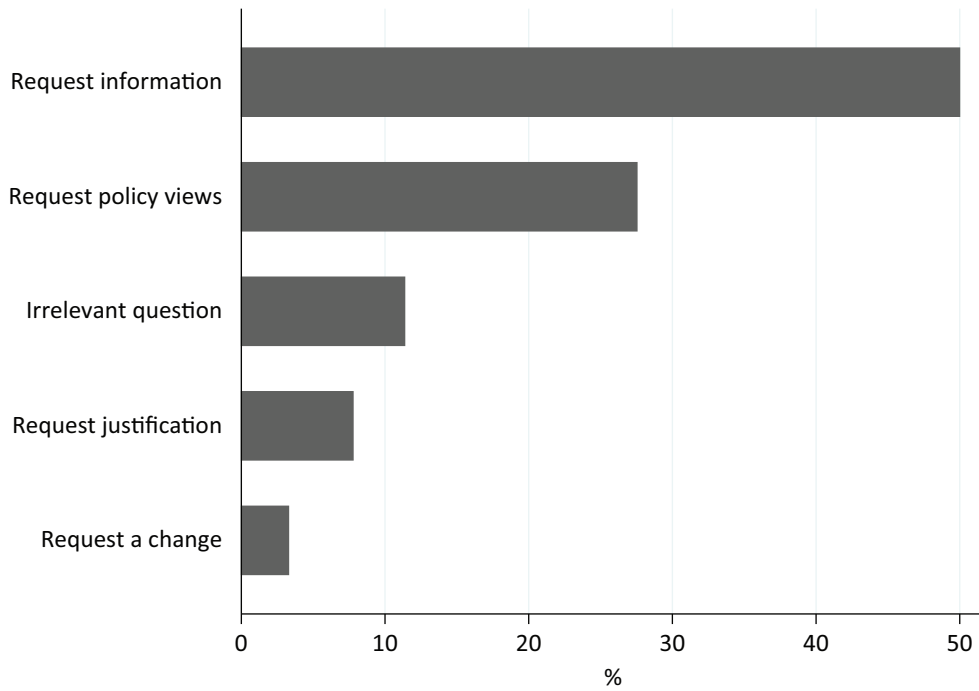
We start by assessing the strength of the accountability relationship between the EP and the Commission, focusing on the content of the questions asked by MEPs and the answers provided by commissioners. Then, we investigate the level to which the EP’s oversight is directed. We analyse the strength and level of accountability both in the aggregate and over time. Finally, we move on to who takes the floor in the RRDs by analysing the number of interventions made by MEPs according to their party and country.

### 5.1. Strength of Accountability

Questions can be weaker or stronger instruments of accountability. Questions aiming to gather further information on the RRF, its functioning or its implementation are weak oversight instruments. Questions that compel the Commission to justify its actions publicly or require the Commission to change its behaviour based on a negative judgment of its recent deeds are instead stronger accountability tools. Of course, there is also the possibility that MEPs are not using the dialogues as an instrument to hold the Commission accountable but rather as a forum to broadly discuss future policies and explore the Commission’s position on the matter. For this reason, the questions are sometimes unrelated to the declared scope of the dialogues.

Looking at Figure 1, it is evident that the largest share (about 50%) of questions is to request information. Also, there is a significant percentage requesting policy views or discussing irrelevant matters. Together, questions requesting justification or a change of behaviour and/or policy amount to slightly more than 10% only. All in all, in the dialogues, the commissioners are not faced with hard scrutiny by MEPs, as they are mainly required to provide additional information on the process set in motion by the RRF regulation—and modified by the REPowerEU regulation—or to express their views on future policy developments. Rarely do the MEPs confront the commissioners, asking them to defend (or even change) their past decisions and actions.

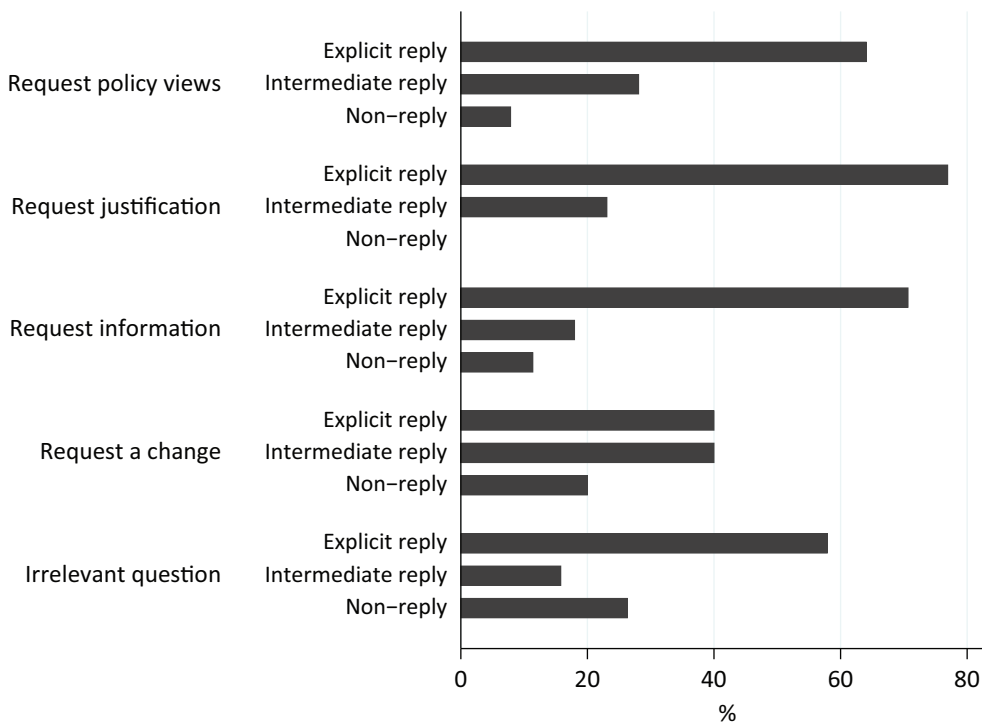
Moving to the answers provided by the commissioners, we can see that Dombrovskis and Gentiloni generally provide explicit replies. As Figure 2 shows, this is the case across all types of questions, and it is so even for



**Figure 1.** The type of questions asked by the MEPs in the BUDG-ECON joint Committee.

questions that we deem irrelevant in the context of the dialogues. Of course, from an accountability perspective, justifying past behaviour or actions and (not) endorsing a policy change is more significant. Here, the commissioners also do well, although, on the latter, the share of intermediate replies equals that of explicit replies. Sometimes, commissioners remain vague, addressing the questions in general terms only; in other cases, they

point to the legal competencies of other institutions or the national level. Across the dialogues held so far, the relationship between the EP and the Commission appears to be more cooperative (with MEPs wanting to know more about the process, the implementation, the views of the Commission, etc.) than antagonistic (with commissioners “grilled” by MEPs on the fault lines of the NRRPs and their implementation).



**Figure 2.** MEPs' questions in the BUDG-ECON joint Committee and commissioners' answers.



5.2. Level of Accountability

Art. 26 of the RRF regulation tasks the EP not only to hold the Commission to account (“EU level”) but also to scrutinise the implementation of the RRF in and across the member states (“national” and “transnational” level). In this respect, Figure 3 shows that almost 80% of all questions target the EU level, with MEPs focusing mainly on the role of the Commission, the interpretation of the rules, or other EU-level institutional or policy issues. Overall, MEPs seem to behave as European—rather than national—representatives, as only about 10% of the questions are asked by MEPs targeting their own country. The same share of questions focuses on the transnational level, showing that MEPs do not often question the Commission on issues of implementation in other member states and when they do, the focus is mainly placed on Hungary and Poland.

To be better appreciated, these findings should be placed in a comparative context. The literature on parliamentary questions has shown that the share of questions with a national and/or regional focus pertaining to the MEPs’ own member state varies between about one-fifth and one-quarter of all such interventions (Brack & Costa, 2019, pp. 236–237; see Chiru, 2022, pp. 278–280, for a recent review). The substantively smaller national focus of the questions in the RRDs could be interpreted as (early) evidence that MEPs are using this tool to mainly scrutinise EU policymaking, leaving the inquiry over national-level implementation to their domestic counterparts. However, the growing saliency of the implementation process might change these trends in the future. In this respect, some insight might come from analysing the dialogues over time.

5.3. Development of the Dialogues Over Time

As we analysed dialogues that were held across two years (from May 2021 to April 2023), we can expect various factors to drive the variation of questions over time: the changing political context (i.e., the war in Ukraine), the different implementation phases of the RRF, changes in the RRF architecture (i.e., the REPowerEU chapters), and the experience gained by the MEPs and the commissioners using the instrument.

First, we expected that the type of scrutiny would change. In the early dialogues, questions should be more on gathering information, given the novelty of the RRF and the need to “find out” how the new procedure would work. In later dialogues, MEPs should be better equipped to demand explanations and even ask the Commission to change its policies or behaviour. As Figure 4 shows, this is not the case—there seems to be no clear pattern. In September 2022, for instance, MEPs had been asking as many questions requesting information as questions requesting justification or change. In the subsequent dialogue held in November 2022, MEPs barely asked questions requesting justification/change. All in all, the share of questions requesting information remains over 70% across our range, with one exception.

Second, we expected MEPs to focus more on the national and the transnational levels over time, as the disbursement of the money and the implementation of the plans was progressing across the EU member countries. Figure 5 partly confirms this expectation. Over time, MEPs targeted the EU level less and the member state level more, with both the “transnational” and the “national” levels becoming more important.

Third, experience should also matter for commissioners answering MEPs’ questions. Over time, they can be

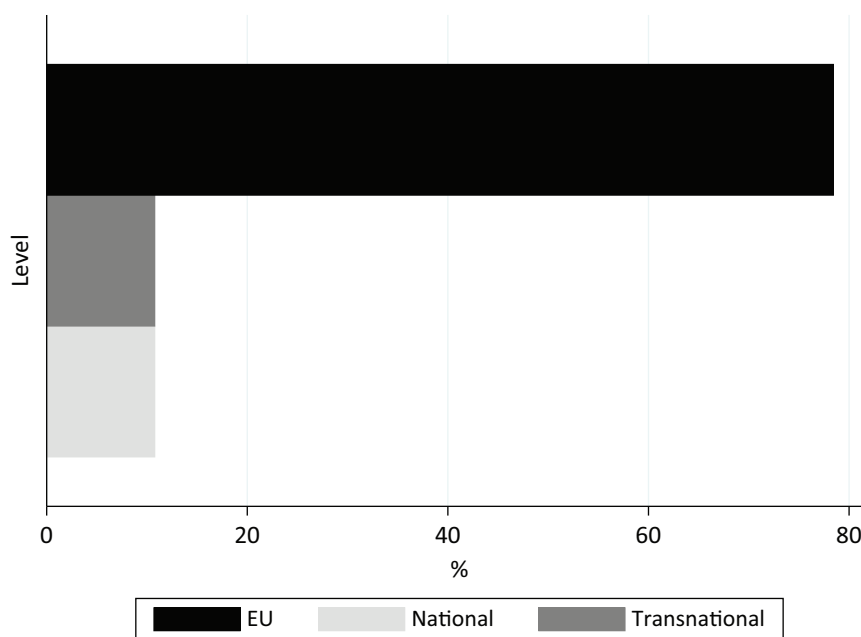
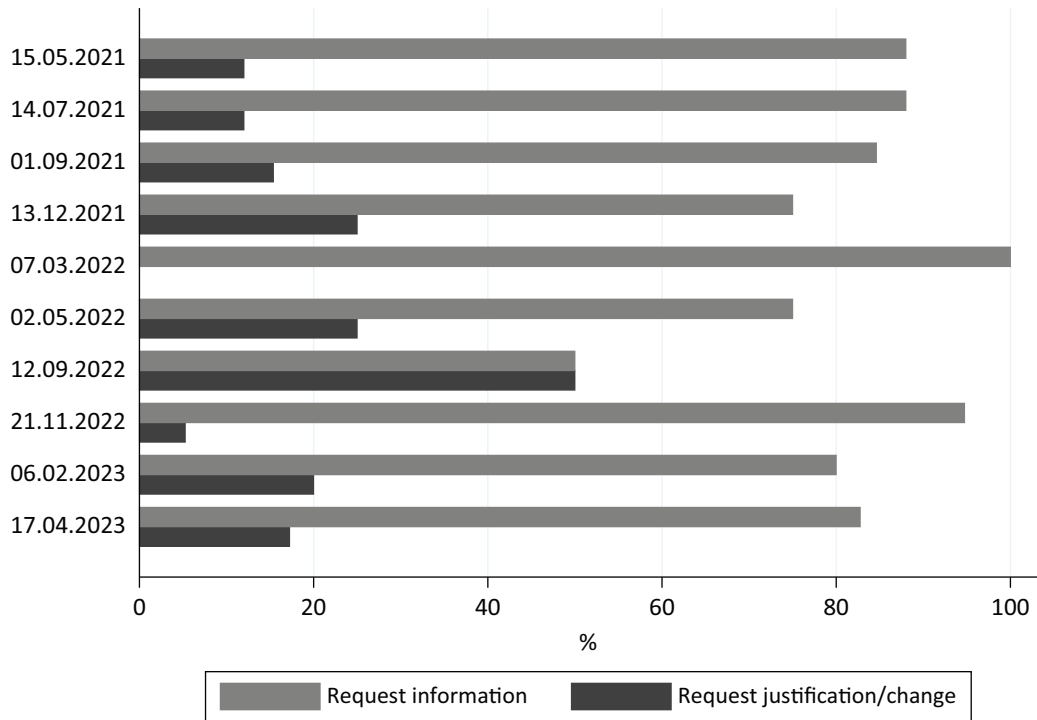


Figure 3. The accountability level of MEPs’ questions.



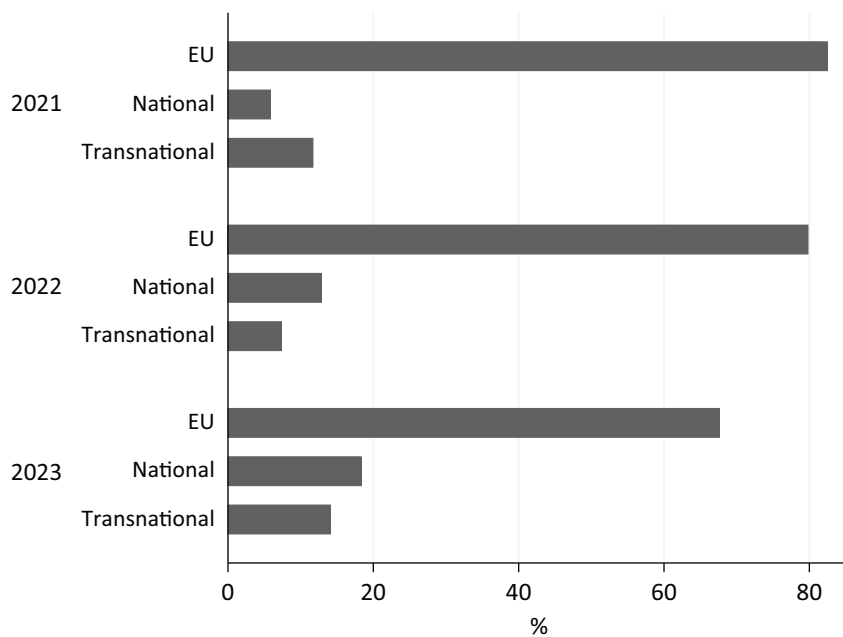
**Figure 4.** MEPs’ type of questions in the BUDG-ECON joint Committee over time.

expected to know better both the RRF instrument and the format of the dialogue with the EP. This expectation is partly supported by Figure 6, showing that the share of explicit replies peaked in 2023, while that of non-replies diminished year after year.

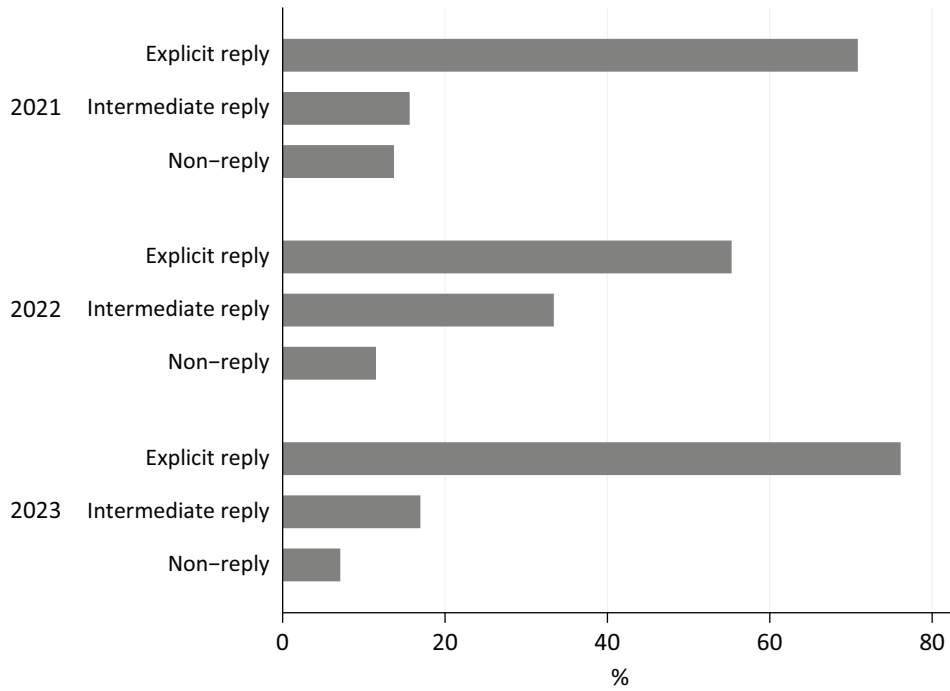
*5.4. Who Takes the Floor?*

The BUDG-ECON joint Committee is composed—including substitutes—of 52 members of the EPP, 40

of the S&D, 30 of Renew Europe, down to 10 MEPs for The Left. The distribution of speaking time by political group should proportionally replicate the numerical strengths of the political groups, given that the D’Hondt method is used to allocate speaking slots among the groups. However, Figure 7 shows that this pattern is only partly followed. As can be appreciated by comparing the column with the share of MEPs in the joint BUDG-ECON Committee, with the column representing the share of interventions (i.e., individual MEPs speaking before



**Figure 5.** The level of MEPs’ questions in the BUDG-ECON joint Committee over time.

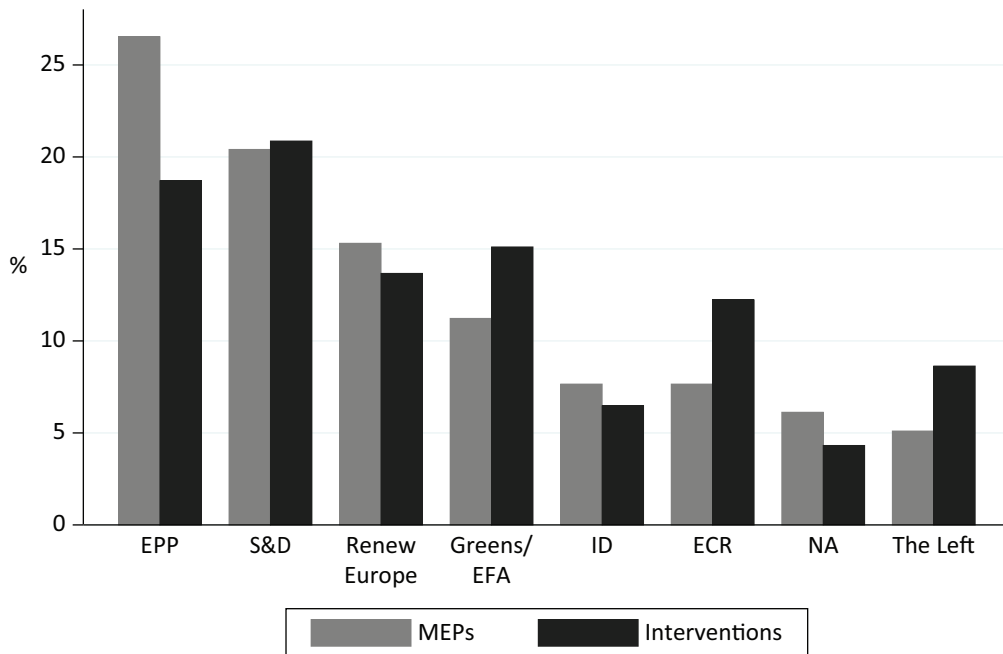


**Figure 6.** The answers of commissioners in the RRDs over time.

the joint committee), the most active MEPs are not the members of the EPP, but rather those belonging to the S&D. The Greens/European Free Alliance (Greens/EFA) members are also more active than those of the larger Renew Europe group. The European Conservatives and Reformists (ECR) and The Left are overrepresented, while the Identity and Democracy group is slightly underrepresented. Unsurprisingly, non-attached (NA) members take the floor the least. The rather disproportional distribution of speaking time among the groups suggests that

some groups—specifically, those beyond the “core” of the EP party system (i.e., the Greens/EFA, the ECR, and The Left)—are keener to intervene in the dialogues.

While decisions on the allocation of speaking time to MEPs are taken within the political groups—and more in-depth research is needed to understand their internal allocation process—interesting information can be gathered by comparing the national composition of the joint committee with the nationality of MEPs taking the floor in the dialogues. Based on the size of the national



**Figure 7.** Political group membership in the BUDG-ECON joint Committee and interventions in the RRDs.

delegations in the joint committee, German MEPs (representing about 15% of members) should gain the largest share of interventions, followed by Italy (about 11%), and France (10%). However, there is a poor matching between the share of national delegations and the share of interventions (Figure 8). Particularly active are the Spanish MEPs, who account for almost a fifth of all interventions. German MEPs are also active, as we would expect, given their representation in the joint committee. Other more active delegations than their size would suggest are those from Cyprus, Greece, Hungary, Latvia, Portugal, and Romania. Thus, two areas appear particularly engaged in the RRDs: Southern Europe—although Italian MEPs are underrepresented—and Eastern Europe. Contrariwise, there is no single intervention from MEPs of the Nordic countries (Denmark, Finland, and Sweden). More precisely, MEPs from Eastern Europe, representing about 25% of all joint committee members, account for about 28% of all interventions. Even more remarkable is the fact that members from Southern Europe, with 28% of MEPs, made more than 50% of all interventions.

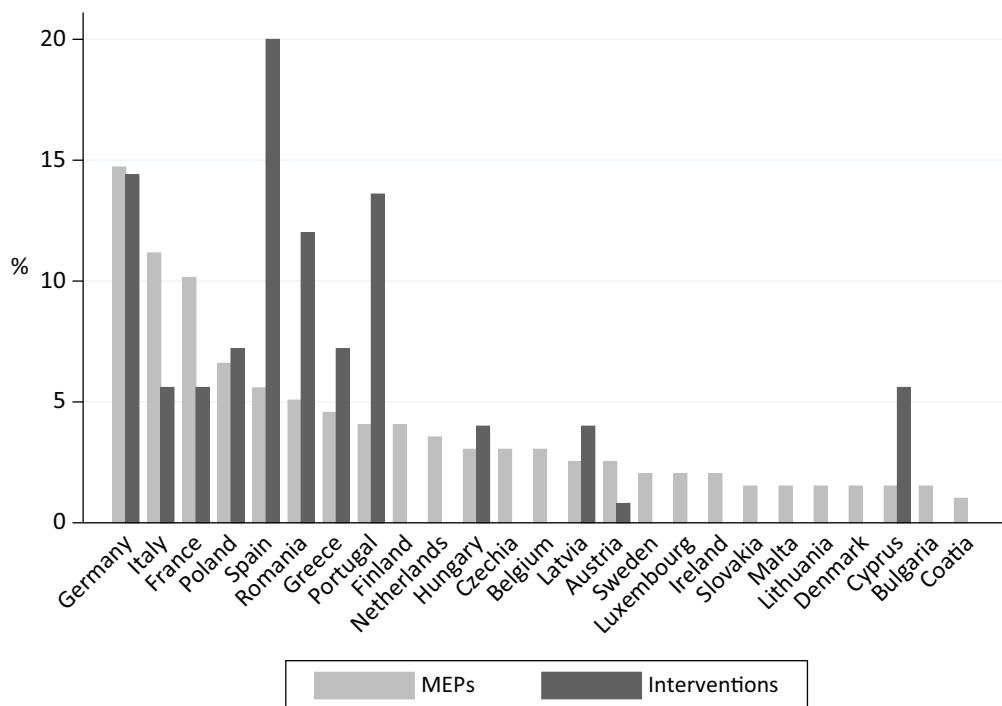
This imbalance may reflect the redistributive nature of the RRF, whose impact is very significant on the economy of some member countries (mainly in Southern and Eastern Europe). However, it is rather negligible in others (particularly in Northern Europe). Of course, this finding might cast doubt on the dialogues as an instrument of EU accountability. Given the institutional innovation brought in by the RRF—with the mutualisation of debt to finance the instrument with EU money and, consequently, reforms and investments in the member states (Fabbrini, 2022)—it is surprising that the MEPs from countries with more “hawkish” attitudes towards

debt mutualisation and EU fiscal “solidarity” have intervened so little in the dialogue with commissioners. MEPs from the member countries mostly impacted by the EU financial resources are, instead, the ones in charge of the dialogue with the Commission.

Nevertheless, while this is true, it is not the whole truth. Another remarkable feature has to do with the fact that there is a relatively restricted number of “expert” MEPs who play a key role in the dialogues. Those members who are either chairs or vice-chairs of the BUDG and ECON Committees, and those MEPs who have been rapporteurs or shadow rapporteurs of the regulations on the RRF and REPowerEU, made 87 of the 140 interventions in the RRDs (about 62%). Incidentally, MEPs from Spain, Portugal, and Romania took the lion’s share of (shadow) rapporteurships on legislation on post-pandemic recovery. In this sense, both nationality and expertise “matter” to explain who takes the floor, with the experts drawn particularly from Southern and Eastern member countries.

### 6. Conclusions

Through an in-depth analysis of the 10 RRDs between May 2021 and April 2023, the article has empirically examined the strength and type of accountability exercised by the EP vis-à-vis the Commission within the legal framework set by the RRF. Similar to the economic and monetary dialogues, we find that the achieved accountability was overall limited. Our analysis suggests that in a (post-)crisis context dominated by executive actors, the scrutiny of post-pandemic recovery by the EP has not been particularly strong. If, more generally, parliaments



**Figure 8.** Nationality of MEPs in the BUDG-ECON joint Committee and activity in the RRDs.

play a secondary and mainly reactive role in the governance of crises, the story of the EP is not exceptional. It is the executive actors at both the EU (the Council and the Commission) and the member states level (the national governments) which are in charge of the NRRPs, assessing developments, authorising payments, and implementing projects and reforms. The EP is regularly informed about the progress, and the RRDs require the commissioners to report before the joint BUDG-ECON Committee. However, not only has the EP not been granted the possibility to address its questions to the Council or national ministers, but the dialogues provide, at best, a “light” form of accountability vis-à-vis the Commission. Only one question out of 10 requested justification or change on the part of the Commission, while most questions merely asked for additional information, followed by requests for policy views or opinions on irrelevant issues.

On the other hand, the EP’s questions are, by and large, directed to the EU level. They focussed on the rules, implementation, and problems of the RRF as a whole—as an EU project. In the period covered by the analysis, MEPs rarely asked questions about their own country or scrutinised what happened in other member states. This latter aspect has, so far at least, been a missed opportunity for MEPs to cross-check how member states spend EU money. As the success of the NGEU ultimately depends on the effective implementation of the NRRPs (the domestic reforms/milestones as well as the thousands of national and sub-national projects) the EP should also place delays, improper use of funding, and cases of corruption within the EU member countries under the spotlight.

We have also observed that there is little “learning” in the process: the differences between the earlier and later dialogues are limited, except for the increase in the explicitness of the commissioners’ answers. This might be explained by the persistence of an information asymmetry between the commissioners (who oversee the implementation of the NRRPs in close dialogue and cooperation with the member states) and the MEPs. The political uncertainty surrounding the RRF and its subsequent developments, including the new challenges brought about by the energy crisis and the Russian invasion of Ukraine, likely contributed to maintaining this gap.

From a policy perspective, limited institutional changes could help strengthen the oversight of the RRF (cf. Chang & Hodson, 2019; Bressanelli, 2022). The joint BUDG-ECON Committee could promote a stronger collaboration among MEPs, with a greater provision of information about the implementation of the NRRPs in all member countries and the possibility of follow-up questions for unsatisfactory answers by the commissioners. Other executive actors, such as the president of the Council of the EU or national ministers, could also be invited to attend the dialogues. However, this change would be more challenging, requiring an amendment to the RRF regulation.

The article has also explored, in a preliminary fashion, the profiles of the MEPs who take the floor. The picture that emerges is very interesting: the most active MEPs are from Southern and Eastern Europe (Italy being a notable outlier), while parliamentarians from Northern Europe engage very little (Germany being an exception). At the same time, we find that the majority of the most active MEPs in the RRDs hold key positions in the EP committees and/or were involved in the negotiation of the RRF and/or REPowerEU regulations as (shadow) rapporteurs. It could be that these MEPs were selected to speak in the dialogues because of their specialised knowledge of the issues at hand, and they might have been considered in a better position to inspect and challenge the commissioners. There also seems to be a correlation between being an “expert” of NGEU and certain nationalities or geographical areas. Future research should disentangle and analyse such aspects in more depth.

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### Conflict of Interests

The authors declare no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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Article

# Crisis Learning or Reform Backlog? The European Parliament’s Treaty-Change Proposals During the Polycrisis

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## Abstract

In May 2022, the European Parliament (EP) launched a procedure to amend the EU treaties and began drafting a report with concrete reform proposals. In their resolution, EP members explicitly described this as a necessary response to recent crises (notably the Russian aggression against Ukraine, the Covid-19 pandemic, and climate change) as well as a follow-up to the Conference on the Future of Europe. However, the stated objectives of the reform, in particular more efficient and democratic EU decision-making, were not new but followed long-standing discourses on deepening EU integration. This raises the question of to what degree the EP’s initiative really reflected a lesson from recent crises—in line with a “failing forward” approach towards EU reform—or rather a “backlog” of reforms which had already been proposed before but whose implementation had been blocked by member states, and for which the crises only represented a window of opportunity. The article assesses the development of treaty change proposals by the EP and bodies close to it, comparing three comprehensive plans for institutional reform: the federalist Spinelli Group’s Fundamental Law for the EU (2013), the EP’s Verhofstadt Report (2017), and the EP’s latest Article 48 Report (2023). The comparison shows that, while the crises had an impact on the level of ambition in some policy areas, the EP’s general approach, especially on institutional issues, was characterised by a high degree of continuity.

## Keywords

crisis learning; European Parliament; EU treaty reform; institutional reform; polycrisis

## Issue

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## 1. Introduction

Following the Conference on the Future of Europe (CoFoE), EU treaty reform has once again become a central part of the European Parliament’s (EP) political agenda. A few days before the Conference officially ended on 9 May 2022, the EP adopted a resolution affirming “that the conclusions of the Conference require Treaty changes” (European Parliament, 2022b). In a further resolution of 9 June 2022, it formally called on the European Council to launch a treaty convention and submitted a short list of proposed changes (European Parliament, 2022c). Simultaneously, the Parliament’s Committee on Constitutional Affairs (AFCO) began to work on a more detailed proposal in the form of a

full draft treaty. In allusion to Art. 48 of the Treaty on European Union (TEU), which governs the procedure for treaty revisions, this proposal is informally referred to as the “Article 48 Report” (Verhofstadt et al., 2023).

In the two resolutions that launched this new push for treaty reform, the EP gave a variety of reasons to justify its move. Three lines of argument are worth noting:

1. The EP referred to the results of the CoFoE, underlined its commitment to ensure a proper follow-up and stressed that some of the CoFoE recommendations could not be implemented without treaty reform (e.g., European Parliament, 2022b, recital H, Arts. 10–12, 15; European Parliament, 2022c, recital C, Art. 3). This argument was largely

procedural and rather unsurprising, given that the end of the CoFoE was the occasion for the EP to launch its initiative.

2. The EP justified its reform proposals as lessons learnt from recent crises—specifically, “the Russian aggression against Ukraine,” the “COVID-19 pandemic,” and “climate change” (European Parliament, 2022b, Arts. 7–9). It pointed out “that the most recent crises call for common European solutions” (European Parliament, 2022b, Art. 6) and that “especially following the most recent crises,...the Treaties need to be amended urgently to make sure the Union has the competence to take more effective action during future crises” (European Parliament, 2022c, Art. 4).
3. The EP highlighted several institutional policy goals that should be achieved by treaty reform, namely “deeper political integration and genuine democracy” (European Parliament, 2022b, Art. 11) and “reshap[ing] the EU in a way that will enhance its capacity to act, as well as its democratic legitimacy and accountability” (European Parliament, 2022c, recital D). These arguments of efficiency and democratization did not refer to recent events but rather were part of long-standing discourses on deepening European integration (cf., e.g., Rittberger, 2003; Schimmelfennig, 2010). As an example, the EU’s need “to become more democratic, more transparent and more efficient” was already a key argument in the Laeken Declaration, which laid the foundations for the 2002–2003 Constitutional Convention (European Council, 2001).

This juxtaposition of short-term crises and long-term institutional goals as justifications for treaty change opens questions regarding recent debates on the role of crises in EU institutional policy.

On the one hand, it is widely accepted that crises can induce policy learning and policy change (e.g., Deverell, 2009; Kamkhaji & Radaelli, 2017; Stern, 1997). The idea that European integration is driven by crises and the policy reactions to them is a core notion, especially in (neo)neofunctionalist theory (Lefkofridi & Schmitter, 2014; Schmitter, 2002). More recently, Jones et al. (2016, 2021; see also Nicoli, 2019) have developed the “failing forward” approach: According to this theory, integration occurs in cycles in which: (a) member states respond to crises by finding a solution, which, however, remains incomplete due to their heterogeneous preferences and their tendency to preserve national sovereignty; and (b) this incompleteness gives way to policy failures and further crises, to which member states must again find a solution. This dynamic leads to a piecemeal but crisis-ridden and ever-incomplete integration. With this approach in mind, it seems plausible that the EP, too, might propose treaty changes as a consequence

of crisis learning. This would imply that the content of the proposed reforms would be strongly informed by the specific crises they are intended to resolve.

On the other hand, the failing-forward approach was developed with a focus on national governments, who have an implied preference for minimalist (or “incomplete”) solutions that preserve national sovereignty as much as possible. The EP does not follow the same institutional logic. As a supranational elected body, it is less concerned with national sovereignty and more inclined towards a “complete” federalist model with strong democratic institutions and far-reaching decision-making powers at the EU level. With this maximalist approach, the EP can be expected to pursue a more consistent and less situation-driven institutional policy than the member states.

Even so, crises can still play an important role in the EP’s institutional agenda. As crises produce uncertainty, they allow political actors to engage in framing contests to interpret events and advance their preferred policies (Boin et al., 2009). In a context where federalist ambitions are regularly blocked by member states’ sovereignty reflexes, crises offer the EP a window of opportunity to exert pressure to overcome a reform backlog.

With regard to the Article 48 Report, this raises the question of to what extent the content of the EP’s proposals was actually influenced by the recent crises. Did the EP develop new approaches to reforming the institutional architecture of the EU as a result of the polycrisis? Or were its reform proposals rather a continuation of a long-term institutional policy line and the references to the recent crises merely rhetorical?

To answer this question, this article compares the draft Article 48 Report with two other comprehensive institutional reform plans that were adopted before the recent crises but never taken up by member state governments: the so-called Fundamental Law of the European Union (FLEU), presented by the Spinelli Group in 2013, and the Report on Possible Evolutions and Adjustments of the Current Institutional Set-Up of the European Union (i.e., Verhofstadt Report), adopted by the EP plenary in 2017. In the following section, the three reports will be presented individually in chronological order. Subsequently, the article compares the reports’ specific proposals in several reform areas and analyses the patterns that emerge from this comparison.

## 2. Three Treaty Reform Plans

### 2.1. The Spinelli Group’s “Fundamental Law of the European Union” of 2013

The Spinelli Group was founded in 2010, a few months after the Lisbon Treaty entered into force. The goal of the group was to promote “a federal and post-national Europe” (Spinelli Group, 2010). While the group originally consisted of several well-known political and

academic figures, such as Jacques Delors and Amartya Sen, its main activities centred on a network of MEPs around Guy Verhofstadt and Daniel Cohn-Bendit.

One of the most visible initiatives of the Spinelli Group was their drafting of a constitutional treaty for the EU, which was published in 2013, at the height of the euro crisis, under the title “A Fundamental Law of the European Union.” The FLEU consisted of 437 articles and 18 protocols and was proposed as a complete overhaul of the EU treaty framework. According to its foreword, the FLEU was elaborated by a “working party of MEPs...under the coordination of Andrew Duff” and published in cooperation with the Bertelsmann Foundation (Spinelli Group & Bertelsmann Stiftung, 2013, p. 9).

As Andrew Duff explained, the FLEU was intended to build pressure for a possible treaty convention after the 2014 European elections (Gotev, 2013). Another Spinelli Group MEP, Jo Leinen, suggested that it would “take more than five years, possibly more than one convention, to put it all into practice” (Leinen, 2014, as cited in Abels & Oesterle, 2014, p. 22). In fact, the text was never formally introduced into the parliamentary process, but it became a point of reference for further debate on institutional reform, especially in EP federalist circles.

## 2.2. *The Verhofstadt Report of 2017*

Although the FLEU did not have any immediate follow-up, the EP plenary took up the idea of institutional reform shortly after the 2014 elections. In November 2014, it launched two new own-initiative procedures that addressed the functioning of the EU. The first report, co-authored by Elmar Brok and Mercedes Bresso, focused on “improving the functioning of the European Union building on the potential of the Lisbon Treaty,” i.e., institutional reforms that were possible within the existing treaty framework (European Parliament, 2017a). The second report proposed “possible evolutions and adjustments of the current institutional set-up of the European Union,” i.e., reforms that required treaty change (European Parliament, 2017b). It became best known through the name of its rapporteur, Guy Verhofstadt, leader of the EP’s liberal group, ALDE, and a co-founder of the Spinelli Group.

Unlike the FLEU, the Verhofstadt Report was not a fully formulated draft treaty, but merely a list of proposed reforms and reform objectives. While many of its authors had a federalist background (in addition to Verhofstadt, shadow rapporteurs included Jo Leinen for the centre-left S&D group and Pascal Durand for the Greens/EFA group, both of whom were also members of the Spinelli Group), some of its conclusions were watered down to secure a majority in the EP plenary. In particular, the report refrained from calling for an immediate treaty convention; rather, it merely proposed to “start a reflection on the future of the European Union and agree on a vision for the current and future generations of European citizens,” which should lead to a convention

at a later stage (European Parliament, 2017b, Art. 85; see also Ponzano, 2017, pp. 43–44). The report was finally adopted by the EP plenary on 16 February 2017. It was supported by a large majority of MEPs from the S&D, ALDE, and Greens/EFA groups, and a more adjusted majority of the centre-right EPP, while the other groups rejected it. In total, there were 283 votes in favour, 269 against, and 83 abstentions.

The EP’s proposals did not receive any reaction from the other EU institutions. Two weeks after the adoption of the Verhofstadt Report, the Commission published its own *White Paper on the Future of Europe*, which outlined five scenarios for the further development of the EU. However, the white paper explicitly abstained from offering any “detailed blueprints or policy prescriptions,” and “deliberately [made] no mention of legal or institutional processes” (European Commission, 2017, p. 15). Shortly afterwards, the European Council committed itself to “even greater unity and solidarity” in a declaration on the 60th anniversary of the Treaties of Rome. Still, there was no mention of institutional reform (European Council, 2017).

## 2.3. *The Draft Article 48 Report of 2023*

It was only during the campaign for the 2019 European elections that institutional reform returned to the European agenda. In an opinion piece published in several European newspapers, French President Emmanuel Macron (2019) suggested to “set up...a Conference for Europe in order to propose all the changes our political project needs, with an open mind, even to amending the treaties.” After the election, Commission President-designate Ursula von der Leyen took up this idea in her political guidelines presented to the EP (von der Leyen, 2019, p. 19).

The EP strongly supported this approach and set up a preparatory working group, which, once again, included several Spinelli MEPs. Over the next two years, the EP became the driving force in the inter-institutional negotiations on the proposed CoFoE, pushing for an ambitious mandate that would include the possibility of treaty change (Müller, 2021; Plottka, 2020). After several delays, due partly to the Covid-19 pandemic and partly to the reluctance of some member state governments, the EP, the Council, and the Commission finally agreed on a compromise. In a joint declaration on the scope and functioning of the CoFoE, they did not explicitly mention treaty reform as an objective but did not exclude it either (European Parliament et al., 2021).

The CoFoE took place from May 2021 to May 2022, coinciding with the Covid-19 pandemic and the Russian attack on Ukraine in February 2022. Putting a strong focus on citizen participation, it received input from a public online platform as well as four European Citizens’ Panels with randomly selected participants. This input was then taken up by the conference plenary, with representatives of the EU institutions, national governments



and parliaments, regional and local bodies, and civil society actors. The final report of the conference results contained 49 proposals, each with several subitems, on a wide range of issues (Conference on the Future of Europe, 2022). Many of these proposals remained within the existing institutional framework and some were even limited to simply reaffirming existing EU policies. Others were much more far-reaching and implicitly or even explicitly called for treaty reform.

The EP immediately followed up to the CoFoE with a new push for a treaty convention and the work on the Article 48 Report. Given its institutional importance, the report was assigned to no fewer than six AFCO rapporteurs, representing all political groups except the far-right Identity and Democracy. Five of these co-rapporteurs (Sven Simon from EPP, Gabriele Bischoff from S&D, Guy Verhofstadt from RE, Daniel Freund from the Greens/EFA, and Helmut Scholz from The Left) belonged to the Spinelli Group and, after several delays, agreed on a draft report in late summer 2023. The sixth co-rapporteur, Jacek Saryusz-Wolski, of the right-wing ECR group, dissented and withdrew from the task.

At the time of writing (September 2023), the draft report was formally submitted to the AFCO and was awaiting a committee decision. The final vote in the EP plenary was tentatively scheduled for November 2023. During the remainder of the parliamentary procedure, amendments to the report—or even its rejection by either the AFCO or the plenary—were still possible.

#### 2.4. Comparing the Three Reports

Strictly speaking, the three reports analysed here are not of the same legal nature. While the Verhofstadt Report was formally adopted by the EP plenary in 2017, the Article 48 Report was still at the draft stage in the AFCO. The FLEU, for its part, was not an official EP document at all but only represented the view of the Spinelli Group. Moreover, the FLEU and the Article 48 Report were full-fledged draft treaties, whereas the Verhofstadt Report was merely a list of more or less detailed reform proposals without a formulated treaty text.

What the three reports have in common is that they represent the most detailed plans for treaty change to emerge from the EP during the polycrisis decade. All three reports aimed to be comprehensive and cover a wide range of proposed reforms. Moreover, there was a remarkable personal continuity between their authors. This is most evident in the person of Guy Verhofstadt, who was a leading figure on all three occasions. Moreover, the federalist Spinelli Group published the FLEU and also played an important role in the other two reports as a network that brought together MEPs interested in institutional reform.

Thus, a comparison of the three reports can shed light on how the dominant thinking about institutional reform in the EP evolved over the polycrisis decade. More specifically, evaluating the reports can

help explain to what degree the Article 48 Report, finalised after the height of the Covid-19 crisis and the Russian attack on Ukraine, is different from the FLEU and Verhofstadt Report, which were written before these crisis experiences.

### 3. Evolution of Specific Proposals

This section provides a comparison of the three reports' main proposals, focusing, in the first instance, on changes in the institutional functioning and decision-making procedures of the EU and, in the second instance, on key policy areas that were affected during the polycrisis: the protection of EU values (rule-of-law crisis), economic and social policy (euro crisis), foreign, security and defence policy (Russian attack on Ukraine), public health (Covid-19 pandemic), and climate policy (climate emergency). The last three of these crises were explicitly mentioned in the EP resolutions of 2022.

For each reform area, Tables 1–9 list the main proposals of each report, together with the number of the articles in which they can be found. Similar proposals are listed in the same row of the table. The main text of each sub-section offers a brief analysis of the continuity and/or changes between the proposals.

#### 3.1. Parliamentary Government

Following a long-standing position of the EP, all three reports supported a stronger role for the EP in both legislation and the election of the Commission.

The FLEU proposed the most far-reaching reforms in this respect: While it did not change the regular procedure for electing the Commission president after a European election, it proposed the new option of a vote of censure by which the EP could, at any time and by a majority of its members, dismiss the president and nominate a successor without intervention from the Council. Such a reform would give the EP de facto full political control over the president's nomination. Somewhat less ambitiously, the Verhofstadt Report supported only an institutionalisation of the lead candidates (*Spitzenkandidaten*) system that had been practised since 2014. Finally, the Article 48 Report proposed to reverse the roles of the EP and the European Council so that the president would be nominated by the EP and elected by the Council. This approach, which went back to discussions during the 2002–03 constitutional convention (cf. Kotanidis, 2023, p. 59), was also intended to strengthen the lead candidates.

Moreover, both the FLEU and the Article 48 Report proposed that the president, rather than member state governments, should nominate the other members of the Commission. Like the EP, the member states would only be allowed to vote, by majority, on the full list of Commissioners.

All three reports proposed ending the Commission's monopoly on initiating new legislation, extending this

**Table 1.** Parliamentary government.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
The EP can replace the Commission president through a motion of censure (Art. 15(12))	Election of Commission president by lead candidates system (Art. 49)	President nominated by EP, elected by Council (Art. 17(7) TEU)
Members of the Commission are nominated by the president and confirmed by the EP and the Council by qualified majority voting (Arts. 15(5), 15(8–10))		Members of the Commission (re-named as “Executive”) are nominated by the president and confirmed by the EP and the European Council by a single majority (Art. 17(7) TEU)
Legislative initiative for EP and Council (Art. 15.3)	Legislative initiative for EP and Council (Art. 62)	Legislative initiative for EP (Arts. 225, 294 TFEU)
Disaster solidarity clause to involve the EP (Art. 437)		Economic solidarity clause (Art. 122 TFEU) replaced by general emergency clause involving the EP (Art. 222 TFEU)

right to the EP and the Council (FLEU and Verhofstadt Report) or the EP only (Article 48 Report).

Finally, both the FLEU and the Article 48 Report proposed to give the EP more powers in the activation of emergency measures. However, the FLEU only amended the solidarity clause for disaster situations (currently regulated in Art. 222 TFEU), while the Article 48 Report proposed a new general emergency clause that should apply to both disasters and economic solidarity (currently regulated in Art. 122 TFEU). In fact, the use of Art. 122 TFEU increased significantly during the polycrisis (Chamon, 2023), which raised legitimacy concerns because the clause did not involve the EP (von Ondarza, 2023). While this demand to be involved in economic solidarity measures can thus be seen as a case of crisis learning, the overall approach to parliamentary government did not change much between the three reports.

### 3.2. Majority Voting in the Council

Another traditional objective of the EP is the reduction of unanimity requirements to make EU decision-making more efficient and avoid blockages in the Council. All three reports made similar proposals in this regard, although with slightly different approaches.

While the Verhofstadt Report made only a rather general call for a switch from unanimity to qualified majority voting in relevant policy areas, both the FLEU and the Article 48 Report proposed the introduction of several new voting mechanisms with graduated majority requirements. For example, the FLEU replaced most unanimity decisions with a new “special legislative procedure” with a threshold of 67% of governments representing 75% of the EU population (rather than 55% of governments representing 65% of the population under the reg-

ular qualified majority voting). Even more ambitiously, the Article 48 Report proposed a novel “simple majority” (50% of governments representing 50% of the population) to replace qualified majority voting as the standard voting procedure, and a redefined qualified majority voting to replace most current unanimity decisions.

Even where special legislative procedures were maintained, both the FLEU and the Article 48 Report proposed a reformed passerelle clause that would enable the European Council to introduce the ordinary legislative procedure by a qualified majority rather than unanimity. Finally, all three reports proposed to reform the treaty change procedure by introducing a veto right for the EP and instead abolishing the need for unanimous ratification by all member states.

Thus, there was a high degree of continuity in the EP’s position on majority voting. While the precise proposals on voting procedures varied, all three reports supported a general approach of removing national vetoes and lowering majority thresholds.

### 3.3. Electoral Law and Voting Rights

All three reports included proposals on voting rights and European electoral law—an issue that has been controversial for years, both between the EP and the Council and between the political groups within the EP.

The most discussed proposal was that a number of MEPs should be elected on transnational lists in an EU-wide constituency (Díaz Crego, 2021). This approach was promoted prominently by Andrew Duff, who, as an MEP, introduced it in a report on electoral reform (Duff, 2012). Still, it was not adopted in the plenary due to the reluctance of the EPP group. The FLEU, itself strongly influenced by Duff, took up the proposal, while

**Table 2.** Majority voting in the Council.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
		Former qualified majority voting replaced by new “simple majority” (50% of governments, 50% of the population; Art. 16 TEU)
Unanimity is replaced by “special legislative procedure” with enhanced qualified majority voting (67% of governments, 75% of the population; Arts. 14(5), 88)	Unanimity is replaced by qualified majority voting “for example in foreign and defence matters, fiscal affairs and social policy” (Art. 58)	Unanimity is replaced by qualified majority voting (redefined as 67% of governments, 50% of the population; Art. 16 TEU)
In some cases, higher majority thresholds (80% of governments), e.g., rule-of-law sanctions (Art. 133)		In some cases, higher majority thresholds (80% of governments, 50% of population), e.g., the definition of new areas of EU criminal law (Art. 83(1) TFEU)
Unanimity is maintained for only a few areas, e.g., enlargement (Art. 136) and official languages (Art. 121)		Unanimity is maintained for only a few areas, e.g., enlargement (Art. 49 TEU) and official languages (Art. 342 TFEU)
Activation of the passerelle clause by qualified majority voting (Art. 135(7))		Activation of the passerelle clause by QMV (Art. 48(7) TEU)
Treaty reform: approval by 75% of governments and 67% of MEPs; ratification by 80% of member states or EU-wide referendum (Art. 135)	Treaty reform: approval by all governments and the majority of MEPs; ratification by 80% of member states or EU-wide referendum (Art. 82)	Treaty reform: approval by 80% of governments and the majority of MEPs; ratification by 80% of member states or EU-wide referendum (Arts. 48(4), 48(5) TEU)

the Verhofstadt Report, which required the support of the EPP, dropped it and focused only on the less controversial lead candidates system.

In 2022, the EPP revised its position and agreed to a new proposal for European electoral reform that included transnational lists (European Parliament, 2022d). Although this proposal was subsequently blocked in the Council, it meant that the EP now had an official position on transnational lists to be introduced

as part of the Direct Elections Act and did not include them in the Article 48 Report. However, the Article 48 Report—like the FLEU—proposed that any future reform of EU electoral law should be decided by majority rather than unanimity, which would also make the introduction of transnational lists much easier.

In addition, the Article 48 Report also proposed that the EP rather than the European Council should determine the EP’s national seat quotas. However, it

**Table 3.** Electoral law and voting rights.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
EU-wide constituency (Art. 12)	Formalised lead candidates system (Art. 49)	
EP electoral reform by super-qualified majority voting (Arts. 12, 23)		EP electoral reform by qualified majority voting (Art. 223 TFEU)
		Decision on national seat quotas by EP alone (Art. 14(2b) TEU)
Mobile EU citizens can vote in their state of residence also in national elections (Art. 262(3))	Mobile EU citizens can vote in their state of residence in all elections (Art. 50)	

did not take up the proposal, contained in both the FLEU and Verhofstadt Report, to extend the right to vote of EU citizens living in a member state of which they are not nationals to national as well as local and European elections.

In sum, the three reports presented slightly different levels of ambition for electoral reform. Their overall approaches were rather similar, however, and there was no discernible impact of the crises.

### 3.4. Differentiated Integration

On differentiated integration, the FLEU and the Verhofstadt Report followed similar approaches. Both reports aimed to reduce differentiation at the primary law level and simplify enhanced cooperation in secondary law. In addition, both proposed a more systematic approach to external differentiation, creating a new “associate” status, with corresponding rights and obligations, for countries that would not be EU members but would participate in certain EU policies.

The Article 48 Report, by contrast, abolished any unanimity requirement for the authorisation of enhanced cooperation but did not address the issue of external differentiation. This omission might be explained by the EP’s reinforced commitment to enlargement following the Russian attack on Ukraine (European Parliament, 2022a). Many of the Eastern neighbours that had previously been considered potential “associates” were now seen as future full members, reducing the need to introduce a new special status.

### 3.5. Direct Democracy

Comparing the three reports, the issue of direct democracy at the supranational level became more prominent over time. The FLEU only considered an EU-wide referendum as an option for the ratification of treaty reforms, but it failed to specify how such a referendum would be called. The Verhofstadt Report cautiously extended the direct-democratic approach by suggesting that the introduction of EU-wide referenda on “matters relevant to the Union’s actions and policies” should be “evaluated.” The Article 48 Report took this up and was also the first one to propose specific procedures for calling referenda.

The move towards more direct democracy is one of the clearest developments in the EP’s institutional policy during the polycrisis. Although it was not triggered by a single event, it can be explained as a case of crisis learning in the form of a progressive recognition of the difficulties of representative democracy and the need for new forms of citizen engagement to deal with current challenges.

### 3.6. Protection of EU Values

Another case of crisis learning can be observed regarding the three reports’ approaches to the protection of EU fundamental values like democracy and the rule of law.

The FLEU relied mostly on the traditional mechanism in Art. 7 TEU, according to which the European Council can unanimously determine that a member state is breaching the EU values and authorise the Council to

**Table 4.** Differentiated integration.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
Less differentiation in primary law (deletion of protocols)	Less differentiation in primary law (Art. 10)	
Simplified enhanced cooperation in secondary law (Arts. 104, 108)	Simplified enhanced cooperation in secondary law (Art. 9)	Qualified majority voting replaces unanimity for Council authorisation of enhanced cooperation in foreign policy (Art. 329(2) TFEU)
External differentiation (“associate states,” Art. 137)	External differentiation (“ring of partners,” Art. 11)	

**Table 5.** Direct democracy.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
EU-wide referendum as an option for ratification of treaty reforms (Art. 135)	EU-wide referendum as an option for ratification of treaty reforms (Art. 82)	Automatic EU-wide referendum if a treaty reform is agreed but not ratified by sufficient member states within two years (Art. 48)
	EU-wide referenda “on matters relevant to the Union’s actions and policies” (Art. 46)	EU-wide referenda, proposed by the EP and triggered by the European Council by simple majority (Art. 11(4b) TEU)

**Table 6.** Protection of EU values.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
New Art. 7 procedure: Council determines violation by 80% majority instead of unanimity, sanctions require EP consent (Art. 133)	Commission can bring “systemic infringement action” before ECJ (Art. 43)	New Art. 7 procedure: ECJ determines violation, Council defines sanctions (Art. 7 TEU)
The Charter of Fundamental Rights is applicable when member states act “within the scope of” (not only “implementing”) EU law (Art. 195)	The Charter of Fundamental Rights is universally applicable (Art. 45); individuals can bring Charter of Fundamental Rights-related legal action before ECJ (Art. 44)	

suspend certain rights of that member state. While maintaining the basic structure of this procedure, the FLEU proposed to replace unanimity with a four-fifths majority in the European Council and to require the EP’s assent.

The Verhofstadt Report ignored Art. 7 TEU and focused on increasing the role of the ECJ. On the one hand, it proposed the introduction of a “systemic infringement action” for cases of “serious and persistent violation” of EU values, a new approach that had been developed in previous years by Scheppele (2013, 2016). On the other hand, it recommended removing all restrictions on the applicability of the EU Charter of Fundamental Rights and extending the rights of individual citizens to refer violations of the Charter of Fundamental Rights to the ECJ. This approach of creating a binding “fundamental rights union” had already been discussed when the Charter of Fundamental Rights was adopted in 2002 (Eeckhout, 2002), but the debate had been revitalized as a reaction to the rule-of-law crisis in Poland and Hungary.

From 2013 onwards, the ECJ case law began to gradually extend the applicability of the Charter of Fundamental Rights, which reduced the need for a formal amendment (see also Jakab & Kirchmair, 2022). This could explain why the EP dropped the focus on the Charter of Fundamental Rights in the Article 48 Report. Instead, the co-rapporteurs returned to the idea of reforming Art. 7 TEU and combined it with the systemic infringement action approach by giving the ECJ, rather than the European Council, the task of determining whether a member state is violating the EU’s fundamental values.

The different approaches of the three reports thus reflected a learning process. While the general objective of more effective and veto-proof protection of fundamental values remained unchanged, the proposed measures were adapted according to the evolution of the broader political and judicial debate on how to deal with the rule-of-law crisis.

### 3.7. Economic Governance and Social Policy

In the area of economic governance, the three reports also showed a notable development. The FLEU and

Verhofstadt Reports, which were adopted during or shortly after the euro crisis, contained numerous proposals in this area, most of them aimed at more centralised economic governance with more powers for the EU institutions, especially for the EP.

The Article 48 Report, on the other hand, was much lighter on economic governance reforms. It called for a simplified procedure for tax harmonisation, a stronger role for the EP in the European semester, as well as a vague obligation for member states to “ensure investments” while avoiding excessive deficits. But it dropped several other proposals, such as the incorporation of the Fiscal Compact and the European Stability Mechanism into EU law. While this approach was in line with the final report of the CoFoE, which had been even more superficial on economic governance, the waning interest could also be explained by the end of the euro crisis, which reduced the urge to act on these issues.

There was much more continuity between the reports in the area of social policy. All of the reports included the idea of a “social progress clause” to prevent European economic freedoms from undermining existing social rights, as well as switching from unanimity rule to some kind of majority decision-making for social policy.

### 3.8. Foreign, Security, and Defence Policy

There was also considerable continuity concerning the CFSP. All three reports proposed a move to majority voting, a stronger role for the High Representative, and bringing the CFSP under the jurisdiction of the ECJ. Both the FLEU and Article 48 Reports explicitly listed the CFSP as a shared competence of the EU.

On the CSDP, however, the position evolved significantly: While the FLEU proposed only very minor changes in this regard, the Verhofstadt Report—adopted after Russia’s annexation of Crimea in 2014—explicitly called for a “European Defence Union” and for additional resources to be earmarked for joint military operations. The Article 48 Report, which was introduced after Russia’s full-scale attack on Ukraine in 2022, went even further. In line with the CoFoE, whose proposal 23.1 had recommended the creation of “joint



**Table 7.** Economic governance and social policy.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
Fiscal and economic policy as shared competences (Arts. 19(2.a), 219)	Fiscal and economic policy as shared competences (Art. 16)	Harmonisation of taxes by ordinary legislative procedure (Arts. 113, 115 TFEU)
	Obligatory convergence targets on investment, productivity, social cohesion, etc. (Art. 20)	Member states shall “ensure investments” to achieve “economic, social, environmental and security objectives” (Art. 126(1a) TFEU)
European Stability Mechanism incorporated in EU law, under ordinary legislative procedure (Art. 236)	Fiscal Compact and European Stability Mechanism incorporated in EU law, under EP oversight (Art. 22)	Inclusion of the EP in the European semester (Art. 121 TFEU)
No bail-out clause abolished; common management of national debt for euro countries (Arts. 224, 236(4))	European Stability Mechanism as lender of last resort, European Central Bank as “federal reserve” (Art. 27)	
Banking Union with common deposit insurance (Art. 227)		
Economic freedoms “may not impair” social rights (Art. 267)	Social rights and economic freedoms to be “equally ranked” (Art. 21)	Social progress protocol (Arts. 9, 151(1a) TFEU)
Super-qualified majority voting replaces unanimity in social policy (Art. 325(2.b))	Qualified majority voting replaces unanimity in social policy (Art. 58)	Simple majority replaces unanimity in social policy (Art. 153 TFEU)

armed forces,” it advocated the creation of permanent military units “under the operational command of the Union” (Verhofstadt et al., 2023, p. 34), the introduction of majority voting for some CSDP elements, and a strengthened military assistance clause. This significant increase in ambition in defence matters is the most obvious example of crisis learning in the three reports.

### 3.9. Health and Climate Policy

A similar, albeit less pronounced, development can also be seen in relation to public health and climate policy.

Before the Covid-19 pandemic, the FLEU already proposed that public health should become a shared competence between the EU and its member states but kept the EU’s legislative power to tackle cross-border health threats restricted to “incentive measures.” After the pandemic, the Article 48 Report proposed several more legislative powers, including an explicit reference to the “early notification, monitoring and management of serious cross-border threats to health, in particular in the event of pandemics” (Verhofstadt et al., 2023, p. 75).

All three reports included proposals to strengthen climate projection as an objective of the EU and to allow for a more far-reaching harmonisation of energy policies to achieve climate objectives. However, the Article 48 Report went furthest of the three, by, for example,

strengthening the role of climate protection in commercial policy.

Thus, while the EP’s general approach to public health and climate policy remained the same, the Covid-19 pandemic and the growing climate emergency did have an impact on its level of ambition.

### 4. Conclusion

This article has explored to what extent the proposals of the Article 48 Report reflect a result of crisis learning or rather a backlog of reforms proposed already before the recent crises. Summarising the observations for the various reform areas, a differentiated picture emerges.

Regarding institutional reforms in a narrow sense, there was a high degree of continuity: On decision-making procedures, all three reports followed the EP’s long-standing call for more efficiency and democracy at the supranational level—with stronger supranational institutions, fewer national vetoes, and more “Europeanised” elections. The level of ambition of specific proposals varied, but there was no clear trend over time. While the polycrisis experience may have influenced some aspects, such as the increased openness towards direct democracy, most of the institutional proposals of the Article 48 Report were already present in the FLEU and the Verhofstadt Report.

**Table 8.** Foreign, security, and defence policy.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
Super-qualified majority voting replaces unanimity in the Council; EP consent is needed (Art. 412)	Qualified majority voting replaces unanimity (Art. 37)	Qualified majority voting replaces unanimity, EP consent is needed (Arts. 24(1), 31(1) TEU)
Stronger role for High Rep (Art. 414)	Stronger role for High Rep, renamed “EU Foreign Minister” (Art. 37)	High Rep renamed “Union Secretary for Foreign Affairs and Security Policy” (Art. 24 TEU)
CFSP, CSDP, and development aid as shared competences (Art. 19(2.u–w))		CFSP as a shared competence (Art. 4(2.k) TFEU)
ECJ jurisdiction over CFSP (Art. 408)	ECJ jurisdiction over “all EU policies” (Art. 83)	ECJ jurisdiction over CFSP (Art. 24(1) TEU)
	“European Intelligence Office” to support CFSP (Art. 40)	
	“European Defence Union” (Art. 38)	Permanent military units under EU command (Art. 42(3) TEU)
	Additional resources for joint military operations (Art. 39)	CSDP budget under co-legislation of Council and EP (Art. 42(1) TEU)
		Majority procedures for certain CSDP decisions (Arts. 42(4a), 46(6) TEU)
		Reinforced military assistance clause (Art. 42(7) TEU)

**Table 9.** Health and climate policy.

FLEU 2013	Verhofstadt Report 2017	Article 48 Draft Report 2023
Public health as a shared competence (Art. 19(2.t))		Public health as a shared competence (Art. 4(2.3) TFEU)
Legislative power to tackle cross-border health threats, but only through “incentive measures” (Art. 338(4.d))		Several additional legislative powers, including for pandemic “management” (Art. 168(4.ca–cc) TFEU)
Combating climate change as a shared competence (Art. 19(2.h)) and an environment policy objective (Arts. 251, 372)	Climate change as a “key global challenge” (Art. 30)	Environment, biodiversity, and conclusion of international climate agreements as exclusive EU competences (Arts. 3(1.ea), 3(2) TFEU)
Super-qualified majority voting replaces unanimity in energy policy (Art. 375(2))	Legislative power in energy policy to mitigate climate change (Art. 30)	Legislative power in energy policy to mitigate climate change (Art. 194(1.da) TFEU)
		Climate neutrality as a commercial policy objective (Art. 207(1) TFEU)

Regarding specific policies, the European crises did have an impact both on the policy areas addressed in the three reports and on the proposals' ambition. This is most obvious in the case of the CSDP: While the FLEU was largely silent on this, the Article 48 Report proposed a far-reaching defence union. Similarly, the increasing emphasis on climate policy can be seen as indicative of a growing sense of urgency due to the worsening situation, and the proposals to strengthen EU competences in health policy became more far-reaching after the Covid-19 pandemic. Concerning the protection of fundamental values, the developing debate on the Hungarian and Polish rule-of-law crisis was also reflected in the three reports, successively focusing on a reform of the Art. 7 TEU procedure, a stronger involvement of the ECJ, and finally a synthesis of both these approaches. In terms of reforming the EU's economic governance, the Article 48 Report was significantly less ambitious than its two predecessors, as the end of the euro crisis diverted the EP's interest away from the issue.

These issue cycles can represent genuine crisis learning, as the crises have highlighted relevant areas where the EU still lacks the necessary powers to deal with emergencies. But they can also be a sign of strategic focusing by the EP: Actively emphasising certain salient issues in the reform plans—and de-emphasising them when they lose salience—fulfils a rhetorical function, because it provides MEPs with a topical argument for their vision of the future institutional development of the EU. Despite the profound changes in the political context, this vision has remained remarkably stable throughout the polycrisis decade. If anything, the crises seem to have reinforced the EP's view that strong supranational democratic institutions and more efficient EU-level decision-making can enhance both the legitimacy and the resilience of the EU.

The comparison of the three reports thus reveals a fundamental difference in the way the EP and the member states approach institutional reform in the context of crises. While the governments "fail forward" with minimalist changes, the strategy of the EP is better described as "doubling down": Lacking the institutional power to implement its preferred reforms, it repeats and refines maximalist proposals previously blocked by the Council and applies them to the context of new crises. With member states in the driving seat of the integration journey, the EP thus takes the role of a beacon, offering a relatively coherent model of institutional reform that aims to point the political debate in a federalist direction, even if it might never be realised in full.

### Conflict of Interests

The author declares no conflict of interests.

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Article

# The National Recovery and Resilience Plans: Towards a Next Generation of Fiscal Coordination?

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## Abstract

The Recovery and Resilience Facility reflects unprecedented solidarity through common financing paired with an innovative governance framework. Member states can access grants and loans through the formulation of National Recovery and Resilience Plans, under a set of conditions that include minimum allocation targets and addressing country-specific recommendations. The analysis evaluates whether the governance of the Recovery and Resilience Facility mitigates one of the longstanding weaknesses of the Economic and Monetary Union architecture: fiscal coordination. Assessing the prevalence of green, digital, and social priorities in the (a) National Recovery and Resilience Plans, (b) the country-specific recommendations, and (c) party manifestos through a quantitative and qualitative text analysis shows some convergence toward supranational preferences, albeit only in the green domain. I provide preliminary evidence at the stage of the formulation of the plans of the effectiveness of the Recovery and Resilience Facility fiscal policy coordination by testing whether recovery agendas in the National Recovery and Resilience Plans reflect EU or national priorities. Deviating from the limited implementation of country-specific recommendations within the European Semester, the analysis indicates the governance of the Recovery and Resilience Facility orients the National Recovery and Resilience Plans toward fostering a green recovery. Findings contribute to the assessment of how pandemic recovery instruments innovate EU fiscal governance and longstanding discussions on the ineffectiveness of fiscal coordination within the Economic and Monetary Union, informing the ongoing debate on the reform of the Stability and Growth Pact and a permanent successor to the Recovery and Resilience Facility.

## Keywords

Covid-19; fiscal coordination; Economic and Monetary Union; European Semester; National Recovery and Resilience Plans; NextGenerationEU; Recovery and Resilience Facility

## Issue

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## 1. Introduction

A longstanding narrative places crises at the center stage of forging the history and progress of European integration, further accelerated by the “crisification” of EU policymaking in the last decade (Rhinard, 2019). In the economic domain, both iterations of a major reform of the Stability and Growth Pact (SGP) followed a crisis which had mined the credibility of the framework. The Covid-19 pandemic has been portrayed as a window of opportunity for furthering economic integration with the introduction of notable innovations mobilizing an unprece-

dent scale of cross-country transfers extending the role of EU economic governance from purely regulatory to redistributive (Ladi & Tsarouhas, 2020). The flagship EU pandemic response of NextGenerationEU (NGEU) grants resources to the member states for investment and reforms through the Recovery and Resilience Facility (RRF) financing National Recovery and Resilience Plans (NRRPs), drafted by the member states in cooperation with the European Commission.

The nature and scale of the innovation of NGEU within the framework of EU economic governance is highly contested (e.g., Howarth & Quaglia, 2021; Ladi &

Tsarouhas, 2020). Yet, albeit temporary, the innovations of the governance framework include a domain which has been traditionally a challenge for the Economic and Monetary Union (EMU): the coordination of fiscal policies among the member states. I leverage the case of the pandemic response to address whether the innovative governance of the RRF engenders fiscal coordination within the scope of the recovery agendas. Such a question contributes to a longstanding debate within the literature on the EMU. Indeed, while its primary objective is fiscal sustainability, soft coordination mechanisms such as the Broad Economic Policy Guidelines have been in place since the early days. The introduction of the European Semester and the country-specific recommendations (CSRs) has provided prominence to the question of the effectiveness of economic coordination. Yet, the track record of the implementation of the CSRs is poor. In addition, higher compliance for SGP-related CSRs rather than those relying on soft coordination mechanisms (Mariotto, 2022) suggests the Semester may be better equipped to empower conditionality over (cost-cutting) structural reforms rather than orienting investment. While consolidation is not among the objectives of NGEU, the RRF builds on the Semester with a reform-based conditionality linked to the CSRs (Vanhercke & Verdun, 2022), prompting the assessment of whether the governance framework improves the effectiveness of fiscal coordination.

In principle, the design of the governance framework of the RRF supports greater coordination of fiscal policies. Member states can access funding through grants and loans to finance NRRPs addressing a set of common priorities and guidelines. A broad categorization of RRF objectives rests on the promotion of a green, digital, and (socially) inclusive recovery with the support of minimum allocation thresholds, except in the third case. A further condition is tailored to each member state as plans should address CSRs. Accordingly, one would not necessarily expect effective coordination to imply convergence toward homogeneous recovery agendas. Conversely, we can consider similar prioritization within the plans and the CSRs to indicate closer adherence with the investment and reform priorities outlined for each country within the (pre-pandemic) supranational framework for fiscal coordination. The drafting of the plans by the member states in close coordination with the European Commission suggests the latter may orient investment and, especially, reforms (Bokhorst & Corti, 2023). Conversely, the heterogeneous implementation of the CSRs, traditionally more effective in enforcing budget constraints than promoting investment, would suggest substantial leeway for the member states. Case studies addressing single or limited country or policy cases, further outlined in the section to follow, paint a mixed picture so far.

I contribute to these analyses by addressing—at the scale of nearly all NRRPs—the question of effective fiscal coordination through the RRF. I test this question by

comparing the recovery agendas outlined by the NRRPs, understood as the prominence of green, digital, and social content, against domestic and supranational priorities. I operationalize priorities within the NRRP applying a text-as-data dictionary approach to the policy documents of the plans. Such an approach overcomes the challenge of classifying funding which may pertain to multiple policy areas and hence necessitate an arbitrary split, potentially inaccurate in depicting the contribution to each dimension. In addition, the spending thresholds imply minimum allocations in the digital and green domains are a precondition for the approval of the plans. Yet, relying on the number of reforms across policy areas entails a similar issue that, in principle, all CSRs should be addressed within the plans. Instead, countries have more leeway in how much text to devote to each policy area which can be argued as an indication of the extent to which they are prioritized. While this approach has clear limitations with regard to funding and or implementation of different policy areas, it offers a robust assessment of priorities. I employ a similar logic in operationalizing national priorities, applying the same dictionary classification to the manifestos of national governments. Finally, EU priorities are operationalized through the manual coding of CSRs.

Findings indicate two different models of prioritization across the three policy areas. While either the social or green dimensions are given the largest weight in the plans, digital priorities are overwhelmingly the least prevalent. Prioritizing green over an inclusive recovery deviates from domestic agendas captured by the manifestos, where social priorities are nearly universally dominant. A pooled regression analysis shows an association between a higher share of CSRs and prevalence within the NRRP only for the green domain. Results suggest the RRF has oriented the recovery toward green priorities, especially for countries with related CSRs. Yet, the same is not the case for the digital domain, also, in principle, supported by minimum allocation thresholds.

The analysis contributes to an understanding of the innovations introduced by the RRF, which mobilize massive investment and promote reforms contributing to shaping the post-pandemic recovery. Findings provide empirical evidence adding to the blossoming debate in relation to conditionality and ownership in the RRF, scaling the analysis to encompass all policy fields and (most) member states. Through the assessment of the coordination of fiscal policies through the RRF, I provide new insight into a domain in which the pre-pandemic EMU architecture is arguably lacking. In doing so, findings connect to the broader question of fiscal coordination and EMU through the Semester, feeding into the reignited discussion on CSRs and their implementation, against the backdrop of the ongoing policy debate on the reform of the SGP and whether permanent measures of fiscal solidarity should remain in place after NGEU. The analysis also offers a new approach, through quantitative text analysis, to the assessment of recovery agendas and

the classification of (multilingual) EU policy documents which may offer further opportunities to systematically track priorities throughout the evaluation and implementation of the RRF.

## 2. Fiscal Coordination in the Economic and Monetary Union and the Recovery and Resilience Facility

NGEU has introduced a joint pandemic reconstruction measure based on commonly defined priorities, shared borrowing and financing, and transnational solidarity. Its core component of the RRF under Regulation (EU) 2021/241 combines supranational conditionality and domestic ownership in the drafting and implementation of NRRPs. In addition, the RRF foresees an allocation key prioritizing support for countries whose economies were most impacted by the pandemic and ensuing recession, introducing an element of transnational solidarity. To ground expectations on the effectiveness of fiscal coordination through the NRRP, this section draws on the literature on the European Semester and the RRF, pinpointing continuity and change in the governance architecture, especially in relation to conditionality and national ownership.

### 2.1. Fiscal Coordination in the European Semester

Fiscal coordination has been present in rudimentary forms since the early days of EMU. In the aftermath of the eurozone crisis, the toolset for fiscal coordination was strengthened with the introduction of the European Semester bringing together the enforcement of discipline within the SGP and guidance on economic policy through the CSRs. From such a premise, especially in its initial cycles, we can see the Semester as a mechanism for further enforcement of compliance with the EU fiscal framework, enhancing pre-emptive scrutiny of fiscal policy and reinforcing its long-term sustainability through increased centrality of structural reforms encapsulated by the CSRs. Yet, the track record of implementation of CSRs is problematic, on average remaining below 10% and decreasing over time (Domorenok & Guardiancich, 2022). In addition, the effectiveness of the Semester has been doubted as the implementation of structural reforms may be contingent on complementary pressures such as that of the financial market or the Excessive Deficit Procedure (Guardiancich & Guidi, 2022). Implementation differs across the legal bases of the CSRs, with lower compliance in those relying on a soft coordination mechanism compared to those backed by the hard conditionality of the SGP, especially for countries under the Excessive Deficit Procedure (Mariotto, 2022). Hence, CSRs may have limited bite, especially when beyond the purview of fiscal consolidation and relying purely on a soft mechanism of coordination (Bekker, 2021a). The pressure for the implementation of CSRs is hence heterogeneous across sectors and countries (Bekker, 2021a; Bokhorst, 2022; Vanheuverzwijn & Crespy, 2018).

Finally, the Semester has been plagued not only by modest compliance but also by dismal national ownership (Vanheuverzwijn & Crespy, 2018). Nevertheless, some authors argue the Semester has supported progress, in rebalancing the EU fiscal framework toward social objectives (Zeitlin & Vanhercke, 2018), showing instances of effective pressure for structural reforms also in domains that are not directly connected to fiscal consolidation (Bokhorst, 2022). Overall, the emerging picture is that of fiscal coordination in EMU remaining spotty at best, casting doubts on the improved effectiveness of fiscal coordination in the RRF. Still, several innovations of the RRF may improve compliance overall and specifically in the domain of fiscal coordination.

### 2.2. Solidarity, Conditionality, and Ownership in the Recovery and Resilience Facility

The experience of the Semester cannot fully translate into expectations concerning the RRF. We can consider three innovations as crucial to the assessment of whether the RRF engenders fiscal coordination: solidarity, conditionality, and domestic ownership. Fiscal coordination has traditionally taken place in the shadows of EU fiscal discipline. While reforms within the CSRs may also relate to investment their relative misfortune in implementation compared to those backed by the SGP suggests the framework has traditionally been better suited for enforcing discipline. Conversely, the pandemic response is characterized by EU fiscal solidarity thanks to “enabling consensus” fueled by the exogenous nature of the crisis (Ferrara & Kriesi, 2022, p. 1367), with massive borrowing by the European Commission. As a result, EU economic governance, albeit temporarily, shifts from a purely regulatory approach grounded in austerity to a distributive one supported by €390 billion of grants and nearly as much in potential loans (Ladi & Tsarouhas, 2020), providing crucial support for investment which had been severely lacking in the aftermath of the eurozone crisis (Nasir, 2022). The solidarity and (re)distributive dimensions of the RRF are highlighted by the geographically uneven allocation of the funds, which combines the severity of the Covid-19 shock and pre-pandemic economic vulnerabilities (Armingeon et al., 2022).

With the RRF, fiscal coordination is paired with the EU weakening rather than enforcing domestic budget constraints. The implications for conditionality are multiple. Transfers imply that its nature has changed from the negative constraint of public expenditures to “an expansionary-oriented conditionality framework” (Armingeon et al., 2022, p. 3). “Positive conditionality” (Vanhercke & Verdun, 2022) begs the question of whether “carrots” are more effective than “sticks” (Guillén et al., 2022). At face value, one may expect conditionality to be stringent as spending is restricted to (broad) policy areas and in some domains mandatory targets, disbursed under close oversight of progress (Bocquillon et al., 2023). While such a form

of conditionality is innovative within the Semester, its logic resembles that of EU cohesion funds (Bocquillon et al., 2023) whose problematic track record may raise questions on effectiveness (Domorenok & Guardiancich, 2022). The contrary may be expected, given the empowerment of the Commission through the governance of the RRF (Buti & Fabbrini, 2023) in all phases of the policy process from the drafting of the plans prior to submission to implementation (Bokhorst & Corti, 2023; Vanhercke & Verdun, 2022). In addition, conditionality directly encompasses fiscal coordination with the integration within the Semester and the mandate to implement “all or a significant subset” of CSRs in the NRRPs (Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021, 2021, Art. 18).

However, in leveraging the Semester, the RRF aims to pair conditionality with domestic ownership, offering a “balance between providing sufficient constraints, while leaving considerable leeway to the member states” toward their own policy preferences (Vanhercke & Verdun, 2022, p. 208). Within the framework of the NRRPs, conditionality does not manifest in a top-down imposition of priorities by the European Commission, as governments conversely take the lead in putting forward milestones and targets (Bokhorst & Corti, 2023). The RRF—as recognized in the regulation itself—retains a “basic bottom-up approach aiming for national ownership” to foster efficiency and legitimacy of reforms and deviating from previous experiences in the deployment of EU financial assistance (Schramm & Wessels, 2023, p. 3). Accordingly, the RRF allows for alternative paths to reform to be put forward by the member states, which should also entail broader consultation and ownership of national actors (Bekker, 2021b). Furthermore, domestic priorities may remain central in the design of NRRPs as the compressed timeframe for the formulation of the plans facilitated the use of funding for existing projects in the climate (Bocquillon et al., 2023) and social domains (Bokhorst & Corti, 2023).

### *2.3. The National Recovery and Resilience Plans as a New Generation of Fiscal Coordination*

Against these innovations, the RRF can be configured as an instrument for fiscal coordination in the recovery. Fiscal coordination can be understood along two dimensions, consisting of both homogeneous and country-specific guidelines for the recovery agendas encapsulated by the NRRPs. In general, priorities with the recovery are structured along six pillars, which can be classified across the three broad objectives of fostering a green, digital, and (socially) inclusive recovery. In this context, NRRPs are bound by minimum allocation thresholds for green (37%) and digital (20%) priorities. Social policies do not benefit from the same hard conditionality but rather are subject to a weaker commitment to contributing to the European Pillar of Social Rights (Vanhercke & Verdun, 2022). In addition, fiscal

coordination also has a diversified component, in continuity with the Semester, as the plans are supposed to implement the 2019–2020 CSRs. Accordingly, we may think of supranational fiscal coordination as steering the recovery toward green, digital, and social investment and reforms, yet giving different weights to the three areas as a function of the priorities foreseen in the CSRs. The track record of implementation of the CSRs has been generally weak. Still, the RRF may empower a shift of the Semester from a “non-binding structure for policy coordination” to a Commission-driven “supranational economic policy” (Vanhercke & Verdun, 2022, pp. 211, 217). Given the cost of non-compliance is potentially foregoing access to the funds, CSRs’ conditionality can be expected to be more effective within the RRF. Guillén et al. (2022) show the RRF has been successful, departing from the track record of the Semester, within the specific domain of social investment in Italy and Spain. Similarly, close scrutiny of the plans by the Commission has taken place for environmental policies, including instances in which changes were sought for better alignment to EU climate priorities, through a process of close “mutual dialogue” during the formulation of the plans (Bocquillon et al., 2023, p. 11). This would suggest the RRF can engender greater fiscal coordination, conceived as the alignment of the priorities within the recovery agenda and the CSRs.

However, analyses of the governance itself and the approval and early implementation of the RRF suggest challenges may remain. Given the domestic ownership within the drafting process, member states may submit plans that comply with procedural requirements but reflect domestic priorities. Indeed, compared to fiscal coordination within the Semester the leeway of member states is enhanced by the decentralized design of the plans under substantial time pressure (Bocquillon et al., 2023). Close scrutiny and oversight of all NRRPs may prove resource-intensive and unfeasible within the short timeframe of the formulation and approval phases. As a result, compliance with CSRs’ conditionality may be imperfect and heterogeneous across countries and policy areas. Analyzing the negotiation of the NRRPs in five member states, Bokhorst and Corti (2023) note minimal interference of the Commission for investment priorities provided formal requirements were met. In parallel with the different performance of CSRs across legal bases, we may expect closer oversight—and hence stringent conditionality—for major recipients. For instance, climate policies received greater scrutiny in countries such as Italy, benefitting the most from the RRF (Bocquillon et al., 2023). Conversely, the Commission enjoyed more limited leverage in countries such as Germany and the Netherlands, less reliant on the RRF for financing their recoveries (Bokhorst & Corti, 2023). The NRRP of countries such as Austria, Germany, and the Netherlands left several CSRs unaddressed (Bokhorst & Corti, 2023; Corti & Vesan, 2023). In addition, several countries included additional or alternative reforms than those indicated by the Semester within the social domain (Corti & Vesan,

2023). Accordingly, one may expect substantial deviations from the prioritization of the CSR within the plans and national priorities to take precedence.

Bocquillon et al. (2023) have argued that the effectiveness of conditionality rests on withstanding the test of its enforcement in the implementation of the plans. Nonetheless, in relation to fiscal coordination, the plans themselves outline the policy agenda for the recovery, already offering a first indication of whether the latter is aligned predominantly with supranational or domestic priorities. The governance innovations justify expectations of increased effectiveness of positive conditionality of the RRF in comparison to the soft coordination mechanisms of the CSRs. Yet, the centrality of national ownership along with the problematic track record of implementation of CSRs and the resemblant conditionality of EU funds may conversely suggest domestic priorities remain in the foreground. Given the mixed picture, I test empirically the competing hypotheses of recovery agendas within the NRRPs, conceptualized as the weight given to green, digital, and social priorities to be associated with (H1a) the share of CSRs countries have received or (H1b) domestic priorities as captured by the manifestos of governments submitting the plans.

### 3. Data and Methods

This section outlines the operationalization of the dependent and explanatory variables across the EU and national level, outlining the comparative approach. I provide a full account of data sources and their processing in the Supplementary Material. Due to limitations in data availability further outlined below, the analysis extends to 24 member states, excluding Bulgaria, the Netherlands, and Luxemburg. I construct the dependent variable classifying plans across their prioritization of green, digital, and social content based on the policy documents of the NRRPs. The unified timeline for the submission of the NRRPs is an asset as one can expect recovery priorities to shift depending on the phase of the pandemic during which they were conceived. In addition, time pressure has been shown to interact with the expected stringency of conditionality and reliance on pre-existing projects. While not all member states submitted their plans by the deadline of April 2021, the overwhelming majority submitted within the summer of 2021 with only the Netherlands—which I hence exclude—delaying until 2022. I translate all plans into English through e-translation, which is an approach shown as sufficiently accurate for bag-of-word analyses (de Vries et al., 2018). I provide an overview of the corpus and details of the standard pre-processing in the Supplementary Material. I operationalize economic coordination through the share of green, digital, and social priorities in the NRRPs which I measure through an inductive dictionary grounded on the most frequent terms within the overall corpus of the plans. I classify the top 1,000 features across all NRRPs according to their

green, digital, or social relevance resulting in a dictionary of 120 keywords presented in Figure 1. I apply the dictionary to the weighted document feature matrix to account for heterogeneous document length. As a result, I obtain for each country the prevalence of the three domains within the plans.

I infer supranational priorities for each country's investment and reform agenda based on the 2019 CSRs, sourced from the Country-Specific Recommendation Database from EGOV (2020). I operationalize EU priorities by relying on the EGOV classification into 318 sub-CSRs and manually coding the 215 which pertain to green, digital, or social priorities. I aggregate the share of green, digital, and social sub-CRS for each country. I identify a domestic counterpart through party manifestos of the incumbent governments at the time of submission of the NRRPs. Such an approach is not without limits for two reasons. Timing of the manifestos mirrors elections which may date as early as 2016 or after the outbreak of the pandemic. Accordingly, policy agendas within the manifestos may reflect different contexts, especially for the post-pandemic election cycles. In addition, when cabinets changed close to the submission of the plans it is unclear the extent to which the content of the plan should be attributed to the outgoing executive steering the preparatory phases. At the same time, manifestos do not necessarily imply clear policy commitments. Nevertheless, they represent a proxy of the preferences of the government which, like the CSRs, can indicate the relative attention to the three different domains while allowing to account for the composite nature of the executive and match the cabinet at the time of submission. Alternative approaches would result in more limited country coverage and entail arbitrary choices over reference documents: budget documents exclude cabinets resulting from recent elections or with changed composition; strategic recovery policy documents are multiple, may refer to different pandemic phases and policy areas and fail to match the cabinet at the time of the NRRP submission. I derive cabinet characteristics from the ParlGov dataset identifying parties within the government coalitions at the time of the NRRP submission (Döring et al., 2023). I attribute to each country the manifestos of parties within the coalition government, excluding those without parliamentary seats. I use the corpora of the Manifesto Data Project (Lehmann et al., 2023), complementing missing data for Ireland, Slovakia, and Spain, failing to fill the void only for Bulgaria and Luxemburg. Translation and pre-processing are aligned with the NRRPs, and summary statistics are provided in the Supplementary Material. I apply the inductive dictionary constructed through the NRRPs corpus to the weighted document-features matrix of manifestos obtaining for each country the domestic prevalence of green, digital, and social priorities.

The prevalence of the green, digital, and social priorities in the NRRPs resulting from the (weighted) dictionary analysis characterizes the recovery agenda set forth



by each member state, in negotiation with the European Commission. Benchmarking such output against similarly characterized EU and domestic preferences allows for the identification of differences in ranking across the three domains and associations. First, I outline recovery agendas considering the ranking of green, digital, and social content within the NRRPs. I proceed in the same manner for CSRs and manifestos to identify different patterns which may suggest (a) change against the domestic agenda and (b) alignment towards EU priorities.

Finally, I run a pooled linear regression of NRRPs' priorities on their counterparts in the CSRs and manifestos. I consider heterogeneity across the three policy areas as well as additional explanatory variables. I account for grant size as it may affect supranational conditionality. On one side, countries with large envelopes may be more susceptible to supranational pressure as their NRRPs mobilize a higher scale of resources and, given the nature of the allocation key, they are among member states suffering from greater economic costs and vulnerabilities. On the other side, the European Commission has been shown to be prone to closer oversight and stronger pressure for the implementation of all CSRs for large grant sizes (Bokhorst & Corti, 2023). I also consider the government's ideological stance as it may affect the propensity to implement EU priorities beyond the alignment with domestic policy agendas. A detailed account of all variables, data sources, and processing is provided in the Supplementary Material while a summary is presented in Table 1 below.

#### 4. Results

Figure 1 shows the 120 keywords of the inductive dictionary built from the classification of the most frequent 1,000 features across the entire corpus of NRRP documents. Already at this stage, the classification shows that digital keywords are relatively more infrequent within the plans overall. Applying the dictionary to the corpus of the NRRPs generates the dependent variable yielding for each country the prevalence of the three policy areas.

Subsection 4.1 presents the resulting heterogeneous recovery agenda, indicating cross-country differences in the space devoted to green, digital, and social priorities within the text of the plans. Subsections 4.2 and 4.3 similarly present the supranational and domestic prevalence of the three priorities, differing in whether a mainstream approach can be identified. The final subsection, Subsection 4.4, seeks associations between recovery agendas and national and supranational priorities, exploring whether differences emerge across policy areas.

##### 4.1. Heterogeneous Recovery Agendas

The dictionary analysis shows that within the NRRPs, overall priorities display the highest prevalence, followed closely by green. Digital ones are the least prevalent, not even amounting to half of the frequency of the front-runners. Such a ranking may be unexpected given the allocation thresholds committing a minimum of 37% of resources to green priorities and 20% to digital with no

**Table 1.** Variables.

Variable	Description	Source
Dependent variable: NRRP dictionary scores	For each country, a measure of the weighted frequency of green, digital, and social keywords in the NRRP on the basis of a dictionary analysis of the corpus	Own calculation based on the officially submitted plans processed as described in Table A2 (see Supplementary Material) through standard translation, tokenization, and cleaning
Independent variable: Manifesto dictionary scores	For each country, a measure of the weighted frequency of green, digital, and social keywords in the manifestos on the basis of a dictionary analysis of the corpus	Own calculation based on manifestos of governments submitting the plans; coalition information retrieved from ParlGov; manifestos retrieved from the Manifesto Project Corpus, complemented whenever possible for missing data; standard processing similar to the NRRPs described in Table A3 (see Supplementary Material)
Independent variable: CSR shares	Share of the CSRs reflecting green, digital, and social recommendations	Manual coding based on the sub-CSRs provided by the EGOV database
Control: Size	Size of the grants financing each NRRP	European Commission
Control: Ideology	Seat-weighted RILE score for the government coalition	ParlGov

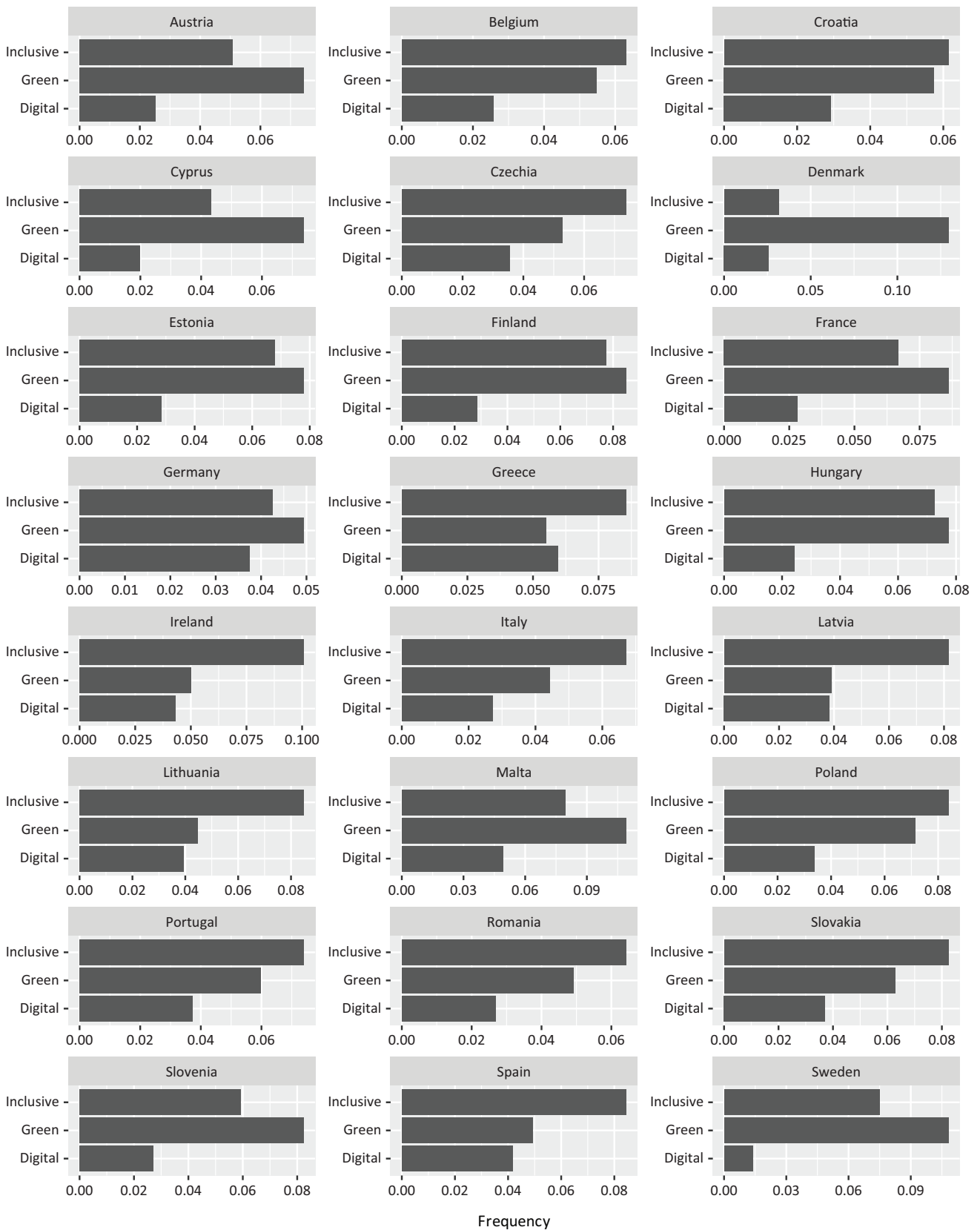
digit	energi	educ	social	health	work	effici	sustain
15,997	13,044	11,236	9,091	8,772	8,423	7,751	7,734
climat	transport	innov	water	technolog	transit	environment	employ
7,694	7,078	7,018	6,760	6,739	6,138	6,056	5,979
green	wast	skill	care	labour	environ	emiss	school
5,725	4,844	4,818	4,680	4,373	4,338	3,732	3,518
electr	natur	digitalis	renov	communic	modernis	vehicl	circular
3,325	3,301	3,223	3,054	2,919	2,903	2,753	2,749
mobil	life	job	digitis	pollut	road	ecosystem	agricultur
2,687	2,648	2,464	2,443	2,216	2,045	1,980	1,957
electron	equal	hospit	heat	employe	biodivers	disabl	recycl
1,915	1,901	1,866	1,858	1,842	1,776	1,758	1,752
patient	age	air	gas	inclus	student	univers	hydrogen
1,750	1,688	1,683	1,669	1,662	1,648	1,632	1,604
medic	young	pension	unemploy	railway	women	vocat	children
1,601	1,594	1,583	1,556	1,488	1,486	1,470	1,412
greenhouse	incom	cohes	fuel	famili	modern	smart	worker
1,376	1,372	1,366	1,346	1,286	1,282	1,281	1,275
vulner	rail	healthcar	station	traffic	gender	teacher	decarbonis
1,261	1,221	1,187	1,102	1,095	1,058	1,038	1,011
forest	softwar	ecolog	comput	broadband	rehabilit	carbon	co2
980	968	905	858	845	825	822	800
cybersecur	soil	career	adult	poverti	interoper	cloud	teach
784	765	760	750	748	747	730	721
clean	internet	dispos	inequ	flood	start-up	low-carbon	clinic
701	678	638	609	598	559	557	555
doctor	recruit	occup	entrepreneur	artifici	wage	fossil	light
553	547	543	533	530	525	517	516
farm	engin	personnel	welfar	nurs	youth	disadvantag	media
509	500	495	492	488	488	487	487

**Figure 1.** Dictionary keywords for green, digital, and social content. Note: The 120 keywords are obtained from the top 1,000 features and constitute the green (green), digital (blue), and social (red) dictionaries.

hard target for the social domain. We can see two predominant configurations of relative rankings. The most frequent (12 countries) aligns with the overall corpus being foremost social and green. In the second configuration (11 countries), green priorities exceed social ones. Greece is the only case in which digital priorities do not come last but rather second after social ones.

Figure A1 in the Supplementary Material maps the recovery agendas of all countries according to the ranking across priorities. Figure 2 shows the actual (weighted) prevalence for each country and domain, indicating that relative weights can vary substantially from somewhat balanced (e.g., Germany) to highly skewed in favor (e.g., green in Denmark) or disfavor (e.g., digital in Sweden) of one dimension. Maximum and minimum shares vary across the three domains. Digital priorities reach a low of 1.4% and a maximum of only 6% of the corpus.

Conversely, minimum green priorities reach nearly 4% (Latvia), with the maximum exceeding 13% (Denmark). Social content displays similar ranges between 3.2% (Denmark) and 10.3% (Ireland). These diverse ranges indicate that one size does not fit all NRRPs, consistent with findings focusing on certain countries and policies (Bokhorst & Corti, 2023; Corti & Vesan, 2023). In addition, social priorities fare substantially better than the absence of allocation targets would suggest. Conversely, allocation targets do not necessarily guarantee the same relative attention in the policy agenda captured by the plans. This may be for several reasons. Targets only apply to resources and not—for instance—to the attention devoted to challenges and reforms. In addition, spending can address multiple policy areas while the language of the NRRP is inherently only addressing one. The limited prevalence of digital may suggest certain



**Figure 2.** Weighted frequency of green, digital, and social priorities by country within the NRRPs.

policies allow for a claim of relevance toward this domain while predominantly addressing other policy areas (e.g., a social project with some digitalization component). These diversities show that, potentially, flexibility can

be achieved within the formal constraints of the RRF, begging the question of whether prevalence across policy domains is aligned with supranational or domestic priorities.

4.2. Supranational Priorities

CSRs are the domain in which it is the least feasible to evince few configurations across which all or most countries fit. Conversely, as shown in Figure 3, the diversity of supranational priorities across the member states suggests extensive tailoring to specific domestic challenges, in line with how recommendations should—and have been found to—operate.

If we consider the overall share, 52% (113) of sub-CSRs reflate to social concerns, 26% (56) green, and 21% (46) digital. This ranking is the same as that of 12 NRRPs. Yet the overall shares hide extensive variabilities in the policy ranking across the country and the extent to which sub-CSRs are balanced (e.g., Czechia, Denmark) or favor one domain. If this is the case, the focus is generally on social priorities (in 12 countries, with shares reaching 60% in eight). The only other instance of sub-CSRs' shares reaching 60% is in Malta for the green domain. At the opposite end of the spectrum, the digital domain is the only one that is fully absent (Estonia and Romania) and remains around or below 20% for half of the countries. Digital is the most frequent topic of sub-recommendations only in Cyprus.

Overall, the ranges across the three domains result in 0 to 46% for digital, 8 (Austria) to 60% (Malta) for green, and 20 (Malta) to 75% (Estonia) for social sub-CSRs. Geographical configurations are also not evident as, for instance, over 60% of shares for social sub-CSRs encompass both Northern countries (e.g., Sweden, Germany, Austria) and the peripheries in the South (Italy, Spain) and East (Romania, Slovakia). Differently from the NRRPs, it is not possible to characterize the prevalence of CSRs along a parsimonious number of archetypes even when only based on rank is considered. Nevertheless, overall, one can say that if any domain is predominant, it is more often the social one while the opposite is the case for digital. This pattern aligns with the relative prevalence within the NRRPs still leaving open the issue of whether prioritization at the country level is associated with CSRs. Additionally, the widespread prevalence and predominance in several countries of social sub-CSR are aligned with arguments for the socialization of the EU fiscal framework throughout the Semester (Zeitlin & Vanhercke, 2018). The social domain may hence be highly salient for the Commission, supporting its prevalence even in the absence of harder conditionality mechanisms such as the minimum allocation thresholds.

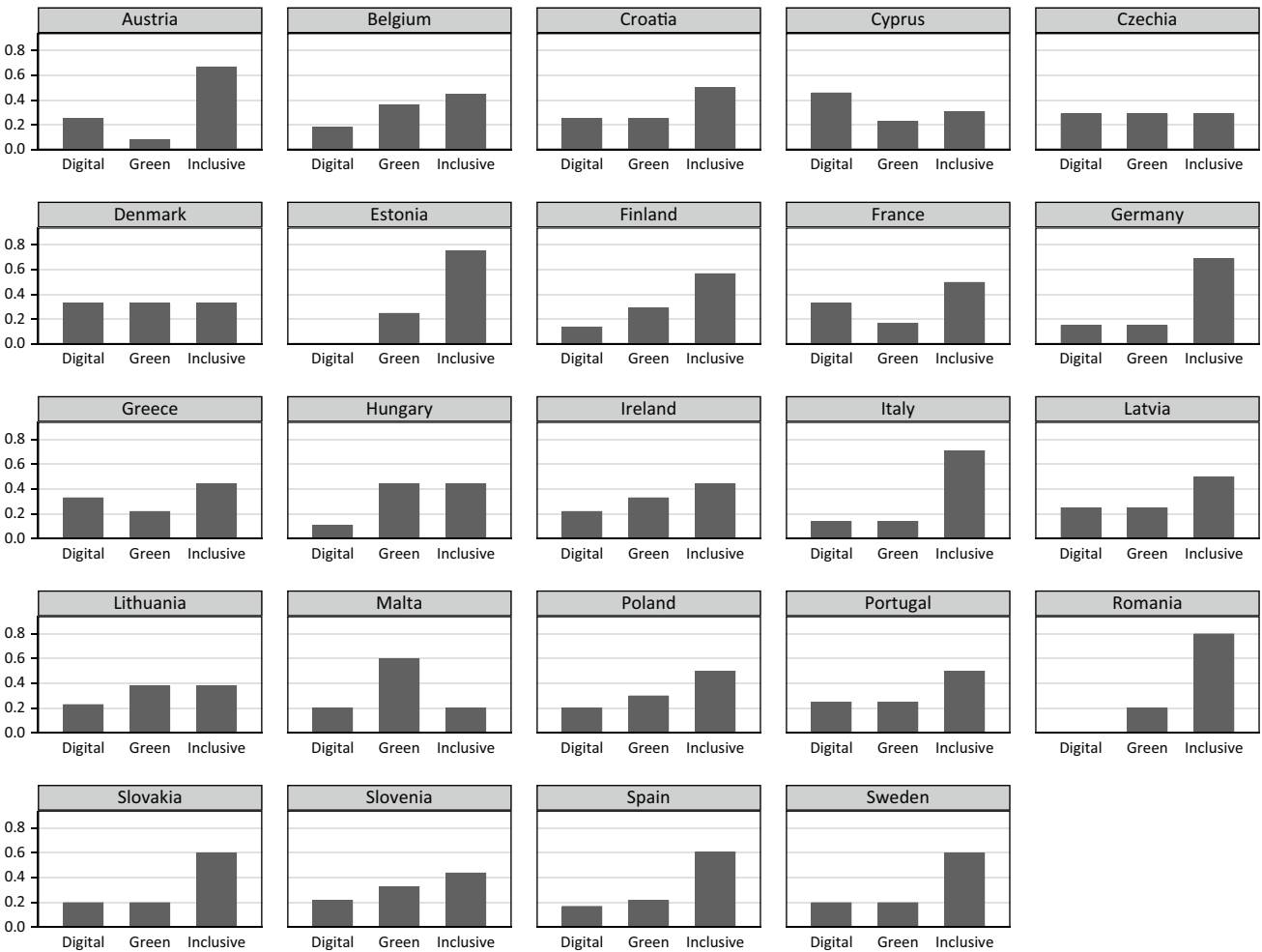


Figure 3. Share of sub-CSRs by country across digital, green, and social priorities.

At the same time, the presence of social CSRs does not speak to their implementation, with track records generally less encouraging than for other legal bases (Mariotto, 2022) and conversely further questioning the effectiveness of pre-pandemic fiscal coordination.

#### 4.3. Domestic Agendas

The classification of domestic agendas through manifestos comes with all the caveats and limitations discussed in Section 3 and the additional challenge of heterogeneous lengths of the texts, which at times are extremely short. This would be highly problematic, for instance, for the automatic detection of latent topics. Yet, in the application of the dictionary to the manifestos, we can still identify the green, digital, and social prioritization of domestic agendas according to a benchmarking measure that is homogeneous and derived from similar policy documents (the NRRPs). Unlike for CSRs, a generalizable ranking is present at the domestic level. Social content is overwhelmingly central, followed by green and finally digital which is extremely marginal in several but not all the plans, as shown in Figure 4. Indeed, with the sole exception of Italy, the social domain is the most prominent among manifestos. At the same time, the pervasiveness of social-related priorities ranges from below 4% (Spain, Hungary) to over 13% (Sweden). Green content ranks second with the only exception of Cyprus where it is barely present and Italy where it is the prevalent topic. Weighted prevalence clusters around the lower range of around 1 (Spain, Hungary, Cyprus) to 5% (Austria and Portugal). Finally, ranges are at the lowest in the digital domain which is dismal in some countries (0.15% in Hungary and 0.3% in Denmark) reaching a maximum prevalence of barely above 2% (Croatia, Germany, and Portugal). While prevalence varies, the emerging picture is a mainstream ranking across the three domains showing social-related concerns as the most widespread, followed by green priorities and with a generally minor space given to the digital realm. The consistently high prevalence of social content indicates that such a dimension is already salient domestically. That is to say, member states prioritize social measures on their own accord without requiring additional supranational pressure. This inclination may be another reason why social priorities are put forward within the plans without the constraint of mandatory spending targets.

#### 4.4. Mapping EU vs. National Priorities in the National Recovery and Resilience Plans

Descriptively, some patterns already emerge in the overall alignment of NRRPs against national and EU priorities, especially if we focus on their relative ranking. The two reference configurations in the NRRPs are the prevalence of social or green priorities. The primacy of the social dimension is in line with nearly all manifestos and, in many instances, also CSRs. Conversely, we cannot say

the same for nearly half of the countries considered that devote the most attention to the green domain within the NRRP. Such a prioritization is conversely consistent with the objectives of the RRF as indicated by the high minimum spending threshold. This may suggest some effectiveness in shifting priorities toward the green domain. Indeed, recovery models do not fully align with manifestos. Considering just the ranking of priorities, the near-universal primacy of social content domestically is matched by only one of the mainstream configurations of recovery agendas as for nearly half of the member states green priorities are the most prevalent. Such a pattern would be consistent with the objectives of the RRF as indicated by the largest hard conditionality threshold reserved toward a green recovery. One may not conclude the same for the digital domain which has a lower but still mandatory spending allocation. The different success of the two targets may derive from a higher relative salience of green compared to digital content at both the supranational and domestic level, indicating that a shift toward digital would require a greater shift in domestic agendas and is less of an EU priority. Nevertheless, the benchmarking weighted prevalence across policy areas for each member state in the two comparable corpora of the NRRPs and manifestos in Figure 5 suggests a more nuanced assessment, which does follow the presence of minimum allocation targets. Indeed, the space given to green but also digital content within the plans nearly universally overshoots the one in the manifestos. The opposite is generally the case in the social domain, where prevalence is generally higher at the domestic level than in the NRRP.

These patterns cannot identify associations of prioritization in the NRRPs with those at the supranational or national levels. A country-topic pooled regression on the set of national and domestic explanatory variables shows a positive and significant association between prevalence in NRRPs and in domestic manifestos while a positive but not significant one for CSRs, with no significant association with grant size or ideology, as shown in Figure 6. We may expect supranational conditionality to vary across policy areas, in line with the governance of the RRF, further reinforced through the allocation shares' prioritization of the green and digital domain and the cross-policy differences emerging from the descriptive analysis. Accounting for such heterogeneities confirms the digital domain is less salient across the board and shows a significant association between prevalence within the NRRPs and the share of CSRs driven by the green domain. Overall, there is no significant difference between the prevalence of green and social content in the plan, confirming instead the marginalization of digital priorities. Nonetheless, countries having received more green sub-CSRs—and hence for which the green transformation is a more pressing supranational priority—display a higher prevalence of such a domain in their NRRPs. As shown by the interaction coefficients in Figure 6, the same is not the case for digital



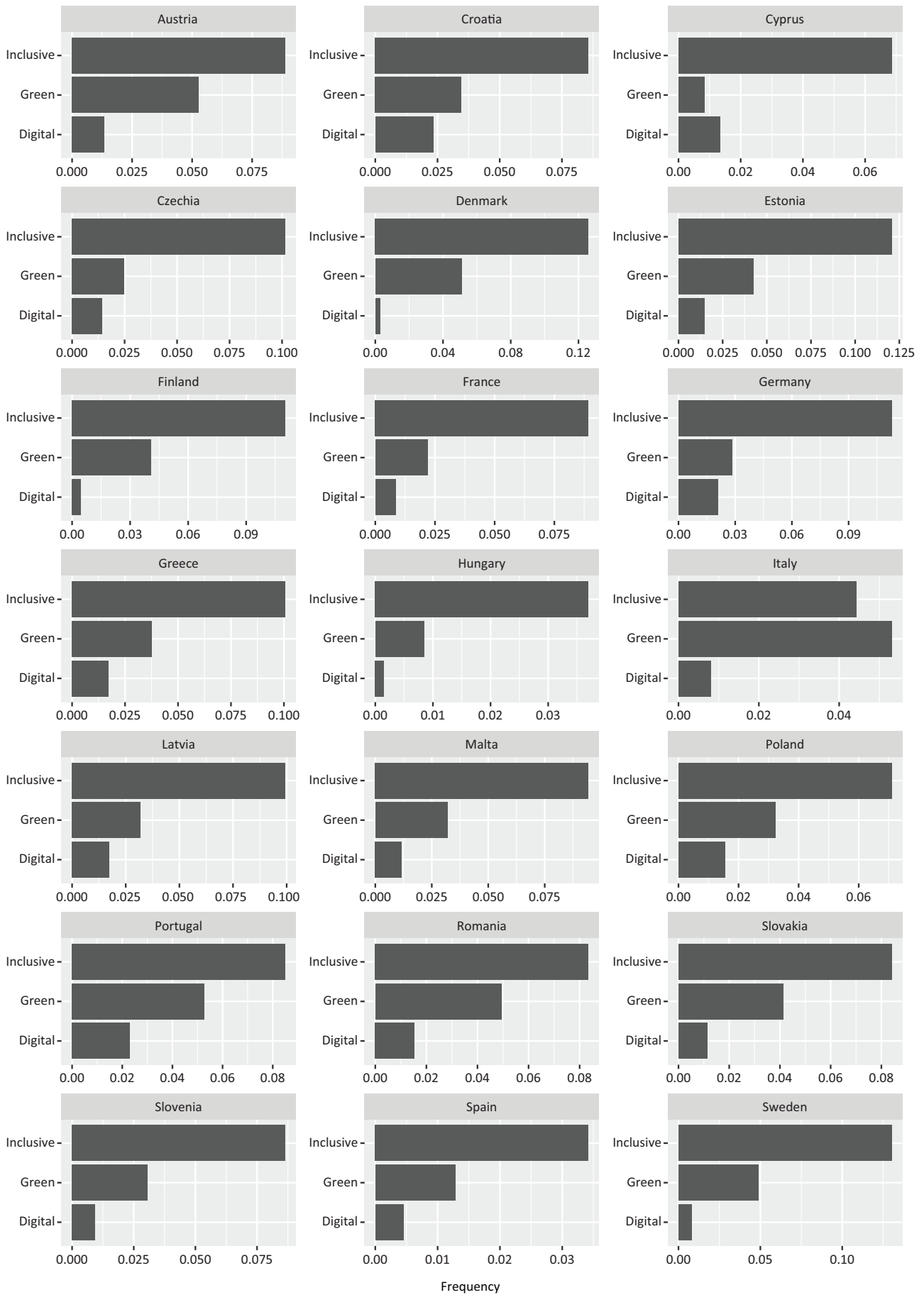


Figure 4. Weighted frequency of green, digital, and social priorities by country within the manifestos.

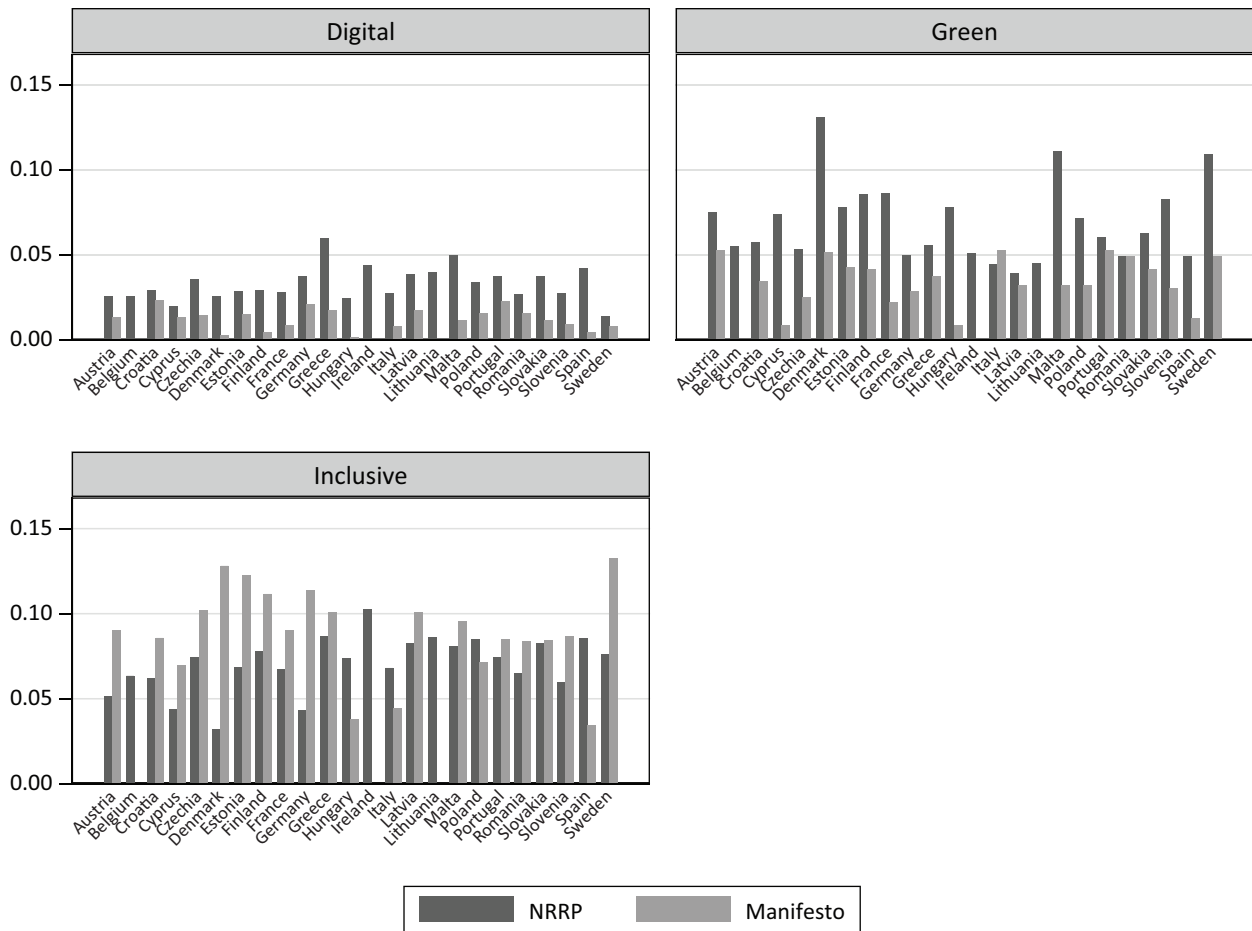


Figure 5. Prevalence of green, digital, and social content within the NRRPs and manifestos.

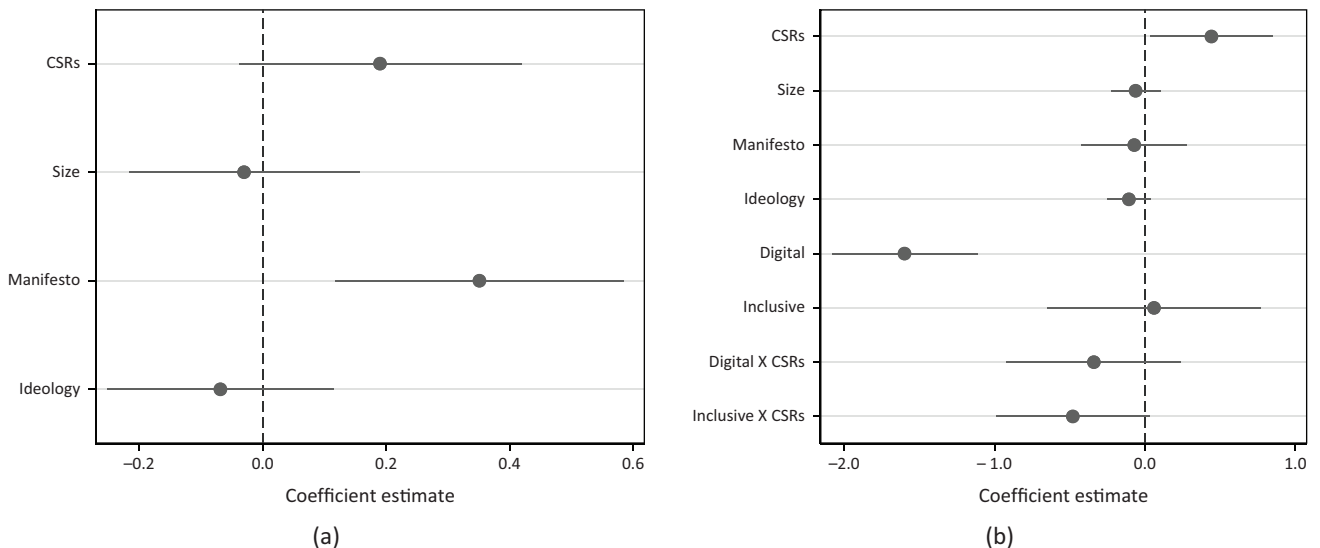


Figure 6. Coefficient plots of the result of pooled regression. Notes: The baseline model is on the left and the interaction model accounting for differences across topics is on the right; the full regression is presented in Table A4 of the Supplementary Material; the dependent variable is the (weighted) dictionary scores in the NRRPs; all variables are standardized and 95% confidence intervals are displayed.

and social sub-CSRs. In the latter case, the association is negative, albeit not significant. Full regression tables are presented in Table A1 (see Supplementary Material).

The marginal effect in Figure A2 in the Supplementary Material shows that, unlike other policy areas, countries receiving relatively more green-related CSRs display a

higher prevalence of green content within their NRRPs. I test the robustness and sensitivity of the analysis in two ways. First, given the potential concerns over the reliability and coherence of manifesto data, I repeat the main regression excluding such a variable confirming a significant association with green CSRs. Second, I assess potential regional differences, indicating that the association with green CSRs is driven by Southern member states.

## 5. Conclusion

The analysis examines the question of whether—against the backdrop of traditionally limited implementation of CSRs within the Semester—the governance of RFF engenders effective fiscal coordination of recovery agendas. To answer this question, I compare prioritization across the three broad policy areas which characterize the RRF in the NRRP to those in the CSRs and party manifestos, capturing respectively supranational and domestic priorities. The textual analysis indicates topic prevalence within the NRRPs is significantly associated with CSRs albeit only for the green dimension. This result is coherent with the higher prevalence of the green dimension in NRRPs compared to the domestic agenda to the extent that, for half of the considered countries, it trumps the dominance of social priorities which is near universal in manifestos. That is to say that results are compatible with the RRF effectively orienting the recovery agendas toward green objectives. The effectiveness of the RRF in the green domain is hardly unexpected for several reasons. First, sectorial analysis of the governance and negotiation process of the plans by Bocquillon et al. (2023) finds some evidence of hardening of conditionality for climate spending, not only in relation to the allocation threshold but also as this priority is somewhat mainstreamed into the plans given that all measures must respect the do-no-harm principle. In addition, climate spending is heavily codified with the provision of a specific methodology for climate tracking and project-level justification of contribution to climate objectives for investment (Bocquillon et al., 2023). Such tools may have enhanced the ability of the Commission to scrutinize and monitor investments—a domain in which negotiations have been portrayed as technical and focused on formal compliance (Bokhorst & Corti, 2023)—in comparison to other policy areas. Additionally, the near concomitant launch of the European Green Deal, featuring among the top political priorities of the Von Der Leyen Commission, may suggest political attention given to this domain (Nasir, 2022). This context may explain why even in the presence of a spending target conditionality is less effective in the digital realm. For what concerns the social arena, two elements seem of relevance. CSRs in this domain have a track record of particularly high controversy and low implementation in the absence of additional pressure such as that of financial markets or the EDP. Additionally, the social domain, in general and especially in the context of the pandemic, may already be

among the top priorities domestically and hence obtain comparatively high attention even in the absence of a spending mandate. However, the salience of social priorities does not necessarily imply that plans account for CSRs, which for the social domain have been only partially implemented in the NRRPs by several countries (Corti & Vesan, 2023). Conversely, the prominence of the green domain has successfully increased through the RRF, indicating that the governance has the potential to be a “game-changer” in the implementation of the CSRs (Bokhorst & Corti, 2023).

The approach has several limitations which scope the implications of findings. Recovery agendas and their characterization across policy areas do not fully imply that CSRs have been implemented and policy change has taken place. Still, pre-pandemic analyses have argued that the agenda-setting stage and issue salience are areas in which the Semester can be impactful, arguing against the sole focus on the degree of implementation (Bokhorst, 2022). Nevertheless, the approach of thematic classification through automated text analysis could be further extended to consider whether the emerging patterns remain in the implementation stage. Additionally, the scope of NRRPs does not comprehensively encompass fiscal policies in the member states. It remains possible that the weakened budget constraint through RRF grants and loans is devoted to certain policy areas while freeing up fiscal space for other spending measures. Early pandemic responses are an indication of differences in fiscal spaces (Ceron et al., 2021) leaving Southern member states especially constrained without RRF funding (Ceron & Palermo, 2023). NRRPs in countries like Italy and Spain have funded social investment unlikely possible otherwise (Guillén et al., 2022). More generally, the RRF accounts for a large component of resources mobilized in the recovery for countries among top beneficiaries (Armingeon et al., 2022). Conversely, countries with fewer fiscal constraints can finance investment (and current expenditures) through their own resources (Corti & Vesan, 2023) which could result in a lower prioritization of certain policy areas within the NRRPs. Nevertheless, given all three domains are enshrined within the objectives of the RRF, what is prioritized by countries in the NRRP—and hence committed to the conditionality and oversight from the supranational level—is per se of interest, especially in its alignment with the CSRs, as an indicator of the effectiveness of the governance framework of the RRF in engendering fiscal coordination of the resources made available for the plans. Against this backdrop, the analysis concentrates primarily on heterogeneity across policy areas. Still, geographical differences should be further explored in line with previous findings of cross-country differences in conditionality (Bokhorst & Corti, 2023) which are coherent with results being driven partially by Southern member states. A final limit is that a coarse dictionary-based quantitative text analysis remains within broad classifications along

the green, digital, and social domains and is unable to capture more sophisticated nuances such as the alignment of plans with the specific CSRs or the distinction between content related to a policy area and actual commitments. Exploiting semi-automated approaches relying on human coding could further refine the precision and granularity of such a classification.

Against this background, the contributions of the analysis are manifold. Findings extend our empirical understanding of a so far largely neglected question in relation to the innovations of the RRF: its effectiveness as an instrument for fiscal coordination. Results are of broad relevance beyond the evaluation of the recovery response itself as they can inform the broader debate concerning the reform of the SGP and a permanent successor of NGEU for fiscal solidarity and the financing of investment. Finally, the analysis overcomes another constraint of the empirical literature on the RRF, so far limited to a single or few case studies for geographical or policy scope, indicative of the (scalable) opportunities of application of text-as-data approaches for the classification and assessment of recovery policies.

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### Conflict of Interests

The author declares no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the author (unedited).

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Article

## NextGenerationEU and the European Semester: Comparing National Plans and Country-Specific Recommendations

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### Abstract

This article examines the main features of the Recovery and Resilience Plans (RRPs) that member states have presented to access NextGenerationEU (NGEU) funds, and it explores the relationship between NGEU and the European Semester. Relying on a dataset collected for this purpose, which coded all RRP and all recommendations received by the member states in the years preceding NGEU, we explore quantitatively the variation in the countries' resource allocation and reform agendas and the congruence between RRP and the recommendations issued in the European Semester. Our analysis reveals three key findings. First, substantial variation exists across member states, reflecting the diverse economic and political contexts shaped by a decade of crises. Second, by disaggregating RRP into the six policy pillars indicated by the Commission, we show differences in the member states' patterns of intervention. Third, we offer insights into the extent to which member states address the Semester recommendations. The data we present is a relevant tool for understanding NGEU and generating research questions aimed at exploring its nature and its implementation in the years to come.

### Keywords

conditionality; country-specific recommendations; European Semester; NextGenerationEU

### Issue

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### 1. Introduction: NextGenerationEU and the European Semester

Much has already been written about the origins (and the factors driving the creation) of NextGenerationEU (NGEU) as a substantial economic and social investment program following the Covid-19 crisis. Just after its announcement, political commentators immediately focused on the long-term ambitions of this programme: Among the dozens of examples, we quote two titles showing the expectations about NGEU's potential impact in terms of both governance system and policy outcomes: the article from *The Economist* published in May 2022 (*The EU's Covid-19 Recovery Fund Has Changed How Europe Spends Money*; *The Economist*, 2022) and

the report from the European Economic and Social Committee (2022) entitled *An Unprecedented Exercise in Solidarity*. While the debate on the *actual* effects of this plan is just beginning (and it could not be otherwise since its implementation is still in progress at the time of writing), there is a clear agreement among the opinion makers on its *potential* policy impact, which will go well beyond the short-term objectives imposed by the pandemic, first as a health emergency, then as an economic emergency.

Even though scholarly work is inevitably slower in taking stock of what happened, legal and procedural analyses (De Witte, 2021; Fabbrini, 2022) have already explored the creative legal engineering involved in the adoption of NGEU and its potential contribution to

the federalization of the EU, granting it a fiscal capacity akin to other federal systems. Other contributions have investigated the genesis of NGEU from a political point of view, illustrating how the different (inter-governmental and supranational) bodies have exerted influence in the process (Bressanelli & Quaglia, 2021). The plans' implementation has also been analysed (see, for instance, Schramm et al., 2022), stressing the different involvement of public administrations, regional authorities, interest groups, and policy-makers. Most contributions so far suggest that the genesis of NGEU is rooted in the economic and political vulnerabilities that emerged from the sovereign debt crisis. Armingeon et al. (2022) argue, for instance, that NGEU is a pre-emptive intervention aimed at addressing structural weaknesses and rising Euroscepticism in economically vulnerable countries, as the allocation of NGEU resources is driven more by past economic and political vulnerabilities than the impact of the pandemic. Buti and Fabbrini (2023) explore the potential for NGEU to bring about a paradigm change in economic governance, highlighting the need for solutions to trilemmas related to EU institutions, fiscal policy, and national reforms.

The bottom-line question that echoes in all these contributions is about the true nature of NGEU: Does it represent a sort of "Hamiltonian moment" (de la Porte & Jensen, 2021; Georgiou, 2022), with a new approach to the EU budget emerging after the pandemic (Cavaliere & Karremans, 2023), or is it just an enhanced cohesion policy, using the same decision-making schemes and reaching similar outputs? On the one hand, the size and scope of NGEU seem to suggest that it is "something more." On the other, the focus on targeted investments and projects (which makes it akin to the classical cohesion policy), the conditionality (money in exchange for reforms) recommended in the drafting of national Recovery and Resilience Plans (RRPs), and the link with the European Semester, suggest a more "traditionalist" interpretation of NGEU.

The European Semester was introduced in 2010, during the most acute phase of the sovereign debt crisis, in response to inadequate economic and budgetary coordination methods, which member states had either ignored or marginalized in EU decision-making. It was designed as an annual policy coordination cycle, based on recommendations proposed by the Commission and endorsed by the Council (the so-called "country-specific recommendations" [CSRs]), which address not only budgetary issues but a wide range of policy fields, including (to cite just a few examples) pensions (Guardiancich & Guidi, 2020; Guardiancich et al., 2022; Guidi & Guardiancich, 2018), health policy (Azzopardi-Muscat et al., 2015), wage policy (Cova, 2022; Di Mascio et al., 2020), and social policy in general (Copeland & Daly, 2018; Zeitlin & Vanhercke, 2018). The aim of the Semester is to ensure national compliance with EU recommendations and address past shortcomings of their implementation. Following a primarily intergovernmental

struggle, which pitted "core" against "peripheral" member states during the Euro crisis, the Semester bolstered the Commission's authority vis-à-vis the Council (Bauer & Becker, 2014). Research has also shown that CSRs, far from being a purely rhetorical exercise, have the capacity to influence member states' policies (Cova, 2022; Guardiancich & Guidi, 2020).

The link between NGEU and the European Semester has gradually emerged in the making of NGEU. While the European Council's conclusion of July 2020, which laid the groundwork for its establishment, did not explicitly mention the Semester in relation to NGEU, the link became evident with the approval of Regulation 241/2021, which established the Recovery and Resilience Facility, the backbone of NGEU (the European Semester is mentioned 26 times in the text of the regulation). In particular, Annex V of Regulation 2021/241 stated that one of the criteria for the assessment of the plans presented by the member states is the extent to which the RRP "contribute to effectively addressing all or a significant subset of challenges identified in the relevant country-specific recommendations" (Regulation (Eu) 2021/241 of the European Parliament and of the Council of 12 February 2021, 2021). There is, hence, a built-in conditionality in NGEU, and the Semester is the institutional setting in which such conditionality is assessed (see D'Erman & Verdun, 2022; Domorenok & Guardiancich, 2022).

While, for obvious reasons, there have been few contributions to the integration between NGEU and the Semester, we believe that it is important to begin to map the overlap between the two. Before theory-driven hypotheses can be formulated and tested, it is necessary to explore, more descriptively, the type of variation that we are confronted with. In particular, we aim to answer the following research questions:

RQ1: Which policy areas (pillars) had been signalled as more relevant by the Commission in the years preceding NGEU?

RQ2: How have countries allocated expenditure components and reforms among pillars in their RRP?

RQ3: Are the distributions of reforms and investments congruent with recommendations received in the European Semester?

The article proceeds as follows: In Section 2, we document our coding procedure, showing how it allows us to compare CSRs and RRP within and across countries. In Section 3, we present descriptive evidence regarding our data. In Section 4, we explore the congruence between recommendations received by countries and the content of their RRP. In Section 5, we draw some conclusive remarks.

## 2. Data and Operationalization

For our analysis, we coded the RRP of 26 EU member states (Hungary was excluded for not having access to NGEU funds at the time of writing) and the CSRs to the same countries in the two years preceding the drafting of RRP (2019 and 2020). For the RRP, we coded both the reforms and the investments envisaged in each plan. We collected information about the RRP from the database of plan briefings provided by the European Parliamentary Research Service at the website (<https://epthinktank.eu/2022/02/03/national-recovery-and-resilience-plans-latest-state-of-play>).

The first decision to make when coding RRP is the scheme to use. One option would have been to create a custom coding scheme based on policy fields and/or the direction of change (liberalization/marketization or the opposite, see e.g., Cova, 2022). However, the detail that such a scheme would allow us to obtain would come at the expense of many discretionary choices we would have to make during the coding, given the extremely heterogeneous nature of the RRP. This would, in turn, reduce our ability to meaningfully compare the plans presented by the different countries. Therefore, for an exploratory exercise such as this, we preferred to take the “pillars” laid out by the Commission, the European Parliament, and the Council in Article 3 of the Regulation (2021/241) establishing the Recovery and Resilience Facility (Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021, 2021). The six pillars are policy areas where countries are invited to focus their investment and reform efforts in the RRP. The six pillars are:

- 1) Green transition;
- 2) Digital transformation;
- 3) Smart, sustainable, and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs;
- 4) Social and territorial cohesion;
- 5) Health, economic, social, and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity;
- 6) Policies for the next generation, children and the youth, such as education and skills.

We coded RRP ourselves instead of using the scores that the Commission publishes on the “Recovery and Resilience Scoreboard” website ([https://ec.europa.eu/economy\\_finance/recovery-and-resilience-scoreboard/index.html](https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html)) for three main reasons. First, only the percentages of resources allocated to the pillars are available, and there are no absolute numbers for the single investment components. Second, for each of the six pillars in the Scoreboard, the percentage is made of two components (called “primary pillar” and “secondary pil-

lar”), which results from the fact that each investment is coded under one of the six pillars for the “primary pillar,” and under another of the six pillars for the “secondary pillar.” However, without having exact information on how these primary and secondary pillars are attributed, since the indications given in the Annex of Commission Delegated Regulation (EU) 2021/2106 of 28 September 2021 (2021) do not cover all the policy fields of the RRP, we could not calculate the absolute numbers ourselves. In the absence of unequivocal indications on how to precisely detect “primary” and “secondary pillars,” we opted to assign each investment or reform either to one pillar only (when there appeared to be a clear predominance of a certain objective) or to two or three (if there seemed to be multiple goals). In essence, we avoided the imposition of coding two pillars at all costs. This inevitably results in some discrepancies between our figures and those of the Commission. Third, the Commission provides no coding along the six pillars for reforms, which we also wanted to include in our analysis.

In order to have a consistent coding scheme, we have assigned each coded element to one (or more) of the above-mentioned pillars. For CSRs, the items we coded are the single policy prescriptions given to member states, which we refer to as *sub-recommendations* (following Guidi & Guardiancich, 2018) because, in each recommendation for a member state in a given year, there can be multiple policy prescriptions, which often pertain to different policy fields (or, as far as our coding is concerned, to different NGEU pillars). The Commission itself, which maintains a database of all CSRs (available at [https://ec.europa.eu/economy\\_finance/country-specific-recommendations-database](https://ec.europa.eu/economy_finance/country-specific-recommendations-database)), divides recommendations into sub-units. We used the sub-units provided by the Commission (for an example of the division of a recommendation into sub-recommendations, see Section A1 of the Supplementary File). For RRP, we coded both the expenditure components outlined in the briefings (for a visual inspection of the total amount of funds obtained by each state, please see Figures A3.1 and A3.2 in the Supplementary File) and the reforms listed in the annexes to the plans. In the case of the reforms, each reform was coded based on its title, the description provided in the annexes, and the components to which it was linked. This allowed us to assign each reform to the pillar(s) that most closely aligned with its objectives and focus. This coding procedure (for coding examples, see Table A2.1, A2.2, and A2.3 in the Supplementary File) has yielded a dataset encompassing all CSR sub-recommendations, expenditure components, and reforms for each member state.

As mentioned above, each item (CSR sub-recommendation, an RRP reform, or an RRP expense) was assigned to one or more than one pillar. The rationale followed in the coding procedure is explained in detail in Section A2 of the Supplementary File. Starting from CSRs, the coding allowed us to calculate for each country the percentage of sub-recommendations

received in each pillar ( $CSR_{cp}$ ), as follows:

$$CSR_{cp} = \frac{1}{N} \sum_{p=1}^P s_{cp} \cdot 100$$

where  $s_{cp}$  are the sub-recommendations received by country  $c$  pertaining to pillar  $p$ ,  $P$  is the total number of  $s_{cp}$ , and  $N$  is the total number of sub-recommendations received by country,  $c$ . Note that  $s_{cp} = 1$  if a sub-recommendation was coded as pertaining to one pillar only. If a sub-recommendation was coded as pertaining to two pillars, for each pillar,  $s_{cp} = 0.5$ ; if it was coded as pertaining to three pillars, for each pillar,  $s_{cp} = 1/3$ .

Similarly, we obtained the same measures for reforms ( $R_{cp}$ ):

$$R_{cp} = \frac{1}{N} \sum_{p=1}^P r_{cp} \cdot 100$$

Where  $r_{cp}$  are the reforms included by country  $c$  in its RRP that pertain to pillar  $p$ ,  $P$  is the total number of  $r_{cp}$ , and  $N$  is the total number of reforms included by country  $c$  in the RRP. Also, in this case, if a reform could be categorized under more than one pillar, we duplicated it, assigning the appropriate weights.

For expenditure components, we did not calculate the absolute number but the percentage represented by the amount (in million euros) allocated to each pillar ( $I_{cp}$ ) over the total amount of all investments in all pillars:

$$I_{cp} = \frac{1}{N} \sum_{p=1}^P i_{cp} \cdot 100$$

Where  $i_{cp}$  is the amount of the investments included by country  $c$  in its RRP that pertain to pillar  $p$ ,  $P$  is the total number of  $i_{cp}$ , and  $N$  is the total number of investments included by country  $c$  in the RRP. To calculate the amount for investments that pertain to more than one pillar, we simply split their amount into equal parts among the pillars.

### 3. Descriptive Evidence About CSRs and RRP

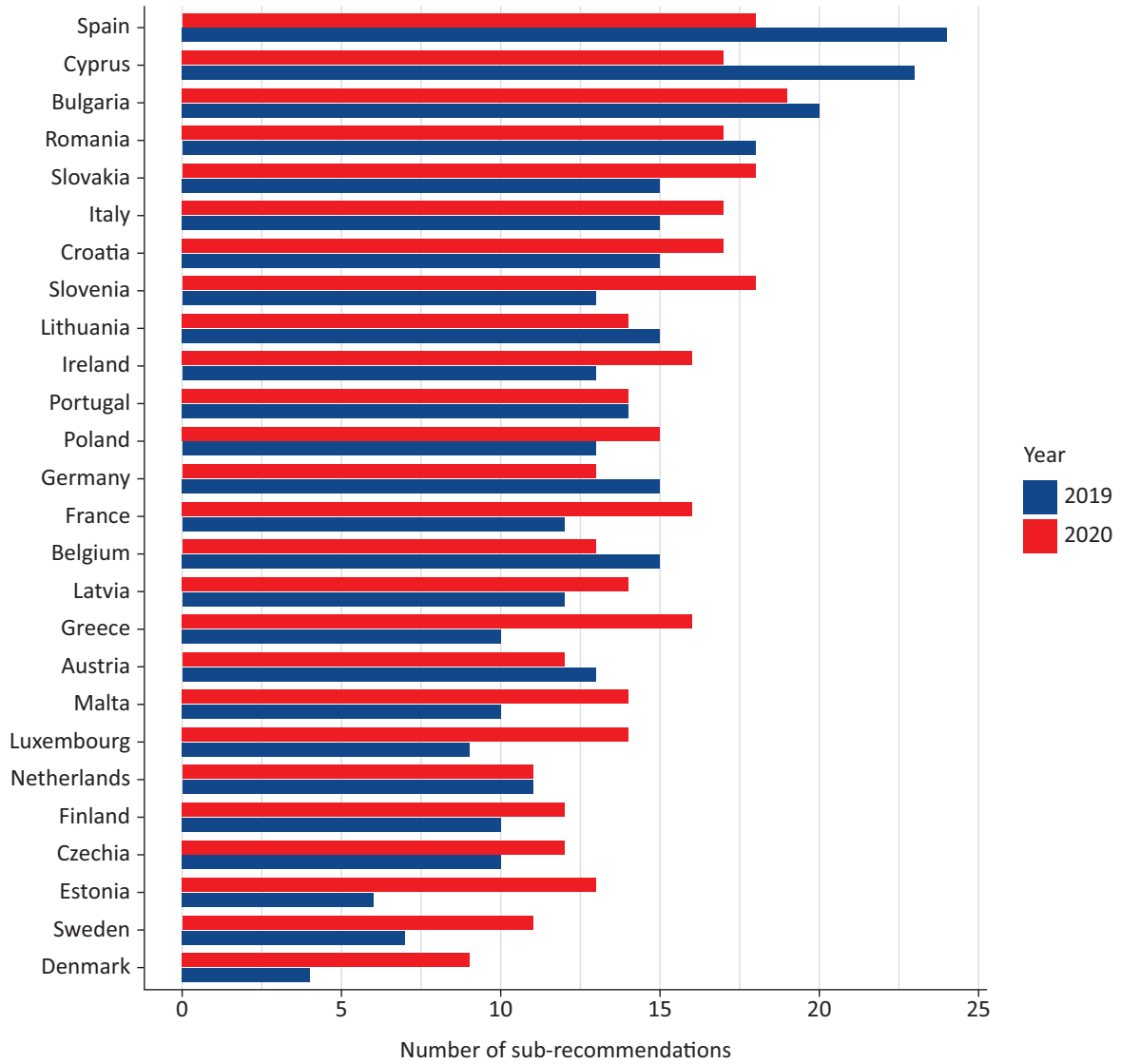
In this section, we present some descriptive statistics about the data collected. The total number of sub-recommendations was 342 in 2019, and 380 in 2020. In this landscape of increasing “attentiveness of the Commission (which follows a phase of “relaxation” coinciding with most of the year of the Juncker Commission (for more information see [https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/624404/IPOL\\_BRI\(2018\)624404\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/624404/IPOL_BRI(2018)624404_EN.pdf)), there is obviously a considerable degree of variation among countries, as shown in Figure 1. At the top of the graph, we see the countries that received, on average, more CSRs in the three years: Spain and Cyprus lead the race with 42 and 40 sub-recommendations, while Denmark is the country with the lowest number of sub-recommendations (only 13 in two years).

Going more into detail as concerns the content of recommendations, we see that, according to our coding, most CSRs paid attention to issues pertaining to the third pillar (see Figure 2). In this pillar, we included (as detailed in Section A2.1 of the Supplementary File) recommendations attempting to stimulate growth, such as measures to strengthen competition, improve the business environment, help small and medium enterprises, and stimulate private investments, which constitute the bulk of CSRs.

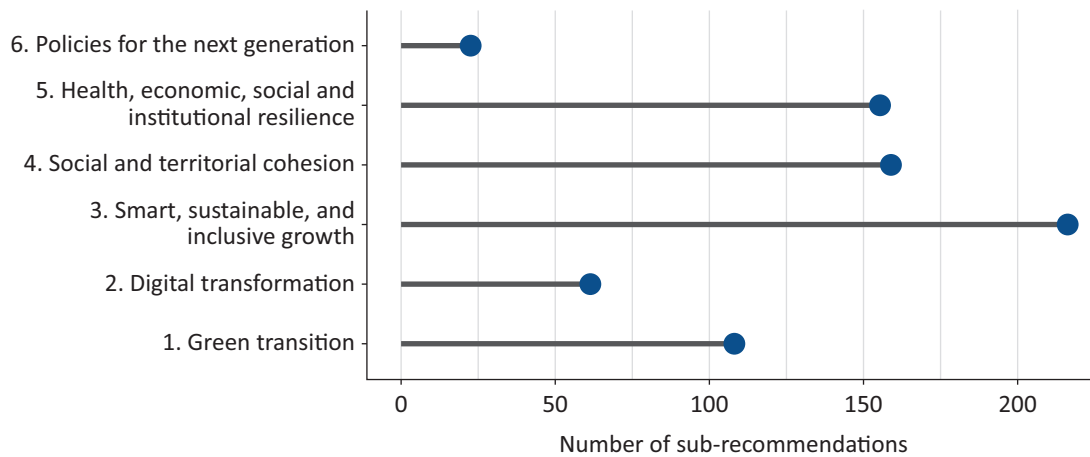
The distribution of reforms and investments, shown in Figure 3, displays different patterns. Reforms appear to be more in line with the CSRs, with most interventions under the fifth, fourth, and third pillars. If we look at investments, instead, we see that the lion’s share is represented by the first pillar, which covers expenses for the green transition. This is understandable: On the one hand, most recommendations that we coded under the third pillar were to be addressed through legislative changes and new or different regulatory policies rather than through public expenditure of any kind; on the other, leaving the adherence to CSRs aside, the fact that the green transition was the first pillar indicates that the Commission assigned particular relevance to it (for an overview of the states’ percentages of sub-recommendations, reforms, and investments for each pillar, see Table A5.1 in the Supplementary File). Also, EU grants for the green transition are particularly attractive to countries. Like many other environmental policies, the costs of green investments are concentrated in the short term, while their benefits are spread in the medium and long term. It is, therefore, not surprising that many countries seized the opportunity to finance these investments, which they find difficult to embark on in normal circumstances.

What is most interesting to us, though, is exploring the variation among countries in the allocation of investment and the diversification of reform efforts. Starting from the first, we know there are huge differences among countries regarding the allocation of funds. As is shown in Figure A3.1 in the Supplementary File, Italy is the biggest beneficiary in absolute terms, with almost 200 billion euros of expenditures financed by grants and loans. The second largest beneficiary, Spain, does not reach half of the total investment envisaged by the Italian government in its RRP. However, suppose one wants to analyse the impact of NGEU on a member state’s economic and social system. In that case, adjusting the amount each receives relative to its GDP is probably more appropriate. In Figure A3.2 in the Supplementary File, we show, for each country, how large the NGEU contribution is compared to the size of its economy. Using this metric, the largest beneficiary is Romania, followed by Croatia—with Italy still reaching third place in this ranking.

In Figure 4, we combine two relevant pieces of information: (a) How much has each country received as a percentage of its GDP (see also Figure A3.2 in the

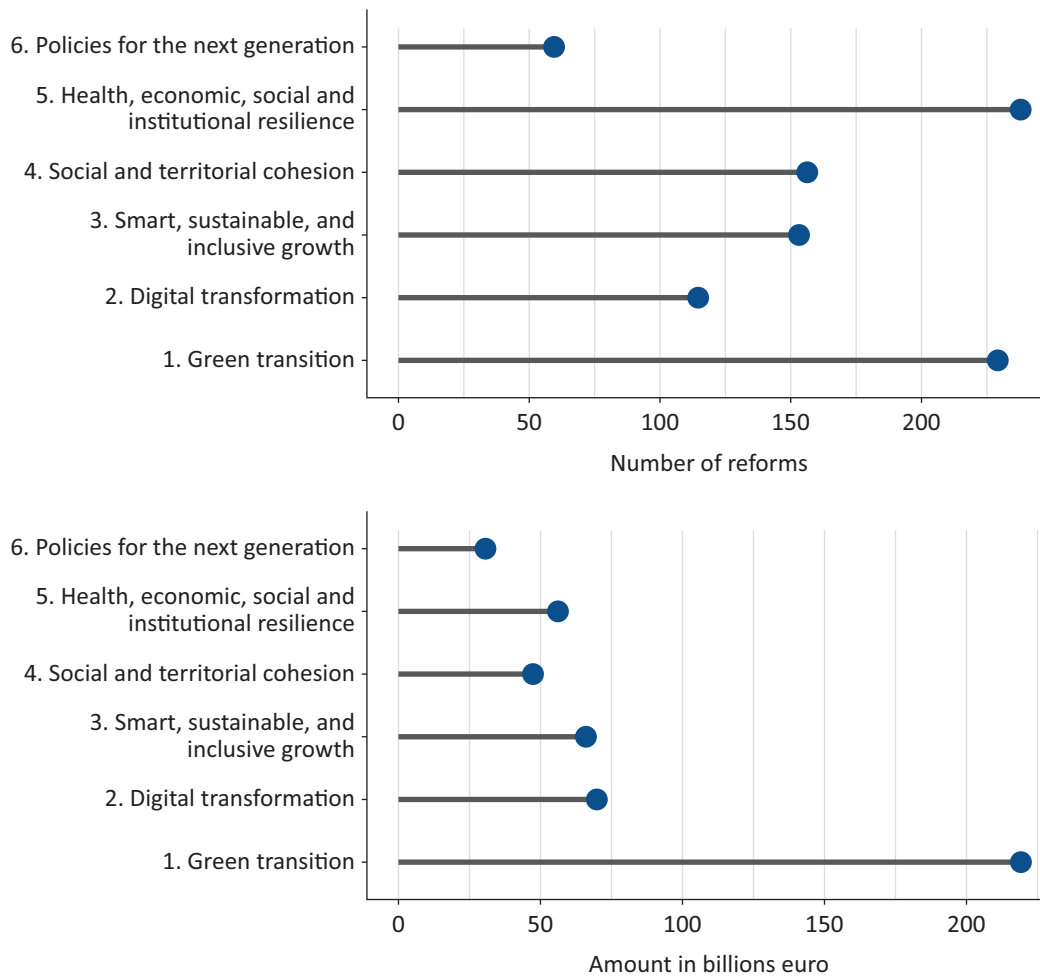


**Figure 1.** Number of sub-recommendations by country in years 2019 and 2020. Note: Countries are ordered by their mean number of sub-recommendations per year.



**Figure 2.** Allocation of sub-recommendations per pillar (2019–2020).



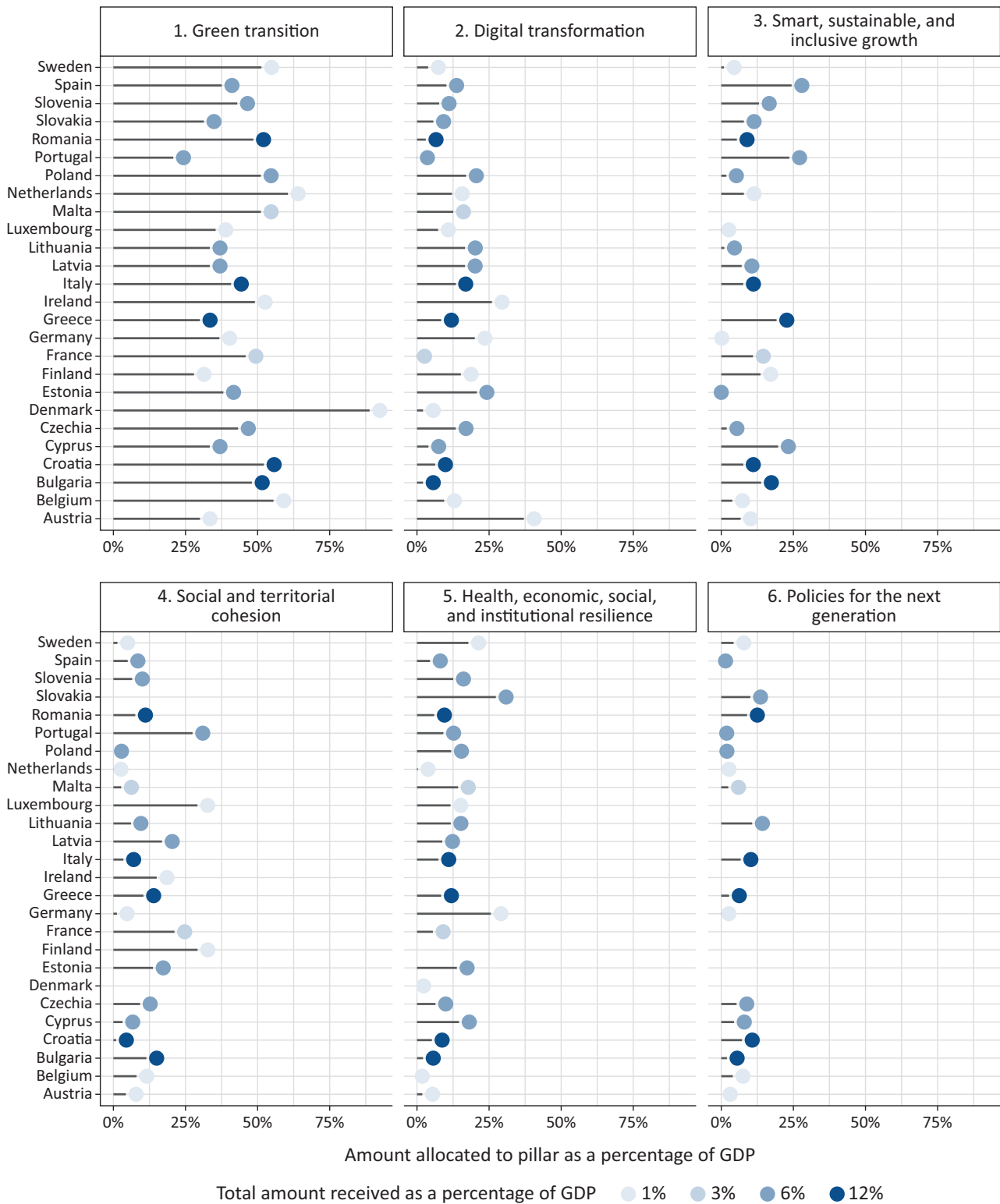


**Figure 3.** Total number of reforms presented and the total amount of money allocated by pillar in RRP.

Supplementary File)?; (b) how has each country allocated the amount received among the six pillars? As the legend explains, countries with darker dots received more in proportion to their GDP, while countries that received less have lighter dots. On the x-axis, we see the percentage of the total amount received that is allocated to each pillar. The percentages represented in Figure 4 do not necessarily align for all countries with the requirement that 37% of investment be allocated to the first pillar (green transition) and 20% to the second (digital transition). This happens because the Commission, in its evaluation of allocation, has coded investments twice in two pillars each. Since we did not have information on how this coding was done and how to replicate it, we coded pillars autonomously (see Section 2). In so doing, our numbers cannot exactly match those of the Commission. In line with what we have shown in Figure 3, the first, second, and third pillars are the ones in which the largest part of investment is concentrated. This is, to a great extent, explained for the first two pillars by the requirement for all countries that 37% of investment be allocated to the green transition (first pillar) and 20% to the digital transition (second pillar). A group of Southern European countries (Portugal, Spain, Greece, and Cyprus, which are also among the largest

beneficiaries) has allocated more investment in the third pillar in their RRP compared to the rest of the member states. These countries' economies were hit hard by the pandemic: It makes sense that they saw NGEU as an opportunity to strengthen their economy and diversify their growth prospects. Conversely, the countries that invested the most in the second pillar are among the countries that received the least in proportion to their GDP (Austria, Ireland, Estonia, and Germany). The second pillar, pertaining to digitalization, is probably more important for countries that do not have pressing economic issues or growth problems.

We also tested whether there is a correlation between the percentage of reforms and the percentage of investments under a certain pillar. In other words, do countries pledge to implement more reforms in the policy areas in which they allocate more money to spend? With a correlation coefficient of the two variables of 0.45 ( $t = 6.86, df = 190, p\text{-value} < 0.001$ ), the answer is (tentatively) affirmative. This seems to confirm a "shadow of conditionality" in the way expenditure components and reforms are treated: In policy areas where countries want to spend more money, they also commit to implementing more reforms. Nevertheless, the far-from-perfect correlation indicates that the opportunities opened by



**Figure 4.** Percentage of total national investment allocated by countries to pillars.

NGEU were used to address different pre-existing priorities in the countries’ reform agendas.

**4. Congruence Between CSRs and RRP**

While the congruence between CSRs and RRP is worth exploring, this aspiration comes with relevant method-

ological obstacles. One possible way to proceed is a qualitative assessment of the recommendations (or, better said, the sub-recommendations) given to each country in the years before the Semester. For each sub-recommendation, we would need to “scan” the RRP in search of a reform (or a particular investment plan) that tackles the issue and mark that as addressed—or

as not addressed if we cannot trace it in the RRP. Even though this approach would allow us to evaluate the implementation of CSRs in great detail, it would not be without shortcomings. First, gathering this information for all countries, as we aim to do, and not for a small subset, would be time-consuming (for an application of this approach to the Italian case, see Guidi & Moschella, 2021). Second, coding the extent to which past recommendations are addressed would involve a considerable amount of discretionary choice: The link to a certain policy prescription found in CSRs to measures contained in the RRP could be straightforward in some cases but less so in others. Third, it is highly likely that a substantial number of sub-recommendations are addressed *partially* in RRP. How would we account for that? For these reasons, and being well aware of its limitations, we opted for a different approach, analysing the congruence between the distribution of sub-recommendations (across the areas covered by the six NGEU pillars) and the distribution of reforms (and expenditure components) in the RRP.

The logic behind our empirical exercise is not that of testing—recommendation by recommendation—how many (or what percentage) of the sub-recommendations were included in the national plans. There is no way to do this by aggregating data in the way we do, and we cannot make such a claim. Instead, we take the sample of sub-recommendations from the two years before the presentation of the plan as a proxy of the policy areas in which the Commission has asked the country to intervene more. The kind of information we retain from our data aggregation allows us to answer the following question: “If we code the CSRs according to the NGEU pillars, in which pillars did each country receive more (and fewer) recommendations?” We then compare (a) the distribution of the CSRs across the six pillars with (b) the distribution of the interventions (reforms and investments) included in the RRP.

There are several methods that social scientists have been using for measuring the congruence between distributions: difference in means, overlaps of cumulative distribution functions, probability density functions, or more sophisticated indices such as the Earth Mover’s Distance (Lupu et al., 2017). However, these measures work for normal distributions, and ours is not normal: Pillars one and six are not more extreme values than pillars three and four. Therefore, we rely on a simple calculation of the cumulative difference between the percentages of the two distributions. More specifically, we compare, for each country (c) the distribution of the sub-recommendations it received in 2019 and 2020, and the distribution of the reforms or the investments included by the same country in its RRP. For each country (c) we then calculate the cumulative absolute differences in the distributions between sub-recommendations and reforms ( $CD_c^{SR}$ ) and between sub-recommendations and investments ( $CD_c^{SI}$ ) as follows:

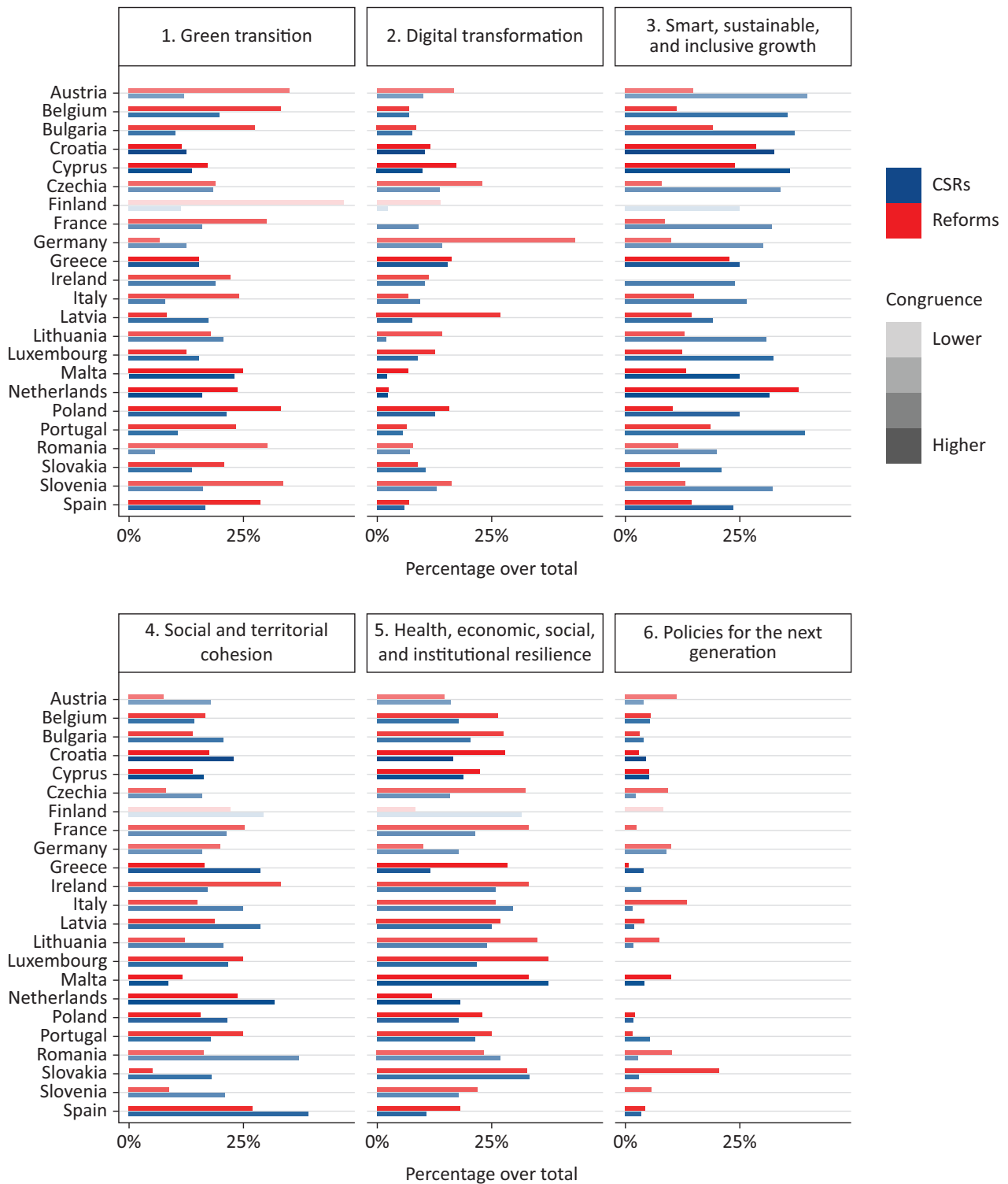
$$CD_c^{SR} = \sum_{i=1}^6 |(CSR_{cp} - R_{cp})|$$

$$CD_c^{SI} = \sum_{i=1}^6 |(CSR_{cp} - I_{cp})|$$

For a definition of  $CSR_{cp}$ ,  $C_{cp}$ , and  $I_{cp}$ , see Section 2. It goes without saying that the comparison between the two distributions is more reliable the higher the number of recommendations received and reforms planned by each country. For countries with few recommendations and few reforms (e.g., Denmark), this comparison should be examined with more caution.

In Figure 5, we can observe the allocation across the six pillars (as a percentage) of the total number of CSRs and reforms, respectively, and the degree of congruence between the two for each country. Countries with darker (less transparent) bars have higher congruence, and vice versa (for the exact sum of cumulative absolute differences for each country, see Table A4.1 in the Supplementary File). The countries with the highest congruence (i.e., lower cumulative difference) are Croatia, Cyprus, Malta, and Greece. Countries with lower congruence have (at least in the distribution) diverged from the Commission and Council’s priority as indicated in the recommendations. Take, for instance, Czechia, a country with a relatively high number of both sub-recommendations (27) and reforms (41): The country received most of the CSRs (34%) in policy areas pertaining to the third pillar (measures for stimulating growth), but only 8% of the reforms it planned were in this area, while the 32% of reforms pertained to the fifth pillar, for which it had 16% of the recommendations. Also, Italy, the largest beneficiary in absolute value, does not achieve a very high congruence, in this case mostly because it included in its RRP a higher number of reforms (24%) in the area of green transition, where it had received only 8% of its sub-recommendations. This seems to be a general trend related to the nature of NGEU. While the Commission has rather neglected environmental policies and ecological sustainability in the European Semester until recently, the focus of NGEU has been predominantly on these issues. For this reason, it is understandable that many countries gave the first pillar more importance than the CSRs indicated.

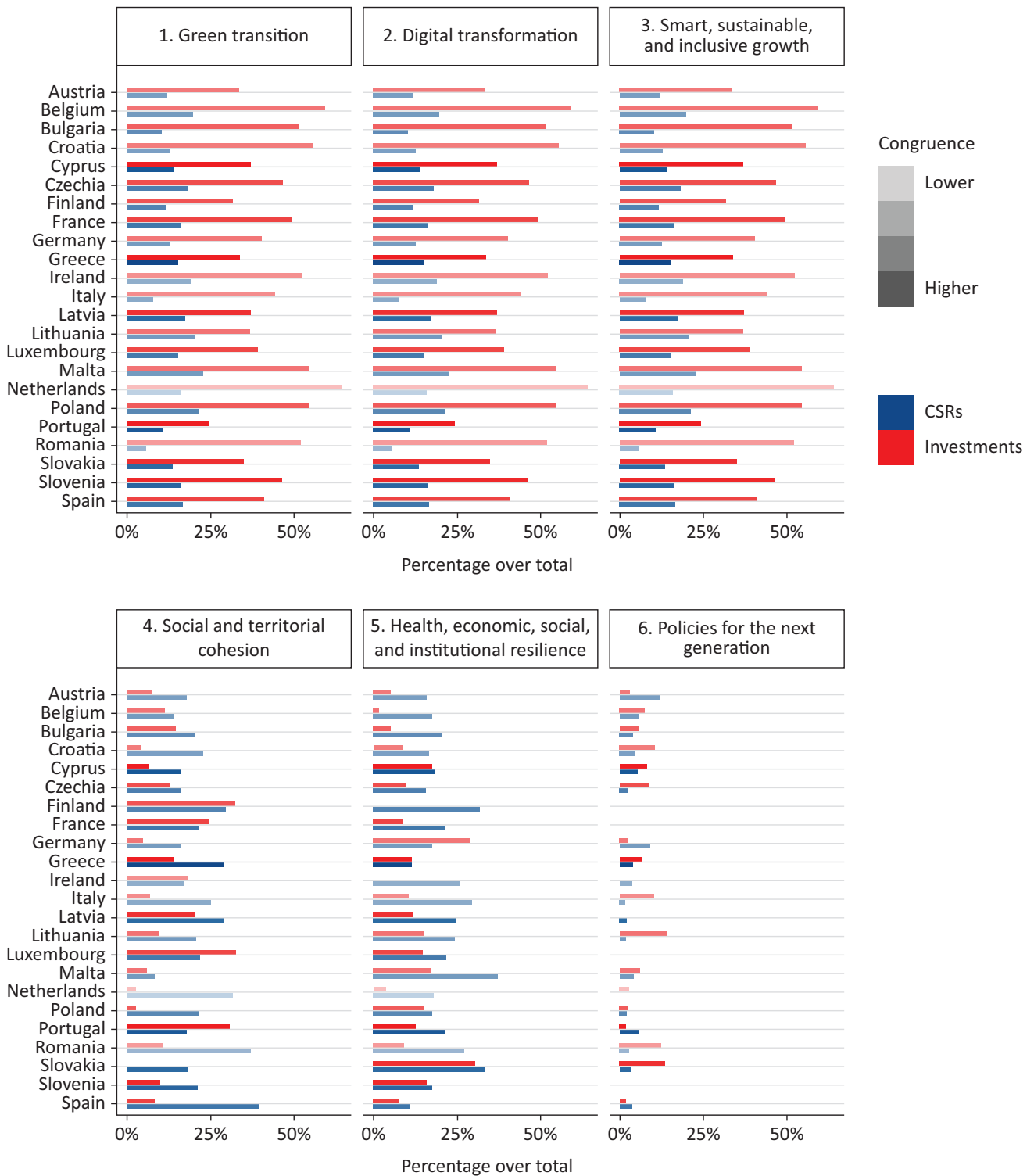
The analysis of cumulative absolute differences between sub-recommendations and the amount of money allocated to expenditure in each pillar is summarized in Figure 6. Overall, there is much less congruence in the distribution of investments than in the distribution of reforms (see Table A4.2 in the Supplementary File for the exact sum of cumulative absolute differences for each country). This suggests that countries probably paid more attention to CSRs when drafting the reforms than when allocating money to their RRP. That being said, we find Cyprus the most “congruent” country, adopting our proxy, together with Portugal and Slovenia, while



**Figure 5.** Congruence between the distribution of CSRs (in years 2019 and 2020) and distribution of reforms in RRP across the six pillars. Note: The three countries with the lowest number of CSRs (Denmark, Estonia, and Sweden) were excluded because the sample size of CSRs was too small to calculate the statistics.

Sweden, the Netherlands, and Denmark have the highest differences. The highest differences are concentrated in pillars one and three. For the first pillar, what we noted above regarding reforms (relatively few CSRs were dedicated to environmental issues) is even more relevant

here, given that the green transition is the pillar to which most expenditure was allocated in RRP. Also, we can see that the second pillar received considerable attention in planned investments even though it had rarely been mentioned in CSRs.



**Figure 6.** Congruence between the distribution of CSRs (in years 2019 and 2020) and the distribution of investments in RRP across the six pillars. Note: The three countries with the lowest number of CSRs (Denmark, Estonia, and Sweden) were removed because the sample of CSRs was too small to calculate the statistics.

## 5. Conclusions

As stated in Section 1, our analysis was not aimed at testing specific hypotheses or theories but rather at analysing in detail the most relevant quantitative data we have about NGEU and its most related companions

(CSRs and the national RRP). However, the pieces of evidence that we have collected and presented speak to the academic debate about the nature and impact of NGEU that we have summarized in the Introduction to this article. We identify three main take-home messages of our analysis.



First, regarding the goals of the RRF, we confirm—in accordance with the results of Natali et al.'s (2023) analysis—that NGEU, despite being justified as a post-pandemic rescue package, follows mainly a macroeconomic logic. The countries that receive more funds are those with the highest imbalances *prior to the pandemic crisis* (a decade of multiple crises; see Cotta & Isernia, 2020), and Southern European countries (those that were most severely hit by the sovereign debt crisis) have allocated in their RRP more money in the third pillar (smart, sustainable, and inclusive growth) compared to the rest of the member states. The fact that these countries are also among the ones with the highest overall congruence between CSRs and RRP's corroborates the view that the coherence and ambition of the RRP's depends mainly on the magnitude of available resources (relative to GDP), which is a function of pre-pandemic imbalances (see also Zeitlin et al., 2023). Second, NGEU also seems to serve the purpose of strengthening compliance with the European Semester's requests. This aligns with the higher congruence that we find between CSRs and reforms than between CSRs and investments. While the latter follow the macroeconomic logic highlighted above, reforms have been linked to the structural problems of member states. Third, NGEU represents a shift towards a growth strategy less focused on supply-side policies (as was the case in the aftermath of the global financial crisis) and more on stimulating public investment (see Graham et al., 2023), particularly in the green and digital transition. Time will tell whether this shift is going to persist or not.

Our article also suggests possible promising avenues for future research. First of all, there is room for exploring in greater detail the link between reforms and the amount of funds received by countries, looking in particular at the linkages between policy areas. Why do some countries intervene more in some specific policy areas and less in others? Do RRP's seek to address the member states' weaknesses (see Ceron, 2023, in this thematic issue)? Or do they reflect the governments' and political parties' priorities? Second, will the link established between NGEU and the European Semester strengthen the latter, particularly regarding implementation? Will the recommendations reflect a paradigmatic shift, or will the (post-)pandemic years be just a break in an otherwise coherent path? Moreover, if there is variation in adherence to CSRs, what explains it? Do some countries adhere more because they are under greater pressure? Or because they have better implementation capacity? The next few years, in which the implementation of NGEU will progress, will provide researchers with additional data to answer these questions.

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### Conflict of Interests

The authors declare no conflict of interest.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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Article

# The European Green Deal Agenda After the Attack on Ukraine: Exogenous Shock Meets Policy-Making Stability

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## Abstract

The present article investigates how the EU climate and energy governance framework launched by the European Green Deal has been affected by the exogenous shock of the Russian war of aggression on Ukraine. Harnessing punctuated equilibrium theory, the theoretical approach applies its conceptual triad of policy images, venues, and feedback to the adoption of the current REPowerEU program as a critical test case of highly stable policy-making encountering a situation of exogenous shock. In the empirical part, a mixed-method content analysis of policy documents issued by the European Council and Commission from the adoption of the European Green Deal in 2019 to the current stage is presented to gauge the impact of the Russian attack on agenda-setting at the macro and meso-political levels of the EU. A second step evaluates how the expanded and more geopolitical policy image of the REPowerEU agenda is applied to extant governance processes. In this regard, the analysis identifies three factors limiting the impact of exogenous shock: the availability of three separate policy subsystems for the parallel processing of policy components, institutional safeguards for maintaining policy stability through supranational rules and provisions, and the critical function of the Commission in limiting revisions to a few targeted proposals. In conclusion, policy stability outweighs aspects of disruption and change, while the more diverse set of policy processes creates new challenges for the coherence of efforts to achieve decarbonization.

## Keywords

agenda-setting; climate change; European Green Deal; punctuated equilibrium theory; REPowerEU

## Issue

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## 1. Introduction: EU Climate and Energy Governance in a Setting of Crisis

The Russian war of aggression against Ukraine presents a challenge to the EU’s energy and climate policies for two main reasons. First, the sanctions adopted against imports of fossil fuels from Russia have impacted the energy prices and security of member states and, by extension, their efforts to promote renewable energies and investment in infrastructure to diversify fossil fuel supplies. In this context, the anticipation of energy shortages and rising energy prices adds to the perception that there is a crisis or even “polycrisis” in the EU (Anghel & Jones, 2023; Massetti & Exadaktylos, 2022; Webber, 2018). Second, the shock of war occurs at a time during

which EU energy and climate governance has expanded from regulatory policies to a broader framework of governance processes promoted through the European Green Deal (EGD; cf. European Commission, 2019) and programs of “green” investment through the Resilience and Recovery Plans (RRPs) established as a response to the pandemic. The challenges raised by the war are therefore addressed in the context of ongoing change and expansion concerning the policy-making instruments, political boundaries, and institutional framework of EU climate governance (Rietig, 2021; Schramm et al., 2022; Siddi, 2021). In the current setting, we observe greater debate about new policy instruments, raising questions about the durability of institutional change prompted by ongoing crises (Buti & Fabbrini, 2023).

The effect of these dynamics on current ambitions to move towards carbon neutrality, as endorsed in the EGD agenda, is far from obvious. As an exogenous shock with immediate negative impacts on economic growth and consumer prices, the outbreak of war in Ukraine could repress the “green” transition in favor of a renewed emphasis on economic and security policy targets, particularly from a short-term perspective. By contrast, a longer-term view on solutions to the problem of energy dependency recommends investments and regulation to promote zero-carbon energy production and technology as an approach to tackling the dual challenge of decarbonization and energy security (von Homeyer et al., 2021). These contrasting interpretations add to an increasing dynamic of contestation of energy and climate policies since the proclamation of the EGD agenda (Dupont & Torney, 2021; Eckert, 2021; Paterson et al., 2022; Wendler, 2022a). The REPowerEU (REPEU) plan, adopted in May 2022 as the main EU response to the war (European Commission, 2022a, 2022b), stands at the crossroads of these dynamics.

Against this background, and in the second year after the proclamation of the EU response to Russia’s attack on Ukraine, the present article evaluates these dynamics by investigating the question: Does REPEU create a policy shift in the ongoing implementation of the EGD agenda? And, do observable shifts become effective as vectors reinforcing or weakening the EU’s ambition of moving towards carbon neutrality? By addressing these questions, this contribution adds to the focus of this thematic issue on the impact of perceived crises on the policy processes and institutions of EU governance. It also relates to a growing research debate about the interactions between policy-making stability and disruption, which are discussed as dynamics of turbulence, crisis, and contestation within the field of energy and climate governance (Dupont & Torney, 2021; Eckert, 2021; Siddi, 2021; von Homeyer et al., 2021, 2022). Section 2 presents the theoretical framework based on punctuated equilibrium theory (PET) and considers the policy stability literature; after presenting the selection of data and method (Section 3), the main part then turns to the decision-making processes launched through the REPEU package and its effects on the pursuit of the EGD agenda (Section 4); the final part of the article weighs up the main findings and conclusions (Section 5).

## **2. Theoretical Framework: Punctuated Equilibrium Meets EU Policy-Making Stability**

PET fits the approach and questions of the present analysis through three of its key features: First, its analytical focus elucidates how shifts of attention caused by situations with high complexity and uncertainty, such as the war in Ukraine, are processed in political systems and affect political agendas. Second, an emphasis is placed on policy beliefs and their role in agenda-setting and defining complex and multi-faceted

challenges such as climate change. Finally, policy change is explained as a result of feedback loops between processes of agenda-setting at the macro-political level and decision-making in specialized policy subsystems (cf. Baumgartner et al., 2009; Baumgartner & Jones, 2015; Baumgartner et al., 2018; Jones & Mortensen, 2018; Workman et al., 2022). As the policy-making theory that most explicitly describes sudden, far-reaching change akin to shifting tectonic plates, PET also provides explanations for incremental policy development and absorption of pressure for change. The topic and question at the center of this article—namely, how a relatively sudden exogenous event affects political agendas—is addressed by PET through three main concepts: (a) the development of policy images as a set of dominant beliefs about a problem proclaimed through political agendas, (b) the effect of their modification on the involvement and balance of policy venues as sites of decision-making and components of specialized policy subsystems, and (c) different forms of policy feedback as the main source for the emergence (or absence) of far-reaching policy change. These inform the present approach in the following way:

1. Policy images: These are defined as a set of expressed beliefs about the scope and nature of a given policy problem; they are proposed by political agents to define the priorities of political agendas and consist of a mixture of “empirical information and emotive appeals” (Baumgartner et al., 2018, p. 62). Policy images, therefore, shape agendas in two ways: by containing emotive messages describing the nature and scope of a given complex policy problem (such as illustrating certain aspects of the multiple dilemmas associated with climate change) and by providing empirical information about possible courses of action and suitable solutions for the given problem (such as suggesting approaches of reducing carbon emissions or improving the resilience of societies against extreme weather events). A critical background condition for a change of policy images is shifts of political attention to different subjects following events such as exogenous shocks. In this context, a modification of policy images becomes more likely when policymakers are confronted with changes in dominant political topics and face an overload of information about the severity and consequences of events with high degrees of uncertainty. The present case of the Russian attack on Ukraine appears as a likely case for such a shift towards security-related issues and subsequent modification of policy images. A challenge for applying the concept of policy image as proposed by PET, however, is that it is considered as both the cause and effect of ongoing policy change, involving different time horizons: While shifts of political attention caused by exogenous shock can



only be assessed in a longitudinal perspective, a change of policy images becomes relevant as a factor for policy-making in more specific short-term settings, described subsequently.

2. Policy-making venues: The effect of changing policy images on decision-making is central to explaining policy change through PET. In this context, interactions between two levels of institutions are crucial: those at the macro-political level with high political visibility and mandates for agenda-setting, and more specialized policy subsystems with specific mandates, fields of expertise, and decision-making competence. As policy images are tied to the specific approaches to policy problems embedded in particular policy subsystems, their change can have a disruptive effect by proposing different problem perceptions and requiring different fields of competence and expertise. Within the distinction of political levels, the typical approach to explaining policy change by PET is that macro-political institutions adopt new agendas and thereby re-assign tasks to different policy subsystems (Baumgartner et al., 2018, p. 63). Therefore, politics at the macro-level is associated with punctuation and far-reaching policy change, whereas policy subsystems support incrementalism and policy-making stability. A key factor for this association is how political information is processed at both levels: Macro-political venues and agents absorb and communicate information in a sequential manner (i.e., one after the other) by identifying problems and proclaiming priorities of action; policy subsystems support parallel processing of multiple challenges through decentralized decision-making in sites with specific fields of competence. The subsequent analysis, therefore, investigates how processes of agenda-setting, particularly by the European Council (EC), interact with specialized policy subsystems involved in EGD governance; a critical aspect in this regard is activity by the Commission as a meso-level mediating between macro-politics and subsystems by enacting guidelines adopted by the EC and tabling specific proposals.
3. Policy feedback: Policy change is evaluated as a result of two different forms of interaction between macro-political institutions and policy subsystems. Positive feedback results from direct linkages between both levels and creates policy change caused by a rapid and substantial shift of dominant policy images and subsequent disruption of policy monopolies within established subsystems. By contrast, negative feedback occurs when policy subsystems remain shielded from direct intervention by macro-political events. It describes ongoing and incremental decision-

making along established policy trajectories without major expansion or shifts of relevant venues and associated topics. Rather than identifying the absence of policy change, negative feedback identifies forms of resilience of policy-making subsystems against external shock. In this context, the observation of policy change as the incremental modification of a regulatory framework within an otherwise stable decision-making path should be distinguished from policy shifts as the deviation from such a path. Concerning the specific case of climate policy, this distinction appears important as the pursuit of decarbonization targets is inseparable from substantial change in affected policy areas, particularly within a longer-term path of adjustments defined by conditions of policy stability. By contrast, policy shifts mean a turn away, slow down, or re-direction of envisaged policy changes.

To summarize, the application of PET to our present case follows three main steps: First, we evaluate the degree to which the Russian attack on Ukraine has shifted political attention to questions of security and led to the creation of a new policy image for EU climate and energy policy; second, we evaluate in how far observed changes in the dominant policy image affect or re-calibrate the involvement of extant policy venues and their interaction in specialized subsystems; and third, we evaluate observable policy-making results within our scope of analysis against the backdrop of the dualism of positive and negative feedback.

Considering scope conditions, we have discussed factors at the outset that speak in favor of considering the war in Ukraine as a major external shock that will potentially prompt far-reaching shifts of agendas, venues, and policy-making. These external factors, however, should be weighed against the high degree of policy stability (cf. Paterson et al., 2022) identified with the evolution of EU energy and climate governance (Delbeke & Vis, 2019; Jordan & Moore, 2020). Factors that have been identified as contributing to this stability include the longer-term and incremental buildup of regulatory frameworks for carbon pricing and emission reductions with increasing scope and stringency (Oberthür & von Homeyer, 2023); the successful policy integration of a range of policy fields into the remit of EU climate action (Adelle & Russel, 2013; Dupont, 2016; Rietig, 2019); a largely shared and comprehensive framing of climate action culminating in the proclamation of the EGD, its legal foundation in European Climate Law (Machin, 2019; Paleari, 2022; Wendler, 2022b), and subsequent implementation through the Fit for 55 package (Erbach & Foukalová, 2023; de las Heras, 2022; von Homeyer et al., 2022). The present case study establishes a critical test of whether the exogenous shock of the Ukraine war disrupts this relative stability by prompting a shift in political attention at the macro-political level of the

EU, affecting the established climate policy image that the Commission promoted, and affecting relevant institutional settings and policy-making.

### 3. Data and Method: Combining Quantitative Content Analysis and Qualitative Approaches

As explained in Section 2, applications of PET involve both a longitudinal perspective on agenda-setting over time and a view on the more ad-hoc impact of new policy images on policy venues and decision-making. The two perspectives require different methodological approaches applied in the empirical part. The first method is the comparative analysis of topics and agendas, in order to gauge shifts of attention over time and between political levels. Our first step of analysis, therefore, reviews agenda-setting at three political levels and sets of documents: First, all conclusions adopted by the EC as the highest macro-political institution of the EU since the adoption of the EGD in December 2019 to the present stage; second, the four Annual Work Programs (AWPs) of the European Commission from 2020 through 2023, which present more specific policy-making agendas of the EU in fields of key importance, including those comprised in the EGD; and finally, the three major policy documents of the Commission defining its approach to climate and energy policy within the period from 2019 to the present, including the communications on the EGD, the NextGenerationEU (NGEU) program, and the REPEU program.

In comparison with one another, these sets of documents cover the macro, meso, and policy-specific levels of agenda-setting. For evaluating shifts of political attention, the subsequent analysis measures the relative weight of references to different thematic areas broadly related to climate action. Considering the large amount of text covered in this step, an approach of quantitative content analysis is applied using automated text coding for the entirety of 27 policy documents (20 EC conclusions adopted from December 2019 to the present, the four AWPs published by the von der Leyen Commission, and the three policy documents mentioned above). Four broad thematic categories were identified and are frequently raised in relation to topics of climate and energy governance, concerning its rationales, embedding in economic policies, and application in a current setting of crisis and geopolitical context:

1. Green transition is applied as a category to capture references to the ecological effects of climate change, the concept of sustainability, and core components of the EGD, particularly the promotion of a circular economy, renewable energy, and just transition.
2. Competitiveness is used as a term for approaches combining efforts to achieve decarbonization with technological change and economic competitive-

ness, particularly digitalization, artificial intelligence, and the functioning of capital, product, and energy markets.

3. Green recovery refers to the management of the health and economic crisis caused by the Covid-19 pandemic and the idea of a resilient recovery through “green” investment based on grants and loans, particularly through the NGEU program.
4. Security is applied as a category for references to the Russian attack on Ukraine and related terms of military aggression and defense, as well as proposals for the management of the resulting energy, food, and security crises, and references to supplies with fossil fuels.

Adopting the quantitative content analysis method, a dictionary for automated coding was built consisting of between 15 and 20 keywords for each thematic category listed above (65 keywords in total). Relevant terms were selected by running frequency rankings of keywords and word combinations and subsequent checks of keyword-in-context. The automated coding of all 27 documents resulted in a data set of 2,907 coded text segments, 1,383 of which were coded in EC conclusions, 693 in Commission AWPs, and 831 in the three Commission policy documents. A full list of selected documents, the dictionary used for automated text coding, and details such as word frequency rankings for each institutional level and thematic category are presented in the Supplementary File.

The second methodological component is the review of policy images and venues, where a qualitative approach was applied to specify the policy image established within the current REPEU agenda, defined as a combination of emotive appeals and empirical statements. Given the limited amount of text documenting this policy image and considering the importance of key highlighted statements not appropriately weighed in a quantitative survey, a qualitative analysis appears better suited to complete this second step of the analysis. While embedded in the previous mapping of topics and agendas, this step goes into greater depth by identifying those components of the current REPEU program that either establish continuity with or create change concerning the previous EGD agenda. Turning to policy venues, the next step investigates how the enactment of the REPEU agenda affects extant policy subsystems involved in climate and energy governance. A key point in this regard is the distinction between different sets of governance processes applied for regulatory legislation, executive cooperation applied for the governance of green investment, and a set of partially new, coordinative processes of “soft” (i.e., not legally binding) governance. A third step then evaluates observable policy results regarding the concepts of positive and negative feedback.

#### 4. Punctuating the Equilibrium? EU Climate and Energy Governance After the Attack on Ukraine

The subsequent empirical part applies our theoretical model to the present case by tracing policy developments since the adoption of the EGD to the current stage and then zooming in on the impact of the REPEU program as the EU’s main response to the Russian attack on Ukraine. The analysis starts with a survey of topics and policy images (Section 4.1) and their linkage with relevant policy venues (Section 4.2); pulling together both aspects, we subsequently evaluate the current dynamics of policy change and feedback (Section 4.3).

##### 4.1. Topics and Policy Images: Broadening the EGD Agenda to Address New Challenges

As explained in Section 3, the first step is to evaluate the extent to which the Russian attack on Ukraine has effected a shift of attention in a comparison between the categories of topics presented there. The results of this content analysis for the conclusions of the EC are shown in Figure 1.

The results confirm that since the start of the war on Ukraine in February 2022, the thematic focus of EC conclusions has shifted to topics related to the Russian attack and its impacts, to the degree that references to

security issues have become by far the biggest thematic category. This finding is corroborated by a manual count of the number of recitals in the EC conclusions under the thematic headings of “Russia” and/or “Ukraine.” These increased to 86 recitals of 159 in 2022 and 39 of 113 in 2023, from a previous level of 2 and 17 (of 130 and 120, respectively) in the two years prior.

The drastic shift of attention observed in EC conclusions is reflected but less clearly expressed in the four Commission AWP, as shown in the overview in Figure 2. While increasing attention is given to security issues in the 2023 program adopted in October 2022, it does not outweigh the coverage of the green transition and recovery topics. Screening the content of the AWPs, this finding appears plausible as each of the AWPs contains a general introductory section followed by a discussion of the six headline ambitions of the Commission. These cover the EGD agenda as the first of six topics in roughly equal length and detail in all four documents compared. As a meso-level of agenda-setting between the broad challenges identified by the EC and action in specific policy fields, the sections on the EGD in each AWP also contain references to quite specific projects such as pesticide use or food and textile waste (European Commission, 2022g, p. 6).

Finally, we present a survey of the three policy documents identified as milestones for EU climate and energy

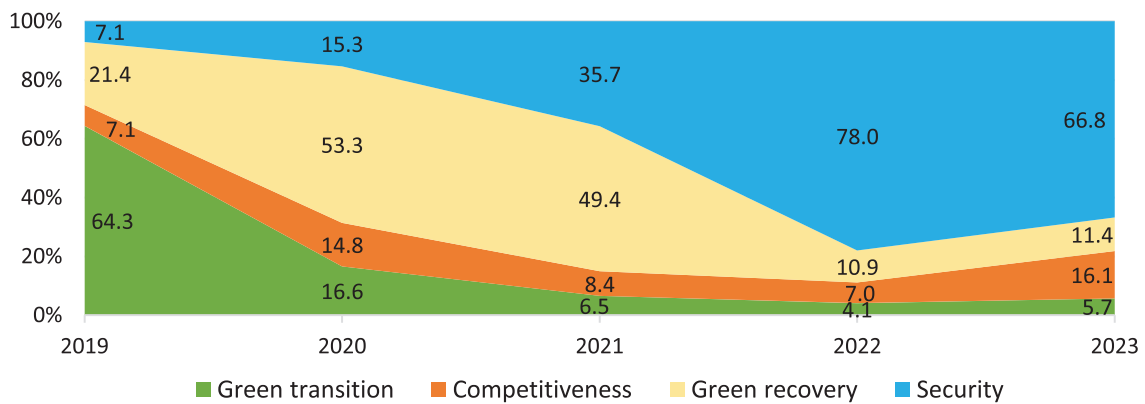


Figure 1. Thematic emphases in EC conclusions.

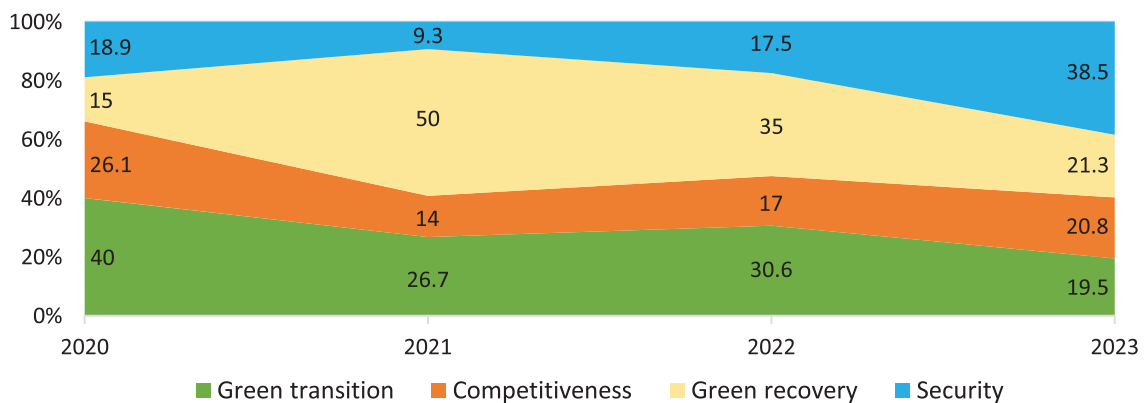


Figure 2. Thematic emphases in AWPs of the EU Commission.

governance, shown in Table 1. This survey identifies unsurprising emphases of the EGD on the green transition and the NGEU document on the idea of a green recovery. However, the more relevant finding in this context is that the REPEU document has no such unequivocal thematic emphasis. On the contrary, it includes strong references to security issues and the green transition and recovery, signaling a broader range of issues considered for defining the response to the war in Ukraine (Figure 3).

A first insight from this survey, therefore, is a contrast between the responses to the energy and security crisis at the macro- and meso-political level of the EU, namely, a clear shift of attention towards issues of security at the level of the EC, but a greater degree of continuity and widening rather than replacement of topics in the more policy-specific documents of the Commission. To explore this further, our second step adopts a qualitative approach to zoom in on the REPEU declaration and its policy image created by emotive appeals and empirical information. This review is summarized in Table 1.

Set in context with our previous observations, the review confirms that the policy image at the core of the REPEU agenda has shifted toward security-related issues due to the war in Ukraine. Adopting a more decidedly geopolitical approach, the dual goals of achieving independence from Russian fossil fuels and ensuring the collective action of member states stand out as the key emotive appeals to action. From this point of departure, the most pivotal empirical statements about how to realize this agenda largely refer to already ongoing policy processes, particularly under the two headings of energy

efficiency and renewable energy. In this respect, the communication references a package of EU directives negotiated as part of the Fit for 55 package. Furthermore, the cross-cutting approach of “smart investment” is not introduced as a new mechanism but refers to using a revised and better-funded variant of the RRF established within the NGEU program. In this context, only the goal of diversifying and coordinating the supply and purchase of fossil fuels, particularly LNG, is the main aspect of REPEU that stands apart from and potentially contradicts the previous EGD agenda, particularly by contradicting efforts to move away from fossil fuels.

Summing up this first step, our analysis confirms the significance of the war in Ukraine as an exogenous shock that has re-focused the attention of top EU political institutions but whose effect on policy images is primarily one of broadening and diversification: In addition to a wider geopolitical rationale of climate policy (cf. the contribution of Siddi & Prandin, 2023, in this thematic issue), core elements of the EGD agenda are retained and applied to a broader framework of goals and mechanisms laid out by the Commission. Complete policy-making innovations remain limited to proposals for creating a mechanism for the coordinated purchases of fuels.

4.2. Policy Venues: Widening the Scope of the EU Climate and Energy Governance Process

How does the broadening of the EU’s climate and energy policy image affect its institutional framework and venues of decision-making? In comparison to the

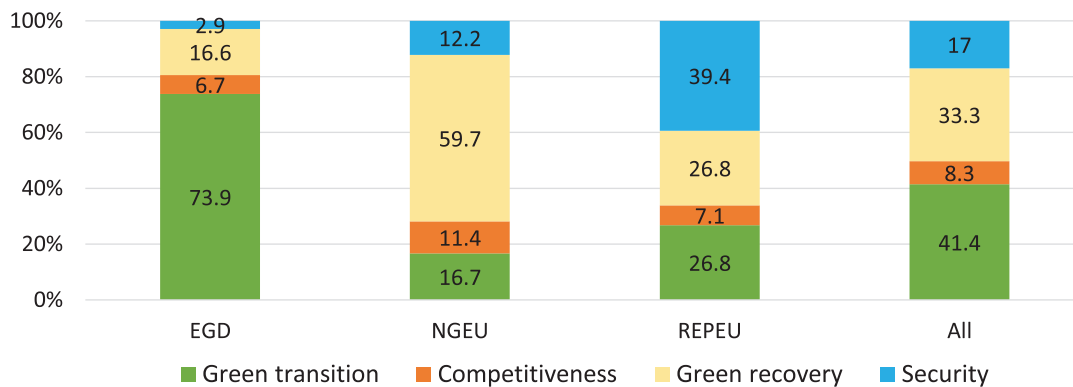


Figure 3. Thematic emphases in COM policy documents.

Table 1. Policy image of EU climate and energy action as specified in the REPEU communication.

Policy image	Emotive appeals	Empirical information
Climate action as component of the EU’s geopolitical autonomy	<ol style="list-style-type: none"> <li>1. Reduce dependence on Russian fossil fuels</li> <li>2. Ensure collective action and solidarity by member states</li> </ol>	<ol style="list-style-type: none"> <li>1. Three policy priorities to achieve primary goals: promote the clean energy transition; increase energy efficiency; and diversify supplies of fossil fuels</li> <li>2. Harness and increase funds for “smart investment” (Resilience and Recovery Facility; RRF)</li> <li>3. Accelerate action for revision of legislation under Fit for 55</li> </ol>

previous EGD agenda, the wider and more multi-faceted approach of REPEU requires two sets of additions, namely, a framework for governing the “smart investment” principle and ensuring its linkage and coherence with established policy goals of decarbonization and a stronger external dimension to achieve energy independence. This implies that EU climate and energy governance is no longer confined to a single policy subsystem but has expanded to a variety of governance frameworks applied to enact its regulatory, investment, and external action components. A clear implication is that climate action, as defined in REPEU, is not to be identified as a subset of the EU’s environmental policy-making. However, the governance framework applied for enacting these related components preserves policy stability by harnessing extant governance processes and establishing a central role for the Commission, ensured by reliance on subsystems and governance frameworks with strict supranational rules and provisions. In this sense, three separate policy subsystems with distinct policy-making competence and decision-making rules are applied for the enactment of the REPEU agenda:

1. Core climate policy-subsystem: The most significant setting for EU climate policy-making continues to be the framework for the adoption of regulatory policies through the ordinary legislative procedure. This subsystem has strong supranational components through the Commission’s right of legislative initiative; full involvement of the European Parliament (EP); a well-established practice of using trilogue for negotiating legislation; and, particularly, a strong policy-shaping role of environment, public health, and food safety (ENVI) and industry, research, and energy (ITRE) as the most frequently involved EP committees. Major components of EU climate action, such as emissions trading or legislation governing the promotion of renewable energies, have been adopted through this framework, justifying its labeling as a “core” subsystem (cf. Oberthür & von Homeyer, 2023). The REPEU agenda is based to a large extent on the further promotion and revision of legislative acts launched to a considerable part under the previous Fit for 55 package; these are relevant by covering questions of permitting procedures and setting of decarbonization targets for renewable energy, energy efficiency, fuel standards for vehicles and land use (Erbach & Foukalová, 2023). REPEU calls for increased stringency of some regulatory standards negotiated within this framework, particularly increasing energy efficiency targets to 13% in the corresponding directive and raising the target for renewable energy to 45% by 2030. Beyond these specific targets, the core policy subsystem remains central for enacting the REPEU agenda: Two of the three policy priorities proclaimed in the REPEU communication,

namely, renewable energy and energy efficiency, are enacted primarily through regulatory legislation within this policy-making framework.

2. “Smart investment” through executive cooperation: Beyond its three thematic priorities discussed above, the REPEU plan envisages additional investment of €210 billion until the year 2027, to be provided to member states in the form of grants and loans with the overall requirement of spending 37% of funds in climate-friendly projects and infrastructure. This component of the program makes use of the existing governance framework based on the RRF established as a response to the Covid-19 pandemic (European Commission, 2023b) and mainly involves two innovations. First, the requirement for member states to include new chapters in their RRFs covering its more stringent provisions for investment in projects described by REPEU; and second, the provision of additional funds from a mix of sources including the Brexit Adjustment Reserve, revenues from emissions trading and leftover funds from the application of the RRF to the previous stage of pandemic crisis management. These latter innovations are proposed by the Commission but prescribed in a regulation adopted through the legislative procedure involving consent by the EP (EP & Council of the European Union, 2023; cf. D’Alfonso, 2023; EP, 2023), and are further specified in Commission guidance and staff working documents (European Commission, 2022c, 2023a). Building mostly on existing institutional arrangements, revisions envisaged through REPEU are therefore channeled through a decision-making route involving a strong role of the Commission and EP. In this sense, the smart investment pillar of REPEU continues the EU’s approach of governing targeted green investment through a method of “constrained supranationalism” (Buti & Fabbri, 2023, p. 677).
3. Coordinative mechanisms through soft governance: Finally, the REPEU plan involves a range of measures, with no legally binding force, that are based on different forms of policy coordination, both in the realm of EU internal governance and external action. These include the revision of National Energy and Climate Plans as a form of soft governance, recommendations to member states to set incentives for fuel decarbonization through tax revisions, and the establishment of a new EU Energy Platform to coordinate energy purchases by member states during potential shortages (European Commission, 2022d, pp. 4, 5, 18). Further aspects of this category are components of the REPEU plan to be enacted as part of EU external action, such as its External Engagement Strategy (European Commission, 2022d, p. 5) and



components of its hydrogen strategy (Bonciu, 2022). While it would be fully precise to distinguish these different components as various specific subsystems, they are subsumed into one here as an accompanying set of coordinative governance processes to support synergies of action between member states for reasons of space. The only entirely new creation established by REPEU is the EU Energy Platform for coordinating energy purchases.

While this survey demonstrates the scope and complexity of the governance processes covered by the REPEU agenda, it shows that its enactment almost exclusively harnesses extant institutional frameworks. Two of its three policy priorities and the approach of smart investment are enacted by two established subsystems. Only the third of the REPEU targets, the diversification of fuel supplies, requires the creation of new policy-making frameworks while being enacted primarily through soft governance mechanisms.

From the vantage point of our theoretical model, two conclusions follow from this analysis for the evaluation of the REPEU governance process. One is that its diversified framework allows a parallel, rather than sequential, form of decision-making about different and potentially competing goals contained within the REPEU agenda. Instead of competing within the same venue and mode of decision-making, and prompting sequencing of issues at the top political level as envisaged by PET, different components associated with issues of regulatory legislation and investment spending are processed in different institutional formats with no direct link or interaction. This implies that any impacts of change resulting from the proclamation of the REPEU agenda are minimized; this applies particularly to the core climate subsystem, which has a longer and very stable trajec-

tory of decision-making about regulatory components of climate governance. A second insight is that the various components of REPEU are enacted in an institutional framework that preserves policy stability by associating established policies with governance processes that have high levels of supranational competence, legislative authority, and available financial resources. To demonstrate this, Table 2 presents an overview of the main policy measures promoted by REPEU within each of the three policy subsystems and their links to its three main policy priorities (i.e., promoting energy efficiency, a clean energy transition, and diversification of fuel supplies).

As shown in Table 2, the institutional asymmetry between the governance processes involved in the REPEU agenda privileges primarily those policy measures and targets already promoted under the previous EGD agenda. This applies in particular to the contents of the Fit for 55 package of legislative proposals proposed as a follow-up to the European Climate Law. Within this setting, the only immediate effect of REPEU is to add just one additional legislative proposal covering energy efficiency and building standards and introducing a more stringent target for renewable energy (EP, 2022; Wilson & Widuto, 2023), including its solar strategy (European Commission, 2022e). Through this form of legislative restraint, the Commission has used its control over the content and timing of legislation associated with the ordinary legislative procedure in a very targeted way, primarily to pursue and reinforce energy efficiency and renewable energy targets. By contrast, the potentially competing goal of diversifying the supply of fossil fuels is based on soft governance mechanisms and the EU Energy Platform as a coordinative platform for energy purchases.

Within the “smart investment” pillar, a more ambiguous balance between the three thematic priorities of

**Table 2.** Policy subsystems and related content of REPEU.

	Policy measures proposed under REPEU (selection of most relevant components)	Related REPEU policy priorities, in order of relevance
“Core” climate policy (regulatory policy using ordinary legislative procedure)	<ol style="list-style-type: none"> <li>1. REPEU amendments to Fit for 55</li> <li>2. Regulation for REPEU chapters in RRs</li> <li>3. Regulatory aspects of solar strategy</li> </ol>	<ol style="list-style-type: none"> <li>1. Renewable energy and energy efficiency</li> <li>2. Renewable energy, energy efficiency, diversification of supply</li> <li>3. Renewable energy</li> </ol>
“Smart investment” (constrained supranationalism)	Adoption of revised RRs, including REPEU chapters	Renewable energy, energy efficiency, diversification of supply
Coordinative and external “soft” governance	<ol style="list-style-type: none"> <li>1. Energy platform for LNG purchases</li> <li>2. Adjustment of the National Energy and Climate Plans</li> <li>3. Recommendations (energy use, taxes)</li> </ol>	<ol style="list-style-type: none"> <li>1. Diversification of supply</li> <li>2. Renewable energy and energy efficiency</li> <li>3. Energy efficiency</li> </ol>

REPEU is established, as member state investment through the RRF can, in principle, be used for all three priorities (and therefore, potentially also for investment in infrastructure for fossil fuel supplies). While this aspect can compromise the coherence between the regulatory and investment measures adopted through REPEU, shifts towards emergency measures opposed to the EGD agenda are limited through provisions with strong supranational components, namely, framework legislation governing the structure of new REPEU chapters, particularly in a regulation adopted by the EP on 27 February 2023 and further described in Commission Staff Working Documents (D'Alfonso, 2023; European Commission, 2022c, 2023a; EP & Council of the European Union, 2023). This guidance limits the political discretion to take such measures while safeguarding safeguards for the Commission's oversight over the allocation of spending.

To summarize, the present analysis suggests that rather than prompting a disruption of existing policy venues and decision-making, REPEU builds on and preserves extant policy subsystems, particularly through three aspects: (a) the parallel processing of different policy-making priorities pursued by REPEU in separate institutional frameworks, (b) higher supranational competence in those areas that strengthen core components of the EGD agenda, and (c) legislative restraint by the Commission, enacted by limiting its proposals to the amendments covering REPEU chapters in revised RRFs and increased stringency of legislation covering renewables and energy efficiency.

#### *4.3. Positive and Negative Feedback: Evaluating Policy Change in the Context of REPEU*

Pulling together our insights about policy images, venues, and decision-making on the REPEU agenda, we turn to the review of policy-making results and their evaluation as positive or negative feedback. At the present stage, indications are that the plan has contributed to a moderate increase in the ambition of policies aiming at decarbonization while confirming extant policy-making trajectories rather than prompting disruption or policy shifts. More specifically, the following developments can be identified within each of the three subsystems.

For the first subsystem, regulatory legislation within the core climate policy system, REPEU was proclaimed only after a comprehensive package of legislative proposals was proposed for revision as part of the Fit for 55 package; this set of proposals had been launched as a follow-up to the adoption of the European Climate Law to achieve the interim goal of a 55% greenhouse gas emission reduction by 2030 (Erbach & Foukalová, 2023; Wilson & Widuto, 2023). Comprising 21 pieces of legislation, the package covers all of the aspects addressed in REPEU concerning the promotion of renewable energies and fuels, and measures to increase energy efficiency and energy savings in buildings and vehicles. Most

proposals were already moving towards or had reached the point of legislative agreement through trilogue (EP, n.d.). The main change introduced by REPEU for this ongoing process of legislative decision-making consisted of a single proposal resulting from the Commission's decision to bundle all revisions envisaged in the three related fields of energy efficiency, energy performance of buildings, and the promotion of renewable energy into one directive. By limiting legislative revisions related to REPEU to a single proposal, the Commission has, therefore, effectively limited the degree of outside interference in ongoing negotiations about components of the Fit for 55 package. Moreover, it was agreed that the targeted proposals to revise legislation on buildings and energy efficiency would be addressed directly in ongoing negotiations rather than through a formal separate proposal by the Commission (EP, n.d.). The substantial effect of REPEU on climate and energy legislation is primarily the proposal to raise the target for renewable energy consumption to 45% by 2030 (up from 40% in the previous Fit for 55 package proposal) and accelerate progress towards greater energy efficiency. Here, the Commission proposal suggests increased reductions of 13% relative to the 2020 EU reference scenario (up from the previous 9% in the Fit for 55 package proposal) by 2030 (Erbach & Foukalová, 2023; Wilson & Widuto, 2023). Targeted amendments to ongoing legislative revisions under the Fit for 55 framework have, therefore, increased rather than reduced the EU's climate action ambitions. At the time of writing, negotiations on both directives have reached an agreement between EP and Council and passed or are awaiting formal endorsement, in both cases containing more stringent targets than initially envisaged under Fit for 55 (namely, 11,7% energy savings by 2030, and 42,5% of renewable energy relative to overall energy consumption with an additional indicative target of 45%; EP, 2023).

Beyond these modifications specifically initiated through REPEU, other recently negotiated amendments to EU climate policies, such as emissions trading or the effort sharing regulation, have increased ambitions without direct influence by the REPEU package. The only policy modification suggesting a weakening of climate ambition is the decision to sell carbon allowances from the market stabilization reserve of the emissions trading. Its purpose is to raise financial resources to support member state investment under the smart investment pillar through revised RRFs of member states. This aspect is the main indication of an interaction between the regulatory and investment pillars of REPEU. It is also an indicator of a shift from the setting of regulatory constraints on carbon emissions to the provision of positive financial incentives used for investment, observed previously as part of pandemic crisis management (D'Alfonso, 2022; Ekerbout et al., 2020).

Regarding the second subsystem, namely, "smart investment" through executive cooperation, the introduction of REPEU chapters into RRFs submitted by

member states introduces change by setting the target for climate-related investment to 37%. Another aspect that potentially competes with decarbonization targets as discussed above is the possibility of short-term investment into additional infrastructure for ensuring supply with LNG, as detailed in Regulation 2023/435 and a Commission guidance document (European Commission, 2023a). As the final deadline for submission of revised RRP is 31 August 2023, the full extent of modifications effected by these new criteria remains to be evaluated at the time of writing. Two factors, however, limit policy shifts to more incremental change through several provisions. The first is the limited financial resources for financing the initiative, raised from a combination of unspent reserves from the previous NextGenEU program, the Brexit Adjustment Reserve, and the sale of carbon allowances (European Commission, 2022f). The second is that the aspect most likely to prompt a deviation from previous policy-making (the exemption of funding from the “do no significant harm” principle) is limited in the relevant Regulation 2023/435 of 28 February 2023. Here, it is prescribed to apply only with a temporal limit to end in 2026 and after demonstrated efforts by member states to limit potential harm and provide proof for the necessity and proportionality of measures (EP & Council, 2023). Setting a deadline and encouraging member states to submit revised plans by April 2023 adds an incentive to propose additions and complementary measures to ongoing projects, further limiting the probability of abrupt policy shifts.

As for the latter subsystem, coordinative governance, the main element of soft governance introduced by REPEU is the establishment of an EU Energy Platform to coordinate purchases of LNG by member states. However, so far, it has not become a source of major policy change at the EU level, particularly as it is primarily a coordinative and advisory instrument and has no legal authority over how member states decide to organize their energy supply. The question of how decision-making at the national level has affected investment in infrastructure to secure energy supplies and how far it signifies a return of LNG and other fossil fuels is beyond the scope of this article.

To summarize, only a few aspects of the ongoing enactment of REPEU indicate a disruptive shift in policy-making away from key goals of the EGD agenda; policy stability and negative feedback, as defined by PET, prevail over any dynamic of far-reaching policy change through positive feedback, at least on the EU level. Especially when applied to spending and budget policy as a core field of application of PET, the present case study presents itself as one characterized by incremental change rather than punctuation. In a nutshell, the main innovation introduced by the package is a highly targeted and rather punctual addition by the Commission to the ongoing revision of regulatory legislation within the Fit for 55 package, mostly reinforcing policy goals endorsed by the EGD. Another aspect of change is the push towards further climate policy integration into the

investment and economic recovery plans under the RRF, promoted through the incremental expansion of funds and by increasing the stringency of climate-related conditionality in the dedicated REPEU chapters of RRP.

## **5. Conclusion: Punctuated Equilibrium Meets EU Policy-Making Stability**

Applying PET to the present case of EU climate and energy governance is a critical test for understanding policy change in this field of policy-making and for weighing arguments proposed by this theory for explaining the high degree of resilience and continuity observed in the empirical analysis. The present case seems well-suited to test the impact of exogenous events against the resilience of intra-systemic factors: As an external shock, the Russian war of aggression is a disruptive event of unusual magnitude with substantial and ambivalent implications for energy and climate policy involving considerable degrees of uncertainty. However, this shock is exerted on the EU as a political system with relatively strong institutional and political safeguards against abrupt policy shifts; in the present case study, it is also reviewed in a field of policy-making with a strong record of policy stability and past trajectory of policy-making leading to the incremental buildup of regulation aiming at decarbonization. Against this background, the Commission, in particular, can be viewed as an agent with a strong interest in further promoting and maintaining policy stability for the enactment of the EGD agenda as one of its six headline ambitions during the tenure of its current leadership.

Considering these aspects, the present analysis demonstrates both the significance of the war as an exogenous shock and the relevance of intra-systemic factors within the governance system of the EU that mitigate a potential policy shift. As the survey of policy documents shows, the impact of the war on the political attention and agendas of the top EU institutions is clearly expressed but largely absorbed in the more specialized policy subsystem of EU climate policy. Here, the main effect is a moderate push for more stringent regulation and increased funds to promote “green” investment. This resilience of the EU climate and energy governance process is based on three main factors: first, the pivotal role of the Commission as a mediator between the macropolitical level and policy subsystems and, more specifically, its insistence on key components of the EGD agenda and decision to limit revisions to specific, targeted amendments; second, the harnessing of a set of extant governance processes to promote different and even potentially competing policy goals through an approach of parallel processing; and finally, the successful integration of EGD targets into a broad range of economic and energy policies through the adoption of a wider geopolitical policy image. At the theoretical level, all three of these points (the quality of linkages between macro-politics and subsystems,

different forms of information processing, and adaptation of policy images) are considered by PET as factors for explaining ongoing policy stability against punctuation. The present case demonstrates their weight for the case of EU energy and climate governance in a particularly challenging context of disruptive events.

For the future of action against climate change, the implications of this case study are ambivalent. Probably against expectations, the EU continues to strive for carbon neutrality even as increases in military spending are recognized as critical across member states. However, with the growing relevance of “green” investment and the corresponding turn towards a more hybrid and broader approach of the EU to climate action, critical tests lay ahead with regard to the horizontal and vertical coherence of policy-making. This point particularly applies to ongoing and future decisions by member states to shut down the use of fossil fuels and commit to the achievement of zero-carbon targets.

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### Conflict of Interests

The author declares no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the author (unedited).

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Article

# Multi-Level Governance Feedback and Health Care in Italy in the Aftermath of Covid-19

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## Abstract

At the crossroads of EU studies and public policy analysis, a vast literature identifies global crises as one of the main triggers of change. The present article provides a test of this hypothesis in the case of health care in the aftermath of the pandemic crisis that hit Europe between 2020 and 2022. We use Italy as an extreme case, where both the magnitude of the Covid-19 outbreak and the effect of the pre-existent domestic cost-cutting strategy potentially opened a large window of opportunity for change. Through the lenses of historical institutionalism, we aim to shed light on policy change in multi-level health governance systems. Evidence collected through semi-structured interviews, triangulated with secondary sources, proves that the governance of health care in Italy has experienced no paradigmatic change. We show that “governance feedbacks” have reinforced pre-existing dynamics and inhibited more radical forms of change.

## Keywords

Covid-19; EU governance; feedback; health care; historical institutionalism; Italy; policy change

## Issue

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## 1. Introduction

The recent Covid-19 pandemic represented an extraordinary crisis that allows the testing of hypotheses on the key role of exogenous shocks in the EU. At the crossroads of EU studies and policy analysis, this article sheds light on the case of health care between 2020 and 2022. We use Italy as an extreme case where both the magnitude of the pandemic shock and the pre-existent domestic cost-cutting strategy potentially opened a large window of opportunity for change. The framework we propose is inspired by historical institutionalism (HI) and uses a multi-level governance perspective to assess change and stability in the Italian health care system. Information gathering was based on the collection of primary and secondary literature as well as on 14 semi-

structured interviews with experts and policymakers at EU, national, and subnational levels. The evidence proves that “governance feedbacks” are crucial in shaping self-reinforcing mechanisms. The same feedbacks help us understand the lack of paradigmatic change in the case of the Italian health care system.

In the health care field, the EU has focused on three main policy areas: health regulation in the context of the internal market, measures addressing health care provision through the EU economic and fiscal governance, and further health policy issues, such as cross-border threats and health and safety at work. In what follows, we focus on the second area described above: the regulation of and the support of health care provision. In the words of Brooks et al. (2022, p. 3), health care is the sub-field of policy that addresses the “organisation and deliv-

ery of health services and medical care,” meaning the panoply of medical professionals, health insurers, hospitals, and the taxes that pay for them, which dominate public discussions and electoral debates on health.

In particular, we look at the policy measures and governance of Italian health care after the Covid-19 pandemic and the role of the EU in this respect. For the sake of clarity and parsimony, we restrict the analysis to structural characteristics of the Italian health care system, and we deliberately avoid focusing on the whole policy process (including the part related to vaccines during the pandemic).

The article is structured as follows. Section 2 presents the key concepts and the analytical framework. Section 3 sheds light on the research design and the methodology at the base of our enquiry. Section 4 summarises the status quo before the pandemic crisis both at the EU and at the Italian health care policy levels. Section 5 provides evidence of the impact of the pandemic crisis and the measures taken at the EU and national levels. Section 6 concludes.

## 2. Health Care in Multi-Level Governance Systems at the Test of Covid-19: Theoretical Background and Analytical Framework

Much of the policy analysis literature outlines the key role of global crises in (EU) policymaking. We refer here to the definition proposed by Hupkens et al. (2023): A crisis is a threat to the core values of a society and life-sustaining systems in that society that must be addressed urgently under conditions of deep uncertainty. On the one hand, crises are seen as fundamental policy change triggers. On the other hand, they stimulate further EU integration. For many, the EU managed to tackle the many crises of the last decades through a path of effective change (Rhodes, 2021). For example, reforms in economic governance have proved the ability of European policymakers to learn from past mistakes (Wolff & Ladi, 2020). In parallel, in comparative policy studies, crises are seen at the origin of shorter phases of fluidity and change alternating with longer periods of stability and adaptation. Exogenous shocks cause economic and financial crises as critical moments pushing for reforms. In line with this, analysts expect that the recent pandemic crisis that hit Europe between 2020 and 2022 provides a large window of opportunity for change (Natali, 2022).

The present article provides a test to this literature while addressing the following research question: Do we see any evidence of changes in health care, a sector characterised by a multi-level governance system, in the aftermath of Covid-19?

The theoretical background of the article is inspired by HI. The latter focuses on the role of institutions, understood as sets of regularised practices which structure political-economic action and outcomes (Schmidt, 2012). For historical institutionalists, attention to the tempo-

ral character of institutions is crucial: Institutions established at one moment in time have lasting consequences over time. Temporal phenomena, including the role of timing and sequence, are seen as key determinants of policy and politics (Fioretos et al., 2016).

While HI was originally keen to explain stability more than change, non-deterministic interpretations have emphasised the combination of exogenous and endogenous factors to explain change. This is the case of the seminal contribution of Pierson (1996, 2004) in both EU integration and comparative policy. Pierson stressed that the role of the EU in social policies has changed and increased over time through “policy feedbacks dynamics.” In HI, policy feedback is about the diachronic political effects of policies, which are no longer seen only as the effects of politics but also as a potential cause of it (Béland et al., 2022, p. 6). With this latter concept, the scientific literature refers to situations where institutions support and/or inhibit change. These dynamics can be assessed only through a long-term perspective. In fact, most of these processes have a temporal quality: Explanatory factors accumulate over the years.

HI is proposed here because it does not deny the role of exogenous shocks (e.g., crises), but it integrates them into complex causal chains where endogenous factors also matter. The capacity of crises to change policies inherited from the past largely depends on the effects those policies have already had (Jacobs, 2016). Both self-reinforcing (e.g., lock-in mechanisms) and self-undermining feedback processes (related to the shortcomings that given institutions might have) may operate simultaneously. In this sense, when change occurs, self-undermining processes might help to explain why the demand for change endogenously emerged in the first place, and self-reinforcing processes might help to account for the reasons why change takes the form it does (Terlizzi, 2019).

Taking inspiration from the literature mentioned above, we look at feedbacks in the case of health care throughout the pandemic crisis. In this respect, we innovate the literature in two ways. Firstly, we focus on “governance feedbacks.” The reference to governance (the structures and practices involved in coordinating social relations that are marked by complex, reciprocal interdependence; Jessop, 1998) helps us understand the mix of different types of feedbacks (e.g., lock-in mechanisms, improvement of state capacities that are often treated separately and with different terminology) and how they overlap. Health care shows the characteristics of multi-level governance (e.g., the overlapping competencies among multiple levels of governments and the interaction of political actors across those levels; Marks, 1996), where the distribution of competences across levels and between institutions at a single level may shape change and/or stability. We look particularly at the *alignment/dis-alignment* between policy institutions—both at a single level of governance and across levels—and reform priorities discussed in the debate.

Second, we provide a more nuanced definition of the concept of feedback than has been proposed in previous literature. The *feedback mechanisms* mentioned above shape the direction of the same institutional dynamics and their effect. As stressed above, *feedback directions* may reinforce (self-reinforcing) or weaken (self-undermining) the policy inherited from the past. *Feedback effects* may consist of policy change or stability.

In order to assess the dynamics of change, in the next sections, we use the analytical dichotomy of paradigmatic versus parametric changes. Policy paradigms include the basic ideas shared within a policy community that help to define policy problems and solutions. Far-reaching policy changes often consist of paradigm change. Parametric changes, instead, occur when key principles are stable while instruments and their settings change (Vogeler, 2019). In what follows, we refer to three dimensions of change and stability:

1. The distribution of competences across levels of governance: We distinguish between EU, national, and subnational levels of government.
2. The role of institutional actors at each level: We distinguish between economic institutions (competent for economic and financial affairs) and social institutions (competent for the protection of social and health rights).
3. The policy substance: We distinguish between changes in the policy goals (e.g., universal versus selected protection), instruments (from coordination to money-based programmes), and settings (cutbacks versus additional financial resources; Hall, 1993, Vogeler, 2019).

Our analytical framework (Figure 1) allows focusing on endogenous and exogenous explanatory variables. In the context of the pandemic crisis, governance feedback (A) and the exogenous shock (B) have an impact on change and stability (C).

A major crisis, such as the Covid-19 pandemic, has the potential to destabilise the status quo. Yet, gover-

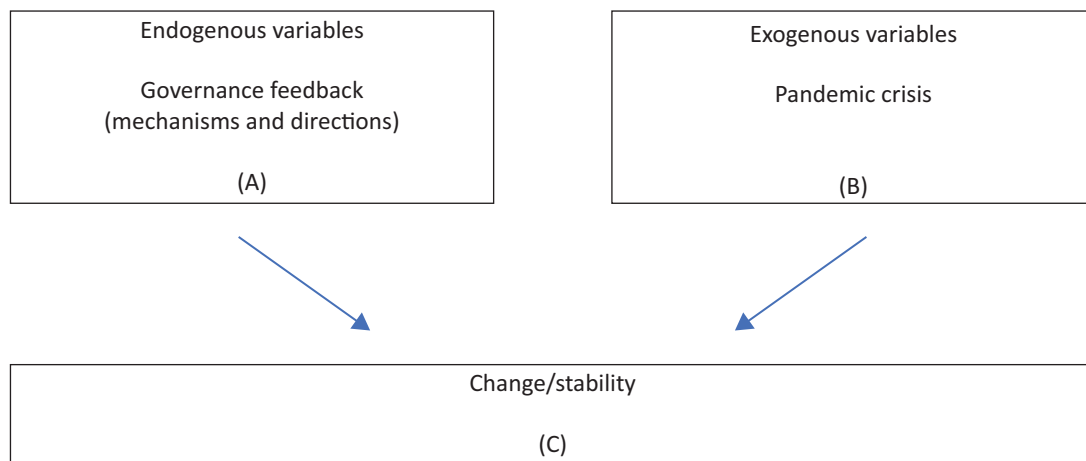
nance and policy of the past matter. Governance mechanisms (e.g., to distribution of competences across levels and institutional actors at each level) may favour or hinder change. Their alignment with new priorities may activate self-undermining processes, while their disalignment may activate self-reinforcing processes.

### 3. Research Design and Methods

To address the research question at the article’s core, empirical material is drawn from semi-structured interviews conducted between March and September 2023. Interviewees’ profiles include experts, policymakers, and key stakeholders representing the supranational, national, and regional governance levels. Interviewees were selected through snowball sampling, where the starting point was relevant experts and key informants in the health care field. Snowball sampling allowed us to conduct interviews with profiles that would otherwise have been difficult to reach.

Twenty-four profiles were identified, of which 14 were interviewed (Table 1). Interview questions were open-ended, adjusted to the interviewees’ profile, and covered several aspects of the relationship between the EU and national health policy before and after the Covid-19 pandemic. Questions focused on the key measures adopted in 2020–2021, during the pandemic, from those linked to the emergency to those of a more structural nature, such as measures envisaged by the National Recovery and Resilience Plans (NRRPs in the context of the EU Recovery Plan), as well as on the constellation of actors involved in policymaking.

Interviews lasted between 15 and 45 minutes. One interview consisted of an email correspondence. Interviews were recorded, transcribed through speech-to-text applications, and manually checked for correctness. Interview transcripts were analysed by all three authors, who met on several occasions to openly discuss the key themes which inductively emerged from the interview data. The authors agreed on the presence of two key themes (Table 2).



**Figure 1.** Governance feedbacks at work in times of crisis.

**Table 1.** List of interviews.

Profile	Date	Code
Academic expert with relevant health policymaking experience at national and subnational levels	31.03.2023	INT1
Academic expert	04.04.2023	INT2
Academic expert with relevant policymaking experience at the national level	12.04.2023	INT3
Academic expert with relevant policymaking experience at the national level	20.04.2023	INT4
Academic expert	20.04.2023	INT5
Policy maker at national and subnational levels	Email correspondence	INT6
Academic expert	04.05.2023	INT7
Member of the Recover Task Force, European Commission	17.05.2023	INT8
Member of the Recover Task Force, European Commission	01.06.2023	INT9
Representative of the European Commission in Rome	01.06.2023	INT10
Stakeholder from a national trade union	17.06.2023	INT11
Policy maker at national and subnational levels	11.09.2023	INT12
Non-academic expert at supranational level	28.09.2023	INT13
Policy maker at the national level	17.10.2023	INT14

To increase the reliability of findings, we triangulated interview data with secondary sources and documents, including EU and national legislative acts and reports.

#### 4. The Multi-Level Governance of Health Care Before the Pandemic Crisis

This section summarises the main features of the multi-level governance of health care policymaking before the pandemic crisis (Point A in the analytical framework of Figure 1). This section presents the EU's competences in health care and the Italian case to show how it was governed at national and subnational levels.

##### 4.1. EU Health Care Policymaking Before the Pandemic Crisis

Over the past decades, the role of the EU in health care has been marked by its weak legal basis and the reluctance of member states to cede power to the EU (Brooks et al., 2021, p. 33). Health care reforms have become the object of EU coordination, especially since the Great Recession. In the field of economic governance, health care represents a large proportion of national expenditure. It thus became a target of the European Semester—the EU's annual economic coordination framework—through which the EU began making CSRs to member states, calling for cost containment. As stressed by Lilyanova (2023a), in 2019, just over half of all member states received health-related CSRs. Many countries, especially in Southern Europe, received indications for cost-effective measures that contributed to austerity and the underfunding of health care (Baeten & Vanhercke, 2017).

The European Semester is designed to monitor structural and investment funds and their alignment with the key objectives of the EU. Yet, the limited role of the EU budget (e.g., structural funds) for health care confirms the structural bias in favour of market integration and cost-containment rather than increased public spending. Data for the financial period of 2014–2020 shows the European Regional Development Fund and the European Social Fund planned to invest about 16.8 billion euros in health care infrastructure, services, and ICT solutions (European Commission, 2023).

In the words of Brooks et al. (2021, p. 39), “relying on regulation means the EU can...create a competitive market for health goods and services, but it (the EU) cannot affect the distribution of entitlements to the same goods and services in the member states.”

In terms of governance, the European Commission's DG ECFIN and the Economic and Financial Affairs Council have started to play a major role, focusing more on recommending health care measures that contain public spending than those which improve access to and quality of care (Baeten & Vanhercke, 2017, p. 487). The Directorate-General for Health and Food Safety (DG SANTE) has traditionally had a minor role in health-care governance (INT13; Table 3). Economic actors (the DG ECFIN within the Commission) developed a strategic relationship with the European Commission's Secretariat-General to lead the coordination process (see Muraille, 2021, also confirmed by INT5).

Two important facets are underlined also by the interviews with key informants (INT1, INT2, INT13). Firstly, while the EU focuses on different dimensions of health policy, the one on health care and its budgetary implications have proved the most relevant ones for reform



**Table 2.** Key interview themes and exemplifying quotes.

Theme	Exemplifying quotes
1. Very limited role of the EU in health care agenda-setting and decision-making at the national level	<ul style="list-style-type: none"> <li>• The NRRP is not really a matter of health policy...it is a matter of economic policy. (INT1)</li> <li>• The NRRP accelerated, by providing resources, processes that were already underway. (INT2)</li> <li>• There is a universal shared agenda of which many actors have been aware for some time....Some agenda items are supported by the EU. For example, research projects financed through HORIZON2020 have helped to spread a European culture on a number of topics. But then it is up to the individual countries to decide on this, regardless of the EU. I have found no reference to European initiatives in the NRRP. I saw the result of a very domestic work....I do not see the imprint of a European policy that influenced the definition of the NRRP. (INT2)</li> <li>• A European dimension in health care is absent! (INT2)</li> <li>• There were “projects in the drawer,” which had been there for 20 years and were pulled out with the NRRP. (INT5)</li> <li>• There was no need for a pandemic to define what national and international needs are indispensable to protect people’s health, aggravated, moreover, by the current climate and environmental crisis. (INT6)</li> <li>• The themes of the NRRP were already strong themes among experts. The EU was used as a backbone to ensure that the measures could be implemented in Italy. (INT7)</li> <li>• The EU recovery strategy was conceived as an anticyclical economic plan for growth...the priority was to give money to the member states whatever they put in their plans. (INT8)</li> <li>• The hierarchical structure is well-defined. Those directly involved are SECGEN (the European Commission’s Secretariat-General), DG ECFIN (Directorate-General for Economic and Financial Affairs), and Task Force Recovery. In the end, it is the DG (director-general) of ECFIN who signs the cheque. (INT9)</li> <li>• There is clear continuity—even in terms of the personnel involved in the process—between the European Semester Officers and the Recover Task Force. (INT10)</li> <li>• “Europe” has not been on the radar in any significant way when it came to defining the specific type of interventions that had to be fostered through the NRRP. (INT11)</li> <li>• The NRRPs are inspired by the country-specific recommendations (CSRs) of the European Semester....The 2020 CSRs were clear in their orientation towards short-term, emergency-based health objectives....It is difficult for me to understand the enthusiasm about the increased resources, in light of their emergency nature. (INT13)</li> <li>• If we look at indicators, there will be no recovery for health care systems: Investments and progresses are too few. (INT13)</li> <li>• The role of EU economic institutions, like DG ECFIN, is evident in the design of the Recovery and Resilience Facility (RRF)...the aim was to address long-term problems of the EU political economy, more than the challenges related to the pandemic. (INT14)</li> <li>• DG ECFIN is always present in the meeting for the review of the progress on the Italian RRP. (INT14)</li> </ul>

**Table 2.** (Cont.) Key interview themes and exemplifying quotes.

Theme	Exemplifying quotes
2. National institutional settings in the health care arena constrain opportunities for significant reforms	<ul style="list-style-type: none"> <li>• Regarding the institutional set-up, after the pandemic season of centralisation, we are on the (same old) path to strengthening regional autonomy. (INT1)</li> <li>• Regional fragmentation and the scarcity of human capital undermine opportunities for change and discontinuity. (INT3)</li> <li>• One struggles to see any real change. (INT4)</li> <li>• The obligation to comply with budgetary constraints has led to an overall weakening of health care governance...and has placed the centrality of the Ministry of the Economy and Finance far beyond the functions of monitoring spending capacity and compliance with economic-financial balances....This has consequences for achieving radical change. (INT6)</li> <li>• Health policymaking has become much more complicated after the 2001 constitutional reform that has made the boundaries of responsibilities between the central government and the regional ones more conflictual and uncertain. The result is that even for the NRRP, the central government has set up very broad and general goals that regions can hardly contest and that will distribute resources, leaving ample room for regions in the implementation phase. (INT12)</li> </ul>

**Table 3.** Health care multi-level governance and policy before the pandemic crisis.

Role of different levels	
EU level	Minor role; increased focus of the European Semester on member states' health care budgets
National level	Central and increasing role in health care budgets
Subnational level	Declining role on health care budgets but persistent (increasing) role in setting of health care programmes
Role of key institutional actors	
EU level	Key role of DG ECFIN in coordinating health care policy and investments
National level	Central and increasing role of the Ministry of Economic and Financial Affairs (MEF)
Subnational level	Central role of regional governments
Policy programme	
Goals	Cost-containment, efficiency, and technological innovation
Instruments	Regulation, coordination, and budgetary measures
Settings	Cutbacks on public spending

Source: Authors' work based on Pavolini et al. (2023).

at the national level (see also León et al., 2015). Second, the EU agenda before the pandemic crisis on reforming health care was not a coherent paradigm but a set of indications marked by ambiguity. Apart from very general goals set in the 2017 *European Pillar of Social Rights* (e.g., strengthening access to good quality health care provision), no major support was formulated at the EU level neither in terms of the specific type of institutional architecture (e.g., national health system [NHS] vs. social health insurance) nor in relation to the organisation and functioning of the health care system (e.g., the level of decentralisation, the role of community care services). Austerity was the only main (implicit) point in the EU agenda in the 2010s (Brooks et al., 2022).

#### 4.2. The Italian National Health System Before the Pandemic Crisis: Leading Institutions and Policy Reforms

In terms of governance, the Italian NHS was introduced in 1978, and it was increasingly decentralised during the 1990s and early 2000s. A major change took place in 2001 when the role of the regions was further reinforced through a constitutional change. Since then, whereas the central government maintained overall planning functions and had the authority to define a standard set of services ("essential and uniform levels of care") that must be guaranteed in each region, regional responsibilities in organising and managing the NHS in their own territory were strengthened. This institutional arrangement

fuelled legal conflict in the Italian Constitutional Court, with regional governments claiming that central government intervention in health care interfered with their discretionary powers and vice versa.

Because of shared competences and institutional conflicts, in the last decades, the central government did not pass any major reform regarding NHS organisation and functioning (INT8 and INT9). By contrast, the central government acted through its remaining budgetary competences to control public spending at the regional level. In the mid-2000s, the so-called Budgetary Balance Plans (*Piani di Rientro*, agreements between the national and regional governments) were introduced to contain costs in the regions with health budgetary deficits. Through the Budgetary Balance Plans, the MEF assumed important monitoring and control powers over regional health spending and, therefore, has been taking on an increasingly important role in governing health care (Terlizzi, 2019).

The re-centralisation of decision-making was matched by personnel hiring freezes and more limited budgetary transfers from the central government to regional authorities. While in the 2000s, public expenditure registered a robust expansion, in the 2010s, there was a contraction (on average, 0.6% at the per capita level on a yearly basis). Overall, regional governments were forced to accept significant cuts and greater budget supervision. Nevertheless, the central government had no major competences to design health care because this was still a task for regional governments.

Health care governance changed in two further respects. First, the Prime Minister's Office became pivotal in promoting and monitoring health care policies, acting as a strong gatekeeper for coordination among ministries and, in turn, gaining increased responsibility for reporting to EU institutions. Secondly, the most important decision-making competences were essentially taken away from the Ministry of Health and transferred to the MEF in order to pursue fiscal consolidation (León et al., 2015).

The policy changes mentioned above made the whole NHS increasingly fragile and ineffective. Cuts reduced the capacity to address health problems. The freezes in hiring personnel were the starting point for a professional labour shortage in the medium term. In such context, both (centre-)left and centre-right governments followed similar patterns of action. In this case, politics did not play a relevant role in the decisions adopted during the 2010s.

## 5. Policy Initiatives in the Aftermath of the Covid-19 Outbreak

The pandemic crisis had a massive impact across Europe with huge economic consequences. According to the most recent information, EU countries saw about 277 million cases of Covid-19 and 2.2 million deaths. This was also the case in Italy, the first country severely hit

by the spread of the virus. Between 2020 and 2022, we counted 190,000 deaths and 25.8 million cases, with a decline in GDP of about 10% (Statista, 2023). On top of that, previous governance and policy changes mentioned above had already put the health care system under pressure and in need of resources.

In the aftermath of the pandemic, European and Italian policymakers and analysts stressed the need to improve the resilience of health care systems. Health rights were seen to be key for promoting well-being and the recovery of the EU member states. Discourses on increasing health spending represented the potential for a turn in the EU and national health care priorities. Leading analysts supported an increase in public investment in health care and the ending of austerity in this field (Crouch, 2022). Policy documents from international organisations and national institutions also stressed the need for more robust health care systems (for a review, see Natali, 2022). To sum up, social, economic and political conditions were consistent with a major crisis and opportunities for change (Point B in Figure 1).

### 5.1. EU Policy Initiatives

In the aftermath of the pandemic crisis, the EU launched different initiatives to address major health problems (Brooks et al., 2022). For health care (of major interest here), the EU set up new programmes with additional resources. In what follows, we focus on the RRF, which represents the most important programme for reform and investment in the Next Generation EU, with 672.5 billion euros of resources (338 billion euros of grants and 334.5 billion euros of loans). Table 4 summarises the main traits of this strategy while showing that reforms and investments promoted by the EU and included in the NRRP consist of a parametric change: new instruments and settings but persistent policy goals.

In line with the recent Commission annual report on the implementation of the RRF, total investments in the member states' health care systems amount to more than 43 billion euros (Lilyanova, 2023b). This sum represents more than twice the investments planned in the Cohesion Policy (through the European Regional Development Fund and European Social Fund) for the period 2014–2020 and eight times the budget allocated for the EU4Health programme. Through the EU4Health programme, the EU activated a budgetary line of 5.1 billion euros (2018 prices) to provide resources for improving and promoting health in the Union, strengthening health systems, addressing cross-border threats, and improving medicines, medical devices, and crisis-relevant products. The RRF is designed to address challenges to economic growth, job creation, and economic and social resilience of the member states. It is a temporary programme (active between 2021 and 2026) organised around six pillars: (a) green transition; (b) digital transformation; (c) smart, sustainable, and inclusive

**Table 4.** Health care multi-level governance and policy after the pandemic crisis.

Role of different levels	
EU level	Temporary increased role of the EU: New investments and reforms through RRF
National level	Central role in health care budgets
Subnational level	Declining role on health care budgets but persistent role in the setting of health care programmes
Role of key institutional actors	
EU level	Persistent key role of DG ECFIN and European Commission's Secretariat-General on coordination of health care policy and investments
National level	Central role of the MEF
Subnational level	Minor role of regional governments in the design of the NRRP, persistent role in its implementation
Policy programme	
Goals	Persistent focus on long-term financial sustainability, efficiency, and technological innovation (e.g., labour shortages largely out of the agenda of the RRF and NRRP)
Instruments	Integration of regulation, coordination, and additional budgetary measures (RRF and NRRP)
Settings	Temporary increase in public spending

growth and jobs; (d) social and territorial cohesion; (e) health and resilience; (f) policies for the next generation, education, and skills. The focus of the fifth pillar—the only pillar specifically dedicated to health care—measures to overcome structural weaknesses of NHSs (e.g., shortages of health staff and working conditions, infrastructure for e-health, limited access to care).

While the RRF has been seen as a major innovation in the EU healthcare strategy (Brooks et al., 2022), several elements prove much continuity with the past and some limits. As already mentioned, only one pillar out of six is specifically concerned with health care. The Next Generation EU and RRF are mainly conceived of as instruments for economic recovery. As stressed by an interviewee (INT9), the EU aimed to support economic growth in hard times, whatever the policy measures included in the package (Table 2).

The staff working documents pertaining to the design of the EU recovery strategy were drafted by key services of the European Commission (SECGEN and DG ECFIN). The first of these documents proves that the whole strategy was driven by economic ambitions (European Commission, 2020). As stressed by Casalino (2021), the document had three major axes of intervention and needs to address: (a) liquidity and capitalisation needs of enterprises, (b) public and private investment needs, and (c) the need for intervention in social spending. These priorities were defined well before the emergence of the pandemic, while the investment in health care systems was—already in May 2020 at the peak of the pandemic—put at the margin of the strategy. We see in this the evidence of feedbacks that shows the role of economic institutions (the already mentioned DG ECFIN with its alliance with SECGEN and the Economic and Financial Affairs Council) in shaping the recovery strategy more

in terms of economic growth than strengthening health care systems and governance. This is further confirmed by two interviewees (INT13 and INT14) who stressed the key role of DG ECFIN and the limited role (and expertise) of the DG SANTE in drafting this type of document (see Table 2 above).

Moreover, some analysts have outlined the limits of the EU approach. A recent report by EuroHealthNet (2021) stresses that the strategy has not seized opportunities for a convincing renewed health programme at a scale necessary to reduce inequalities and strengthen public health in the member states. The priorities set in the RRF were not new but, instead, replicated policy objectives that have been put at the top of the EU agenda in the last decade. As a matter of example, the EU Health for Growth Programme for 2014–2020 set the same priorities of the post-pandemic strategy, for example, boost innovation, increase access to better and safer health care, promote good health and prevent disease, and protect citizens from cross-border health threats (Regulation of the European Parliament and of the Council of 11 March 2014, 2014). What is striking is that even in the context of the pandemic, the fiscal sustainability of health care is prioritised by the EU, with explicit reference to cost-effective strategies and the need to ensure that public finances are able to cover this increase without causing public debt to rise (European Commission, 2020). On top of that, while labour shortages are often referred to as a major problem, RRF is mainly for capital investment (i.e., infrastructure) and not for current expenditure (Corti et al., 2022).

Beyond the drafting of the new strategy, even its implementation has been in the hands of economic institutions. In fact, the Commission created the Recovery and Resilience Task Force within the Secretariat-General.

The latter, jointly with the DG ECFIN, was in charge of steering the RRF's implementation and coordinating it with the European Semester (INT10). The Recovery and Resilience Task Force and DG ECFIN also involve other policy DGs (including the DG SANTE) but only through country teams whenever it is deemed necessary. The political guidance comes from the high-level steering board chaired by the president of the Commission and with the three executive vice-presidents, the commissioner for economy, the secretary-general, the head of the Recovery and Resilience Task Force, and the director-general of DG ECFIN, as well as reports to the College of Commissioners (Lilyanova, 2023b).

The same DG ECFIN and the Economic and Financial Affairs Council were key actors in the activation of the General Escape Clause that suspended the Stability and Growth Pact while maintaining—after a one-year hiatus—economic coordination through the European Semester. The more limited resources distributed through the Cohesion Policy were decided with the active role of the Directorate-General for Regional and Urban Policy, the Directorate-General for Employment, Social Affairs and Inclusion, and DG SANTE for social and health care.

Our interview data provide evidence of the disalignment between the health care reform priorities and the persistent role of economic institutions, with the latter outlining the economic rationale of the RRF (Point A in Figure 1 above), which inhibited paradigmatic reforms in the health care policy field (INT9 and INT13).

All in all, while several interviewees welcomed the new EU initiatives, for most of them, the organisation of health care has remained a national matter (e.g., INT5, INT6, INT11, INT12). Apart from vaccine procurement, interviewees see no real change (INT4, INT6, INT11, and INT12), and some of them highlight the persistent lack of health care coordination at the European level (INT2; see Table 2).

Furthermore, the EU did not show a clear reform agenda for national health care systems, as it had not done before the pandemic (INT1, INT2, INT11, INT12). In other terms, the EU did not have any major paradigm to propose and to foster in health care. As a result, when the EU sat around the table with the Italian national government, it did not have major requests to be fulfilled in terms of specific health policy reforms for Italy—except for the (generic) CSRs in the European Semester—but just a general interest in fostering (anti-cyclical) investments in an economy that was trying to recover from the health and economic crisis (INT8). This is consistent with the dominant role of economic institutions at both the EU and national levels in health care governance (governance feedback in Figure 1).

## 5.2. Italian Policy Initiatives

In the aftermath of the first wave of Covid-19, public spending on health care increased by 4.7%—about

5 billion euros in 2020. While part of this increase is exceptional and justified by the need to address the short-term effects of the pandemic, other measures were of a more structural nature. It is the case of the investment to increase the health personnel: By March 2021, the number of workers had increased by about 83,000. Further investments were targeted at hospitals and territorial care, in the form of home care for Covid-19 patients (Bressanelli & Natali, 2022). The temporary stop to the EU fiscal rules left Italy and other member states more room for increasing public spending: The general escape clause of the Stability and Growth Pact played a fundamental role in this respect (INT5, INT12). Recent research helps to contextualise the entity of these first investments: in 2023, the Italian health care system is still short of 30,000 hospital doctors and 70,000 nurses (FOSSC, 2023).

Beyond the first investments set at the national level, the NRRP represented a key step for a renewed focus on health care. The Italian NRRP, definitively approved by a Decision of the Council of the European Union on 13 July 2021, consists of 191.5 billion euros (2018 prices) then supported by national funds. The document proposes six missions, with the sixth one being specifically related to health. The mission of the Italian NRRP related to health has two components: (a) proximity networks, facilities, and telemedicine for territorial health care (seven billion euros); and (b) innovation, research, and digitalisation of the NHS (8.63 billion euros) for a total of 15.63 billion euros. The first component aims to strengthen the Italian NHS, to reinforce local health facilities and services (e.g., community homes and hospitals), and to develop telemedicine in the territory (with the activation of Territorial Operating Centres for coordinating home services). The second component aims at developing a health care system that enhances investment, boosts scientific research, and strengthens the technological and digital structure of the NHS. In particular, two investment macro-groups have been defined: (a) technological and digital upgrading (7.36 billion euros in total); and (b) research and training for 1.26 billion euros that aims to enhance biomedical research and the development of technical, administrative, and managerial skills.

While the NRRP represents a novelty (the first investment increase in health policy in two decades), the measures envisaged in the NRRP are unlikely to trigger a radical change in the governance of the Italian health system (INT1, INT2, INT11, INT12). Reports published by stakeholders confirm the general disappointment about the Italian NRRP. Caritas Italiana talked about both its strengths and weaknesses, with some figures that provide evidence of the latter (see the special issue edited by Geraci et al., 2002). Estimations by the same government at the early stage of the pandemic referred to the need for new investments of at least 37 billion euros, much more than the 15.63 billion euros set by the NRRP. Still, Caritas then refers to the main limits of the



same plan and the subsequent Decree No. 71 of March 2022. The reference to primary care seems partial and still oriented towards protective rather than preventive strategies. Territorial health care is also seen as partially defined in the plan, with the persistent role of hospitals and the top-down approach to governance.

Medical trade unions did express doubts about the NRRP. As for the policymaking process, the position of the Federazione CIMO–FESMED (Medical Managers Union Federation) was that “not even the pandemic was able to entrust the relevant ministry with the role of main actor” (Federazione CIMO–FESMED, 2021, p. 2) of the reform and investment initiatives. The Italian NRRP was also viewed as a missed opportunity in that “it seems short-sighted, in a chronic context of inequality in access to care, to use new resources in favour of a health care system still organised in ‘silos’ and above all fragmented” (Federazione CIMO–FESMED, 2021, pp. 1–2).

The Italian NRRP was, in fact, drafted by the Prime Minister’s Office and the MEF, while other ministries had a minor role. Under the Draghi government, MEF represented the contact point with the Commission for monitoring and control of the implementation. Interview data (INT8, INT9, INT11, and INT12) confirm this was a matter of continuity with the recent past. Moreover, regarding policy substance, none of the NRRP health-related measures come from the EU agenda. The NRRP includes old policy measures over which Italy was lagging behind (INT1 and INT4). The NRRP has somewhat accelerated ongoing processes (e.g., digitalisation and territorial assistance) that had a large consensus across policymakers (INT2, INT4, INT5, INT11, and INT12; see also Table 2 above).

If the EU did not play a major role in drafting the contents of the measures adopted, the same is true for the regional authorities. As stated by one interviewee (INT12), there was practically no formal involvement of the subnational level of government in formulating the measures to adopt (see also Lippi & Terlizzi, 2023). At the same time, the regions did not challenge the central government in the Constitutional Court for not having been involved in the plan for two reasons. First, the core set of measures envisaged in the plan (the strengthening of territorial health care and investments in research and technology) answer to well-known needs and shared priorities by both regions and the central government. Second, the formulation of such measures in the plan was broad and vague enough to leave the regions with ample room for manoeuvre on how to allocate the financial resources in the implementation phase.

Moreover, the monitoring process of the different missions has shown that, as of November 2022, little seems to have been accomplished. In fact, the only action currently underway is the re-organisation of the technological and digital stock of hospital facilities. In this respect, the regions have become vocal and have started to protest the absence of a clear line of action in the implementation phase of the plan in relation to health

care (INT11; Conference of Regions and Autonomous Provinces, 2023).

## 6. Conclusion

The pandemic crisis and its intensity made it a potential trigger for change. The Covid-19 outbreak seemed to open a window of opportunity to prioritise health care while reversing the old paradigm consistent with the low level of EU integration on the one hand and austerity on the other. Nevertheless, while new programmes emerged, the evidence shown throughout the article does not confirm a paradigmatic change in the Italian health care system. Through the analysis of the RRF and the Italian NRRP, we have provided evidence that the temporary increase in investment has consisted of a mere change of policy settings (e.g., more financial resources) and policy instruments (new resources distributed through RRF and NRRPs), while policy goals have remained those that were set before the pandemic.

The triangulation of interviews, official documents, and primary and secondary literature from analysts and stakeholders has confirmed a typical parametric policy change. While investment in Italian health care has increased in recent years, this improvement has been temporary (related to the extraordinary EU recovery strategy that will end in 2026) and partial (insufficient if compared to the magnitude of the challenges at stake). Moreover, the health care system and its multi-level governance settings have remained stable.

To explain such an apparent paradox, i.e., huge exogenous shock followed by parametric reforms, the present article has investigated the combination of endogenous and exogenous factors that have shaped post-pandemic health care reforms and investments. As for the endogenous factors, the article outlines the key characteristics of the multi-level governance of health care and the typical governance feedbacks that constrained the room for change. Here, again, the triangulation of different sources provides evidence of the lack of European guidance over the allocation of resources to the NRRP funds.

At the EU level, Council formations and directorate generals responsible for economics and finance had a major role in shaping the recovery strategy, while DG SANTE had a more marginal role. This confirms an ongoing trend: Economic institutions that dominated well before Covid-19 shaped the post-pandemic EU strategy more towards economic recovery rather than strengthening health systems. Consequently, no clear indication came from the EU on the national health reform agenda. This is governance feedback related to the dis-alignment of the distribution of competences and the reform priorities. The former were mainly in the hands of economic institutions, while the latter represented the potential for change (more attention to social policy and public spending) but lacked institutional support.

At the domestic level, emergency measures represented a short-term turn compared to austerity. However, the NRRP is unlikely to trigger a paradigmatic change in the Italian health system. The health policy-making process has remained in the hands of economic institutions that, since the 2010s, have been assuming an increasingly important role in the governance of the health system. The same economic institutions were in charge of the design and implementation of the NRRP. The increased resources through the RRF were passed as part of the economic recovery strategy, more than as part of innovation in health care governance. This shaped the actors' perception of the measures. Interviews confirm that many saw the NRRP as a temporary strategy with no long-lasting consequences. None of the NRRP health-related measures were inspired by the EU. However, they accelerated some of the reform measures that were already in the pipeline. Moreover, regional institutions that are competent in health care reform strategies had a minor role in the design of the Italian NRRP.

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### Conflict of Interests

The authors declare no conflict of interests.

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Article

## Public Policy Europeanisation in Response to the Covid-19 Crisis: The Case of Job Retention Schemes

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### Abstract

To what extent and how did the Covid-19-pandemic trigger the Europeanisation of public policy in the EU member states? This article addresses this question by exploring member states' responses to the labour market implications of the pandemic. Although the EU due to its free movement principles in effect has a common labour market, labour market policies have remained in the hands of the member states. Nonetheless, we find that they responded in a surprisingly similar manner to rising unemployment caused by lockdowns. Was this policy change linked to Europeanisation processes, and if so, in what way? We find that member states' responses were related both to economic incentives and to contingent learning playing out in largely informal settings at the EU level. Our findings shed light on how crises may function as a critical juncture that triggers policy change, and how the EU may play a key role in such change. Our study thus also adds insights to our understanding of the mechanisms that underpin Europeanisation, in particular by shedding light on the importance of informal learning processes and the influence of the European Commission also in formally less integrated policy areas.

### Keywords

Covid-19; crisis; European Commission; Europeanisation; learning; public policy

### Issue

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### 1. Introduction

To what extent (and if so, how) did the Covid-19 pandemic trigger the Europeanisation of public policy in the EU member states? This article contributes to addressing this broader question raised in this thematic issue by studying a policy-area that is a least-likely case of Europeanisation but where we nonetheless observe policy convergence across the EU in response to the pandemic. Although the EU, due to its free movement principles, in effect has a common labour market, labour market policies have remained a Member State competence. In practice, there has traditionally also been considerable policy variation across them in this domain.

Nonetheless, by exploring member states' schemes to mitigate unemployment during the Covid-19 pandemic, we observe that the member states responded in a surprisingly similar manner to rising unemployment caused by lockdowns. Illustrative of this, all 27 member states implemented or expanded short-time work (STW) schemes. How can this be explained? Is the policy convergence we observe between member states somehow a product of Europeanisation, and if so, in what way?

To address these questions, the article is organised as follows. We first discuss the concept of Europeanisation and explain how we apply it in our study and develop our analytical and methodological approach. Thereafter, we describe social and labour policies, focusing on EU



competences and tools and what existing research tells us about longer-term Europeanisation in the domain. We then move on to our analysis of whether, and if so, how, a crisis—the Covid-19 pandemic—contributed to labour policy Europeanisation. The analysis is conducted in two steps. As a first indicator of possible Europeanisation processes, we present comparative data that indicate policy convergence across the EU in response to rising unemployment caused by the pandemic. Second, we explore whether this change in several member states’ policies was linked to various processes somehow playing out at the EU level, and if so, how. For this purpose, we develop and apply an analytical framework that distinguishes between two empirically overlapping but analytically distinct Europeanisation mechanisms, which may shape or alter responses to crises in areas where there is little formal/legal integration. We find that the convergence we observe across the EU indeed was connected to broader EU level processes, where changes can be linked both to EU level *economic incentives* and *contingent learning* playing out in largely informal settings.

By exploring whether the Covid-19 pandemic triggered Europeanisation of policy responses to mitigate unemployment, we make several contributions to the EU integration, Europeanisation, and crisis literatures. Empirically, we shed new light on how social and labour market policies may be subject to Europeanisation, in spite of the EU’s limited formal competences in the domain and no clear consensus between member states on the extent to which the EU should be involved in this traditionally national policy domain (Greer & Jarman, 2021). By focusing on changes wrought by the pandemic, we also contribute to the thematic issue’s overarching objective of exploring continuity and change following crises. The EU has faced numerous crises since the financial crisis in 2007–2008, and there has been an upscale in studies discussing whether and how these crises impact EU integration processes (for an overview see Riddervold et al., 2021). Most studies on EU crises, however, focus largely on describing and explaining formal institutional and legal changes at the EU level, or on how member states implement commonly agreed policies. There are limited studies exploring converging member state-level crisis responses short of formal integration, and to our knowledge none that address changes in labour market policies due to Europeanisation following such crises. Theoretically, this article contributes to a better understanding of how a crisis may trigger Europeanisation processes in areas where the EU’s formal competences, and thus the level of integration, are limited. We thus also add important insights to the Europeanisation literature by shedding new light on “the mechanisms of Europeanisation and whether they are producing substantive change, where and how” (Radaelli, 2004, p. 16). After all, identifying whether Europeanisation happens and its consecutive effects remains a challenge faced by Europeanisation studies.

## 2. Concepts, Analytical Framework, And Methods

Europeanisation is a widely used concept in studies of the EU, initially developed to better understand “the shape and impact of European integration” (Tonra, 2015, p. 183). A commonly applied definition is that Europeanisation:

Consists of processes of a) construction, b) diffusion and c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic (national and subnational) discourse, political structures and public policies. (Radaelli, 2004, p. 3)

To understand the processes and mechanisms underpinning Europeanisation, scholars have moreover applied three different approaches (Haverland & Holzhaecker, 2006; Tonra, 2015). The first is an “up-loading” or bottom-up approach, focusing on how member states affect EU integration processes by up-loading their own preferences to EU-level interactions through bargaining (Moravcsik, 1993) or deliberation processes (Risse, 2000). Since we explore changes at the member state-level in response to putative EU-level processes, this is not particularly relevant for our case. Instead, we apply a “down-loading” or top-down approach, which focuses on understanding the conditions and mechanisms by which EU policies, rules, or norms trigger change in EU member states through formal and informal processes (Börzel & Panke, 2022). EU-level processes may, for example, change power dynamics, opportunity structures, or cost-benefit calculations at the national level that in turn lead to national change (Scharpf, 1997). Alternatively, national changes may be the result of EU-level socialisation, learning, and norm-convergence processes (March & Olsen, 1998). It follows that Europeanisation may, but also may not, at least in the short run, lead to formal EU integration, as is the case in the policy area explored here. Although we see a convergence of member states’ unemployment mitigation policies in response to the pandemic, this has thus far not resulted in common EU regulations, for instance, due to continued disagreements amongst the member states. More formal integration is, however, something that may ensue in the longer-term, following the third Europeanisation approach sometimes referred to as “cross-loading” (Tonra, 2015, p. 184). This approach seeks to understand the interplay between up-loading and down-loading processes as circular processes (Radaelli, 2004). Several member states, including Belgium, Spain, and Portugal, as well as the European Commission, already push for increased EU labour policy integration (interview, June 29, 2023; June 30, 2023). The informal processes playing out during the pandemic may thus feed into and facilitate additional ongoing informal and formal developments in the domain in the

future. There is, however, still much scepticism towards increased integration in the domain (Schneider, 2023; Schulten & Müller, 2021).

### 2.1. Analytical Framework: Europeanisation Mechanisms

To explore whether (and if so, how) the crisis triggered a Europeanised response in the labour market domain, we draw on EU integration and EU crisis literature to develop and apply an analytical framework that studies Europeanisation in response to crises in areas where there is little formal or legal integration.

First, to account for change ensuing crises, institutional perspectives rely on the concept of “critical juncture” (Ansell, 2021). A critical juncture is a “relatively short period of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest” (Capoccia & Kelemen, 2007, p. 348). By creating such shocks to the system, crises may generate “windows of opportunity” for significant policy change (Kingdon, 1984) or the emergence of new policies or institutional arrangements (Ansell, 2021). Change does not, however, necessarily follow from a crisis. Instead, as discussed in the introduction to this thematic issue (Bressanelli & Natali, 2023), scholars have found that while crises may produce pressure for rapid change, it may also “reinforce well-known organisational solutions and governing arrangements” (Riddervold et al., 2021, p. 8). Numerous studies already argue that the pandemic has triggered immense and rapid political, institutional, and legal changes in the EU and in the member states (Greer & Jarman, 2021; Riddervold et al., 2021). The idea that crises may lead to change is also the very starting point for this thematic issue.

However, although the concept of critical juncture may explain why we observe rapid changes in member states’ labour market policies, it does not explain the fact that member states introduced *similar* changes to deal with the implications of forced lockdowns in the absence of common EU policies or regulations in the domain. To explain this, we explore the relevance of two alternative top-down, EU-level mechanisms that may have caused convergence short of formal/legal integration: *economic incentives* and *contingent learning*. While we expect that these may overlap and indeed interact empirically, they are based on different theoretical perspectives and hence different assumptions of member states’ motivation for changing their policies in response to a crisis in a policy area with few prior EU regulations. Distinguishing between them analytically may thus help us tease out a broader and more comprehensive picture of the labour market policy convergence we observe in response to the pandemic than if only relying on one of them.

A first hypothesis suggests that policy convergence was caused by member states responding to EU-level *economic incentives*. Theoretically, this mechanism draws

on rationalist Europeanisation theories, suggesting that member states’ act on the basis of a logic of consequences, where policies and crisis responses are driven by economic incentives (Gstöhl, 2002) and based largely on member states’ cost-benefit analyses (Moravcsik, 1993). Following this reasoning, EU-level processes or financial tools may thus create economic incentives for policy-change (Scharpf, 1997). From previous studies we also know that monetary-based instruments, i.e., “the use of EU-funds to influence social outcomes” (Bekker, 2022, p. 4), have indeed been used by the EU to further social policy integration, making it relevant to explore also in this case.

An alternative mechanism drawing on institutionalist theory suggests that there were other more informal institutional and interactional mechanisms at play at the European level which led to convergence. As mentioned above, institutionalist studies of Europeanisation theorise that common institutional arenas create mutual learning and socialisation processes which in turn may lead to changing national practices, including in more informal settings (March & Olsen, 1998). Empirically, such processes have been identified in social and employment policies. Bekker (2022, p. 4) refers to these as coordination-based instruments, i.e., “soft steering of national social policies, such as happens when using the Open Method of Coordination,” which has been used as an instrument to further Europeanisation short of formal integration.

Informal convergence of ideas and norms through learning and socialisation processes, however, tend to be slow, whilst crisis situations such as the pandemic often require quick policy responses (Riddervold et al., 2021). This, as we will see, was also the case with the EU member states’ response to the labour market implications of the Covid-19 pandemic. Taking into account the particularity of crisis situations, our second hypothesis therefore suggests that the policy convergence we observe was caused by what Kamkhaji and Radaelli (2017) refer to as “contingent learning.” Contingent learning is based on the knowledge that learning mechanisms “leading to behavioural change” in response to crises in many cases are “non-inferential” and “somewhat accidental, largely contingent” (Radaelli, 2022, p. 17). Policy-decisions are always filtered through individual cognitive biases, which affect decision-makers’ perception of what options are available in a crisis (Kamkhaji & Radaelli, 2017, p. 723; Radaelli, 2022, p. 17). When facing an acute crisis, policy actors moreover understand that they need to respond quickly, but there is less time to rationally consider alternatives: “The requirement of immediate action means that many traditional forms of policy learning are unavailable to decision-makers” (Boşilcă et al., 2021, p. 223). As a consequence, copying becomes more likely—in a crisis, there is simply not time to consider all options, and decision-makers therefore look for pre-existing solutions. Building on these ideas, in a study of the EU’s response to the migration crisis, Boşilcă et al. (2021, p. 219) found

that these learning mechanisms may also involve copying from previous experiences, where decision-makers in a crisis situation “copy-paste institutional designs and practices previously considered successful.” This could take different forms: We might see some member states copying or emulating solutions adopted by other member states. Or, we might see EU actors suggesting or recommending policy-solutions that are adopted by all in a situation where time is of the essence and there is pressure to respond quickly. Drawing on previous studies, the Commission is particularly likely to play such a role. We know that the Commission often acts as a policy entrepreneur following crises (Kassim, 2023). For example, it is increasingly involved in soft steering through its informal agenda-setting powers also in policy areas where its competences are more limited, such as in the area of security and defence (Riddervold & Trondal, 2020). We also know from organisational studies that there are close informal links between the Commission and national administrations and that these networks contribute to understanding member state implementation of common policies (Egeberg & Trondal, 2009).

## 2.2. Methods and Data

To study the relevance of these explanations in our case, methodologically, we develop a two-step analytical approach that allows us to better understand whether the convergence we observe is linked to broader European processes and if so, in what way. As a first indicator that the changes we observe were somehow linked to processes taking place at the EU-level, we present evidence to show convergence of unemployment mitigation measures implemented across the member states in response to the pandemic. Second, we move on to systematically discuss how our hypotheses allow us to tease out an understanding of how these Europeanisation processes played out.

We use a mixed methods approach where data was collected from the following sources: First, we collected data from the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the Commission (DG Employment) that show member states’ labour market policies before the pandemic and the changes made to compensate or mitigate unemployment caused by lockdowns. Second, to triangulate and further explore the relevance of the presumed Europeanisation mechanisms, we draw on five interviews and three informal background talks with Commission and national officials working directly with these issues. We also collected data on the frequency of formal and informal meetings linked to employment implications of the pandemic. Lastly, our data contains official EU statistics and other documents on the social and employment policy implications of the pandemic, as well as secondary literature.

## 3. Europeanisation and EU Social and Labour Policy Competences and Instruments

While social and labour policy is a member state competence, objectives have been agreed upon at the EU-level. These are set out in Article 151 of the Treaty of the Functioning of the European Union. This includes promoting employment, improving working and living conditions, equal treatment of workers, social protection, and combating social exclusion. Employment goals have also been at the core of the Open Method of Coordination since the late 90s. Labour law defines employers’ and workers’ rights and obligations. Due to continued member state resistance to much formal integration in this domain, labour policy is primarily a member state prerogative, with a few shared competence exceptions such as setting minimum standards (Zahn, 2017).

Despite limited competences, the EU influences member states’ labour policies in several ways, including economically and through the common market. The EU has introduced a series of comprehensive changes to its institutional architecture for social and economic governance since the onset of the Euro crisis in 2009–2010, such as its 2010 economic growth strategy “Europe 2020.” A core part of this was the policy tool “The European Semester” (2011): An annual cycle of policy coordination, which the Commission uses to analyse member states’ economic and budgetary policy and provide recommendations for future reform. Through the European Semester, the EU institutions have taken a more prominent role in scrutinising and guiding national economic, fiscal and social policies, also beyond the Eurozone. The European Semester has been criticised for subordinating social objectives to economic goals. However, according to Zeitlin and Vanhercke (2018), there has been an increasing emphasis on social objectives and targets (“socialisation”) in the European Semester, in the EU’s priorities and key messages, including in the Country-Specific Recommendations, and likewise an enhanced role for EU social and employment policy actors. In practice, this has occurred through intensified social monitoring, multilateral surveillance and peer-reviews, as well as an enhanced role for social and employment actors (especially EU Employment and Social Protection Committees). The European Semester has also become less prescriptive and better adapted to national circumstances. The authors interpret the socialisation of the European Semester as not only a response by the Commission and other EU institutions to the rising grievances of European citizens (towards the consequences of post-crisis austerity policies and the EU in general), but also that social and employment policy actors have engaged in “reflexive learning” and “creative adaptation” to new institutional conditions of the European Semester. Thus, at the same time as the European Semester has become more socialised, EU labour policy has become partially Europeanised (Zeitlin & Vanhercke, 2018).

Europeanisation of labour policy has furthermore been the result of attempts at building a more robust and competitive EU economy, also in response to crises. Following the Euro crisis, the prevailing narrative was that it was triggered by differences in wage developments and, as a result, uneven competitiveness among European economies. The emerging logic was that the way towards a more robust EU economy, one which is able to withstand shocks and crises, is more harmonization or policy convergence across the EU, including in social and labour policy. The prescribed antidote has therefore been a partial Europeanisation of labour policy, aiming for greater convergence of economic development and strengthening competitiveness (Syrovatka, 2023).

Labour policies have gradually become more Europeanised through various non-legal instruments and meeting platforms. Through the European semester, member states discuss policies in the Open Method of Coordination structures—typically sharing best practices and developing common standards. However, EU recommendations for labour policies are also to be found in parts of the European Semester that, due to the Stability and Growth Pact, are more binding (Schulten & Müller, 2015; Syrovatka, 2022). The ability of the EU to collect best practices and provide ready-made solutions, which the member states can draw from during a crisis, also contributes to Europeanisation. However, European and national trade unions and EU-critical forces in member states have contributed to limiting the expansion of EU labour and wage policy competences, also during the Covid-19 pandemic (Syrovatka, 2023).

Directly aimed at saving jobs during the pandemic, on 19 May 2020, the Council adopted the Commission's proposal for a European instrument for Support to Mitigate Unemployment Risk in an Emergency (SURE; European Commission, 2020), a unique temporary instrument that "could provide financial assistance up to €100 billion in the form of loans granted on favourable terms from the EU to affected member states to address sudden increases in public expenditure for the preservation of employment" (European Commission, n.d.). It was activated in September 2020 and deactivated on 31 December 2022. During this period, 19 member states combined received loans amounting to nearly €98.5 billion.

#### **4. Analysis: Europeanisation of Labour Policies in Response to Crisis?**

As we have seen, although mainly a national competence, social and labour policies have gradually become more Europeanised through various related instruments, regulations, and the sharing of best practices. Employment policy, however, remains an exclusive member state competence. Although studies show longer term processes of Europeanisation, national regulations and schemes varied extensively across the mem-

ber states before the pandemic. To what extent and how was this change linked to broader EU-level processes?

##### *4.1. Public Policy Changes*

Numerous business sectors were affected by national lockdowns already in March 2020. The hospitality sector, including restaurants, hotels, transport, and entertainment, were hit particularly hard. The unemployment rates peaked in the second quarter of 2020 when the average rate hit 7.8% in the EU27 area (Ando et al., 2022; Eurofound, 2021).

In response to this rise in unemployment, the EU member states have introduced or, in many cases, expanded their existing unemployment compensation schemes for workers. New actions have also been taken. First, in the second quarter of 2020, all EU member states introduced (or expanded) various job retention schemes (JRS) to financially support firms for keeping employees despite a sharp reduction in revenue. Second, all member states extended their schemes to also include smaller business and self-employed persons (Eurofound, 2021; European Commission, 2022, 2023). Notably, labour market policies varied substantially across member states before the pandemic, as well as the level of change introduced. Some member states already had JRS and opted for making these more generous while others introduced completely new schemes. In general terms, the two most common tools applied to mitigate unemployment were STW schemes or wage subsidies (WS). While there are some differences between these tools, they both seek to "preserve jobs at firms experiencing a temporary reduction in business activity by alleviating firms' labour costs while supporting the incomes of workers whose hours are reduced" (OECD, 2020, p. 59). As shown in Table 1 in the Supplementary File, within the second quarter of 2020 every country in the EU had either kept or introduced STW schemes and WS, or both, to compensate citizens for unemployment or reduced working hours. In fact, as the table illustrates, the biggest changes are evident in 14 EU states that had neither STW schemes nor WS before the pandemic. Of the countries that already had one of the two, the Netherlands is the only country that had STW schemes but changed their scheme to WS.

In sum, we see two converging changes across the EU in response to lockdowns caused by the pandemic. First, that all member states either kept or introduced JRS, and second, that all member states made these more generous by also supporting smaller businesses and the self-employed. How, then, can this policy convergence be explained? In the next part of the article, we explore the relevance of our two mechanisms to tease out a comprehensive explanation of the changes we observe.

##### *4.2. Europeanisation: All About the Money?*

The EU's adoption of SURE, due to its size and innovative nature, could be read as a signal from the EU that deeper



integration is deemed necessary to deal with crises such as the Covid-19 pandemic (Andor, 2020). With the SURE instrument, the EU adopted risk-sharing in the domain of unemployment: A pan-European instrument to support STW arrangements in the member states. The logic is that the EU, comprising a monetary union, must also act as an insurance union when confronted with severe economic or financial shocks (Vandenbroucke et al., 2020).

SURE was termed a “ground-breaking agreement” (Ebbinghaus & Lehner, 2022, p. 53). It would likely not have materialised had it not been for the unemployment crisis forged by pandemic-related lockdowns. As argued by an interviewee, “if there is no political urgency, and no public demand for a solution, it doesn’t happen. SURE was not foreseen in the Commission work programme” (interview, June 30, 2023). The general idea of STW schemes was, however, not new. Following the financial crisis from 2007–2008, about a dozen European states resorted to STW schemes to combat mass unemployment (Ebbinghaus & Lehner, 2022). Just as the Commission highlighted STW solutions in 2012, the adoption of SURE is an example of identifying best practices in member states, sharing these through various EU processes and offering support or incentives to enable them. This is something the EU has been doing since the launch of the Lisbon Strategy (Andor, 2020). Indeed, the Lisbon Strategy (2000) aimed to make the EU by 2010 the “most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (Zeitlin & Vanhercke, 2018, p. 16). In concluding that costs for employers were low, but benefits high, the positive experience following the financial crisis—and ability to scale them up at short notice—may have played a part in STW and JRS becoming a preferred tool in many member states (Ebbinghaus & Lehner, 2022; interview, October 31, 2023). After collecting best practices, the European Commission promoted STW schemes as an effective tool for firms to reduce labour costs, increase flexibility, avoid costs related to lay-offs, and preserve workers (Ebbinghaus & Lehner, 2022; interview, October 31, 2023).

SURE was introduced less than two months after the outbreak of the pandemic (European Commission, 2020). With the exception of Denmark, all the 14 countries that introduced STW schemes or WS for the first time in the second quarter of 2020 received loans from the SURE instrument. SURE, in other words, undoubtedly created incentives for many of the EU member states to expand or establish JRS, in line with our economic incentives’ hypothesis. After all, 19 member states received almost €100 billion (in total) in loans between May 2020 and December 2022 for these purposes through SURE. Most of our interviewees also referred to the adoption of SURE and access to these funds as key to understanding why many member states introduced new and extended JRS (interviews, 2023). As argued by an interviewee, for many member states “it would be economically benefi-

cial to make use of this instrument” since the borrowing costs were “lower than if they had to go and borrow themselves on the market” (interview, June 29, 2023). Similarly, since “it was going directly to the businesses, directly to the EU citizens” it was also “from a political point of view, rather easy for a member state to make use of the facility” (interview, June 26, 2023). The ability to get STW schemes approved rapidly in compliance with EU state aid rules also made this a more reliable option than constructing new schemes from scratch (interview, October 31, 2023).

Most interviewees also referred to how the feeling of urgency during the pandemic led to a political willingness to collectively lend money on the market through EU institutions to fund SURE and make it a reality, which had never been done before. Under time pressure and what some of our interviewees referred to as a policy-making “crisis mode”—where everyone wanted to avoid the rise in unemployment that occurred during the financial crisis—the member states agreed to establish SURE, which had been initiated by the Commission. This is in line with what one would expect if the crisis functioned as a critical juncture. In the words of a key Commission official:

There was a political decision to...actually go to the markets to fulfil that envelope. And that was possible because in the Member States there was an urgency to have some financial space. That is why the countries agreed to this very, very swiftly. (interview, June 30, 2023)

However, although economic incentives through SURE can help explain that JRS were introduced in many states, motivation to access these funds cannot in itself explain all the convergence we observe across the EU. First, eight member states—Germany, France, Austria, Denmark, Finland, Sweden, Luxembourg, and the Netherlands—for several reasons did not receive or apply for loans from SURE. Yet in the second quarter of 2020, they extended JRS and WS to smaller businesses and the self-employed (European Commission, 2022, 2023).

Although all the member states that introduced JRS for the first time received SURE loans, the SURE regulation itself did not specify (explicitly) that this was necessary in the conditions for these loans. Article 3 sets out “Conditions for using the Instrument,” with Article 3.2 stating that: “Beneficiary Member States shall use financial assistance primarily in support of their national STW schemes or similar measures, and, where applicable, in support of relevant health-related measures” (European Commission, 2020.). This implies that funds should protect employees and businesses against rising unemployment (interview, June 29, 2023; June 30, 2023). More importantly in terms of Europeanisation, both according to member state and Commission interviewees, was that states requesting loans also had to get their plans approved before loans were granted (interviews 2023).



Formally, the SURE regulation says that a decision on funding would be taken by the European Council on a proposal from the Commission, providing evidence of its needs and “a description of the national STW schemes or similar measures...that may be financed” (European Commission, 2020, Article 6c). In practice, however, as we will see below, this meant that the Commission not only approved of suggested policies, but in many cases also recommended tools and measures receiving member states should introduce, giving it influence over member states’ measures. SURE thus provided much of the basis, in line with our economic incentives mechanism. But as we will see, informal coordination and contingent learning, where the Commission influenced national policies through informal interaction with member states, are also key to explaining the policy convergence we observe.

#### 4.3. Contingent Learning Through Informal Coordination

Our data suggests that a process of contingent learning through informal coordination is key to understanding the changes we observe in member states’ policies after the pandemic. In addition, the Commission played a role in these processes, both in terms of suggesting the SURE instrument, as discussed above, in facilitating coordination, and in providing guidance and recommendations on policies for member states, which were also in compliance with EU law.

A first indicator of a Europeanised response to the Covid-19 pandemic is the vast increase in the number of meetings at the EU-level. The number of meetings under the Employment, Social Policy, Health and Consumer Affairs Council structures, both at the minister and working group level, increased profoundly following the pandemic outbreak. Council meetings, where also social policy issues were discussed, increased from five meetings between March 1 and July 31, 2019, to 75 meetings over the same period in 2020 (Council of the European Union, 2020). This is indicative of the member states’ willingness to deal with the crisis at the EU level. In all of 2019 there were 65 meetings in the Council preparatory bodies. By the first two quarters of 2020, 67 meetings had already been held. Our interviewees confirmed that unemployment measures were amongst the themes discussed, despite the EU’s limited formal competences in this domain (interviews, 2023).

The pandemic also triggered more informal coordination between the member states on labour market policies, where the Commission played an active role in coordinating best practices. Interviewed officials across member states and the Commission describe a process where “the first communication started through the attachés....Exchanging emails, trying to understand between member states what they do and what would be the best solution to this” (interview, October 31, 2023). As indicated also by the number of meetings, “quite soon it was organised at the EU level...at The Council of Employment Ministers” (inter-

view, October 31, 2023) The Commission’s “role as facilitator” contributed to identifying policy solutions; the Commission was “present in all those discussions” and conducted much of “the work of gathering information, of sharing” (interview, June 30, 2023). In the words of one interviewee, “this was more of a cooperation between member states and the Commission” (interview, October 31, 2023).

Importantly, these processes influenced the type of measures that were implemented across the member states. In practical terms, “to apply for SURE, the Member States had to make a formal request, and then this was first discussed with the Commission and eventually passed to the Council for approval” (interview, June 30, 2023). As explained by an interviewee, “this is what the Commission was very good at, they created this quick access to information...you could get answers in half a day or one day if it was really necessary” (interview, October 31, 2023). Both according to member state and Commission officials, the recommendations for STW schemes were inspired by “the German model” (interviews, 2023). According to the Commission, “The German model was very much the basis...it inspired a lot of the work we did” (interview, June 30, 2023). Some interviewees, including from the Commission, also linked this to the Commission president, Ursula von der Leyen, taking an interest in the process. For example: “I think that, of course, the fact that the President is German and was Minister of Labour...and very well knew those schemes... I think she was deeply convinced that that was the way forward” (interview, June 30, 2023). Other interviewed member state officials also referred to how unemployment measures were inspired by the German model: “We copied it more or less. I mean, we looked very closely to the German example because they used it already during the 2008 crisis, so they had this experience” (interview, October 31, 2023). Another factor identified making this a positive measure was that “the Commission also approved that this is one of the best practices” (interview, October 31, 2023). The Commission also suggested “to add the self-employed to the scheme and that of course is a bit of a departure from the traditional thing” (interview, June 30, 2023).

Importantly, the Commission was also in direct contact with the member states that did *not* receive SURE loans. As explained by a member state official from one of these member states, the Commission “was in dialogue with all the member states... The Commission gives guidance, goes in dialogue with member states and says how the Commission sees this as a best way forward” (interview, June 26, 2023). In addition, according to the Commission, it contacted all member states to get an overall view of their schemes and needs “in the space of a summer,” and on this basis provided concrete written recommendations to each of them (interview, June 30, 2023). An example from a member state that did not receive SURE funding is how the Commission advised that “if we use this STW scheme, it will be in accordance

with the state aid rules which apply at the EU level” (interview, October 31, 2023).

In sum, these observations are in line with what Kamkhaji and Radaelli (2017) refer to as contingent learning. Both time pressure and a sense of urgency is key not only to understanding that the SURE instrument was introduced so quickly, but also that the Commission came up with a set of standards for providing loans so early on that the member states quickly engaged in informal coordination and discussions with the Commission on how to address the unemployment challenges. And, not to mention, that the Commission’s proposals went through so quickly. Within a short time period, the Commission needed to evaluate 19 plans for how to spend SURE funds. In order to do so, it needed a framework by which to evaluate these plans. To find this, it turned to the standards that were produced the last time they faced a crisis with similar consequences, namely, the financial crisis. The member states, many of whom wanted funds from the SURE instrument, quickly accepted the standards provided by the Commission. As argued by a Commission official, “we had a couple of examples like that where yes, we needed to negotiate, but I would really count them as exceptions because I think most countries really operated within the given framework” (interview, June 30, 2023). Due to the crisis, “there was more acceptance to look to the European level for a response” (interview, June 30, 2023).

## 5. Conclusion

This article set out to explain convergence of member states’ labour market policies in response to the Covid-19 pandemic, specifically focusing on JRS as a crisis response despite the lack of formal EU competences in the domain. For this purpose, we distinguished between two analytically distinct but empirically overlapping mechanisms that may help tease out whether changes in national policy-making are linked to processes playing out at the EU level, namely economic incentives and contingent learning. We find that economic incentives linked to the temporary EU instrument SURE did indeed play a part in many of the member state policy changes we observed. However, it does not give a full picture of the rapid changes introduced in numerous countries in direct response to the crisis. By applying our concept of contingent learning, we also find that the Commission facilitated the exchange of information across the member states. There is also evidence to suggest learning processes across member states and between the Commission and member states. The Commission played a key role in these discussions, also putting concrete proposals on the table in EU meetings and in direct contact with individual member states.

The EU thus functioned as a facilitator of this convergence through two main instruments: Firstly, through loans (the SURE instrument). Secondly, through formal and informal coordination activated by a multiplication

of meetings at the EU-level, initiating intense exchange of information, and by suggesting concrete measures that were not contested, thus contributing to contingent learning. Following these processes, the Commission promoted good practices. It also enabled this by offering concrete advice and loans, and by relieving member states of bureaucratic headaches by verifying compliance with EU rules, for example on state aid and the ability for swift approval. In this way, the EU not only aided the policy diffusion of JRS across member states, but also very much influenced the type of policy measures introduced in a prompt manner.

Exploring measures taken by several member states to protect jobs during the Covid-19 pandemic, our findings suggest that crisis responses are indeed becoming more Europeanised, even in domains where EU competences are limited. While Europeanisation in this case has not led to formal EU-integration, this may indeed change over time, as learning processes play back into policymaking or even legislative processes at the EU level (Radaelli, 2004). There is, nonetheless, still considerable disagreement among member states on the EU’s future role in social and labour policies.

Undoubtedly, JRS are specific job protection instruments and are not representative of the labour market as a whole. As an anti-crisis measure, however, the diffusion of JRS adds to the crisis literature by shedding light on how crises may function as triggers for informal Europeanisation processes that in turn create policy changes at the national level. As we have seen, the domain has over time gradually become more Europeanised through various mechanisms; when faced with a crisis, the member states responded similarly and in a coordinated manner despite disagreement and resistance during “normal” times. The Covid-19 crisis brought the member states together in formal and informal meetings where policies were discussed and swiftly adopted, and where the Commission played a key role. Future studies should explore how longer-term cross-loading Europeanisation processes interact with change in response to a specific crisis. Indeed, as our informants suggest and in line with what one would expect following the mechanism of contingent learning, it is easier to introduce change during times of crisis when there is a sense of urgency and there is little time to consider alternatives. When a crisis occurs, our study confirms that the EU member states are willing to coordinate at the EU level and that pre-existing solutions are drawn upon. And, not least, that the Commission acts as a facilitator, promoting good practices, suggesting concrete policy-solutions and thus contributes to policy diffusion across member states.

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### Conflict of Interests

The authors declare no conflict of interests.

### Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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