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Uncertainty and interests driving European integration: a comparison between the Eurozone crisis and the Covid-19 pandemic

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Anno Accademico 2021/2022

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Introduction

During the decades, a consistent part of the literature has investigated the nature of the path towards European integration. Since the creation of European Community until the fall of the Berlin wall, authors provided contributions trying to understand the reasons why European governments decided to restrain sovereign prerogatives, coordinating significant national domains according to a common political project. The goal of these contributions was to build theoretical approaches to explain the nature of the path leading the creation and later the evolution of the European project.

Adopting a structuralist perspective, a significant part of the literature agreed on the “objective structural imperative”¹ of Member States to build a common framework in order to ensure economic and political stability in the continent². In the 90’s, scholars moved their focus from the study of the origins of the European Union to the study of interinstitutional relations between European actors, with a particular insight on the distribution of powers among different intergovernmental and supranational institutions involved in the decision-making³. In that period, the attention of the literature was mainly concentrated on the distribution of powers within the European Union, evaluating whether Member States at the intergovernmental level rather than European institutions at supranational level used to drive the decision-making process. Considering the increasing institutionalization of international organizations and the substantial territorial enlargement characterizing this decade, theories conceptualized the study of European integration proposing a legal analysis of the founding treaties regulating separation and balance of powers.

With the enter into force of the Maastricht Treaty in 1992, the critique started to consider the implications triggered by the co-existence of supranational and intergovernmental actors involved in the policy-making process, and the implication that this combination would cause for the policymaking⁴. Considering the hybrid composition of the European decisional arena,

¹ Parsons, C. (2002) *Showing Ideas as Causes: The Origins of the European Union*, *International Organization*. Cambridge University Press, 56(1), pp. 47–84

² Moravcsik, A. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca, N.Y.: Cornell University Press

³ Bergmann J., Niemann A. (2015) *Theories of European Integration* in: the SAGE Handbook of European Foreign Policy

⁴ Puetter, U. (2012) Europe’s deliberative Intergovernmentalism – The role of the Council and European Council in EU Economic Governance, *Journal of European Public Policy*, 19 (2), pp. 161–178

the nature of the driving approaches reshaping the performance of power balances among institutions increasingly interested the debate on the European integration. More concretely, in light of the complexity of the European multi-level system, the literature investigated whether the decision-making in the European Union was technically rather than politically driven. On the one hand part of the literature agreed on the dominance of the technocratic and apolitical power represented by supranational institutions⁵, whose expertise was necessary to build a strong and common European order; on the other hand, some authors underlined the significance of the role of politics, who task was to assure legitimacy to the overall system⁶. Hence, the debate was mainly concentrated on the analysis of the balance among technical and political decisional approaches, questioning whether the European Union could cover an efficiency-driven role for all Member States granting at the same time legitimacy, democracy, and representativeness. According to a part of the literature, the increasing competences delegated to the European supranational institutions put into question the accountability of the overall system, often criticized because of its alleged “democratic deficit”⁷. In that context, the role of a non-elected and technical supranational institution such as the European Commission was particularly put into question, both for its executive powers and its influence in the definition of the political agenda⁸.

Hence, the complexity of the multi-level system and the co-existence of technical and political actors lead the literature to further considered whether how so different approaches could be mirrored in the endorsement of common policies, granting efficiency but at the same time involving Member States. The number of theoretical contributions provided by the literature confirmed that such complex dynamics were difficultly explainable through one single theory. Hence, the discussion on European integration made steps forward towards a new conceptualization of the decision-making trends. Letting aside the traditional intergovernmental and supranational theories, and the related technocratic and political arguments, the literature provided a new interpretation of European integration. While in the past European integration was explained from a structuralist perspective, in the 2000s the debate started to move towards

⁵ Majone, G.D. (1996) *Regulating Europe*, London: Routledge

⁶ Tortola P.D, Tarlea S. (2020) The power of expertise: gauging technocracy in EMU reform negotiations, *Journal of European Public Policy*, 28 (12), pp. 1950-1972

⁷ Magnette, P. (2003) European Governance and Civic Participation: Beyond Elitist Citizenship?, *Political Studies*, 51(1), pp. 144–160

⁸ Pisani, E. (1956) *Administration de Gestion, Administration de Mission, Française de Science Politique* 2, pp. 315–331

a behavioural evaluation of European actors, evaluating how these actors behave and interact during the decision-making process. Arguing that the co-existence of such different actors could not lead to a precise scheme of interaction in the decision-making, reasonably some author sustained that they use to modulate the nature of their interaction depending on the situations, affecting in turn the degree of politicization or depoliticization of the European action⁹. Depending on the salience of the issue under discussion and the (in)capability of Member States to deal with it, the European interinstitutional relationships are redefined. In this sense, the path towards integration is not classified as a technocratic or a political regime, but rather a dynamic spectrum combining different approaches according to the salience of the issue and the context in which the European Union is called to take decisions. Arguing that relationships between Member States and supranational institutions do not present fixed roots, it is argued that this aspect consequently affects the stability of the path towards European integration¹⁰.

In order to understand the complex dynamics of the European decision-making, it is then necessary to assess which are the factors affecting them. In this sense, the several crises that the European Union experienced since the beginning of the 2000s marked a turning point in the study of European integration. The goal of this Master Thesis is to further continue the investigation, defining which are the factors affecting the relationships between European actors, the approach driving the decision-making process and the consequences that these aspects have on the path towards European integration. Rejecting the structuralist theoretical contributions and adopting a behaviouralist approach, this work would try to shed light on the elements contributing to the reshaping of European relations among institutions through the analysis of crises, in order to demonstrate that a clear conceptualization of European integration cannot be defined. Taking into consideration the literature studying critical junctures¹¹, an analysis of the interinstitutional relationships in the Union during moments of crisis will be conducted, showing how relationships between European supranational institutions and Member States do not present fixed roots, but rather a consistent degree of instability. Arguing that the study of critical junctures could positively contribute to the explanation of the developments of interinstitutional relationships and subsequently of European integration, this

⁹ Bressanelli E., Koop C., Reh C. (2020) EU Actors under pressure: politicisation and depoliticisation as strategic responses, *Journal of European Public Policy*, 27 (3), pp. 329-341

¹⁰ Radaelli, C.M (1999) The public policy of the European Union: whither politics of expertise?, *Journal of European Public Policy*, 6 (5), pp. 757-774

¹¹ Capoccia, G., Kelemen, R. D. (2007) The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism, *World Politics*, 59(3), pp.341-369

work proposes a conceptual framework based on the evaluation of the intrinsic characteristics of crises and the related behavioural consequences that those moments of volatility trigger on Member States.

In order to investigate how critical junctures could affect the interinstitutional relations, the significance of the role of crisis will be analysed taking into consideration different elements. It will be argued that the degree of interaction among European actors is constantly reshaped according to the intrinsic characteristics of every shock and the level of uncertainty affecting Member States, both aspects influencing in turn their behaviour vis-à-vis European integration. In fact, this work suggests that depending on the different features of crises and the related degree of uncertainty, the debate and the related decisions at the European level are precariously politicized or depoliticized. Depending on the concrete necessities of Member States, the latter constantly reshape their political behaviour, asking for a stronger European supranational coordination or a higher degree of autonomy from the Union according to the external circumstances. Hence, if in theory the founding pillars of European Union and the process towards European integration should assure stable relations among actors, in practice the attitude of Member States towards the acceptance of binding European guidelines is subject to change depending on the self-interest of States.

In order to prove these hypotheses, this work proposes an analysis of two historical crises that particularly affected the European interinstitutional relationships, influencing in turn the degree of politicization and depoliticization of the European responses. A comparative analysis of the Eurozone crisis and the Covid-19 pandemic will allow shedding light on the different behaviour of Member States towards European coordination and integration. In order to understand the factors triggering changes and fuelling institutional development, these features of these two crises will be conceptualized according to the operationalization of four independent variables. That is, the analysis of the four diverse intrinsic characteristics of the Eurozone crisis and the Covid-19 pandemic will permit to evaluate the causal inference between crisis and change, leading to a more concrete explanation concerning the activity and the behaviour of actors experiencing moments of uncertainty and instability. The study of the Eurozone crisis and the Covid-19 pandemic will be conducted classifying their exogenous or endogenous nature, their spatial distribution and their temporal dimension, allowing to further define the degree of uncertainty that affected Member States during the experience of the critical junctures. While the Eurozone crisis will be classified as a semi-exogenous, asymmetric, and predictable shock, the Covid-19 pandemic will be considered as an exogenous, symmetric, and unpredictable

crisis. If the financial crisis did not foster an equal degree of uncertainty within Member States because of different national situations, the pandemic put into question the stability of all countries, equally affected by a health and an economic crisis.

After having defined the intrinsic features of these crises, the attention will be moved to the responses that the European Union provided to recover from those shocks. It will be demonstrated that the opposite characteristics of these two crises automatically triggered different political reactions and behavioural approaches of Member States when it came to propose a European response to deal with the consequences caused by the crises. Considering the European response to the Eurozone crisis and the Covid-19 pandemic, it will be noticed that a radical change of attitude of Member States affected the quality of European integration and coordination. Indeed, the dynamics within Member States and with supranational institutions strongly affected not only decision-making and the consequent policy outcomes, but also the attitude that Member States had both towards one another and the European Union. That will be proved by the fact that, on the one hand, the Eurozone crisis consistently increased cleavages among Member States and reticence towards integration, fuelling a consistent bargaining conflict and dividing the intergovernmental roundtable. On the other hand, the Covid-19 sensibly enhanced the concept of solidarity and willingness of cooperation, making the dialogue among Member States and supranational institutions much more constructive compared to the past.

Indeed, the opposite dynamics related to Eurozone crisis and the Covid-19 pandemic will show that the acceptance of increasing regulating powers of the European Union depends on the positions that Member States cover during crises: while the European response to the Eurozone crisis was contested by the most hit countries because of its highly technical nature and the hegemonic role of Northern countries in the bargaining process, the European plan proposed to recover from the Covid-19 pandemic was substantially encouraged by all Member States. That is to sustain that the nature of the negotiating process and the intergovernmental relations among countries are likely to increase or decrease the willingness of Member States in accepting the supranational coordination of the European Union, making in turn the dynamics of the overall system subject to change according to the circumstances. This will be further confirmed evaluating the political opinion that Member States had during the experience of these two crises. While during the Eurozone crisis the European Union was accused to not reflect the general interests of all Member States and to illegitimately have taken political sides in distributive conflict among Member States, the Covid-19 pandemic increased the willingness

of Member States for cooperation. If during the Eurozone crisis the increasing competences of the European were condemned and considered as non-democratic, conversely during the pandemic the policies endorsed by the Union were kindly welcomed by national governments.

The comparative analysis between the Eurozone crisis and the Covid-19 pandemic will confirm the reliability of the hypotheses at the base of this Master Thesis. The evaluation of the European responses to these crises will demonstrate not only that Member States adopt different behaviours according to the nature of the crisis, but also that the perception of the crisis itself directly affect the decision-making at the European level. Depending on the national situation of each country, Member States enter the intergovernmental bargaining process adopting a national interests-based approach rather than a more constructive attitude promoting solidarity. The European response is then shaped according to the behavioural approaches of Member States. Depending on the action proposed by the Union, countries redefine their conceptualization of European integration, pushing towards a stricter willingness for coordination rather than a more isolating and autonomous idealization of national politics. In a few words, this work will argue that European integration should not be considered as a stable project among supranational institutions and Member States, but rather a dynamic process in constant definition.

For what concerns the presentation of the aforementioned arguments, this Master Thesis will propose three different chapters. In Chapter I, the nature of European integration will be analysed, reconstructing the historical and political evolution of the European Union, and presenting the different theories proposed by the literature studying European integration. After that, the same Chapter will go through the latest theoretical contributions provided especially after the 2000s, arguing that the European multi-level governance should not be considered as a technical or political system, but rather as a combination of both. Following this line of argument, the role of experts and politics will be analysed, depicting to what extent these two co-existing approaches are constantly present in the European system and how the prevalence of one in respect to the other is due to the functional and strategic needs of Member States, affecting in turn the politicization or depoliticization of the European action.

After that, Chapter 2 will propose a conceptualization of the notion of crisis. After having presented diverse independent variables that could eventually influence the perception of uncertainty of Member States, their national interests, and their behaviour in relation to the concept of European integration, the Chapter will go through a comparative analysis of the Eurozone crisis and the Covid-19 pandemic. Taking into consideration the diverse aspects

characterizing these two crises, divergencies and similarities of these historical moments will be highlighted.

Finally, Chapter 3 will provide an evaluation of the related European responses, implemented to recover from the Eurozone and the Covid-19 shocks. Taking into consideration the different features of both crises and their related responses, it will be argued that the European path towards integration is not characterized by a clear scheme of interaction, but rather it is subject to constant reshapes. The volatile relationships among supranational institutions and Member States, and between northern and southern Member States, are constantly modelled depending on the circumstances and the interests at stake. This will be further confirmed through a general evaluation of the dynamics related to the European response in light of the war in Ukraine, the current crisis that the European Union is facing.

CHAPTER I

European integration throughout the decades

1.1 Path towards European Integration

With the aim of ending the conflicts devastating the continent during the Second World War, in 1951 six countries started to deconstruct the conception of national politics, proposing an innovative common plan to secure a lasting peace and stability¹². In this sense, 1951 can be considered as a fundamental benchmark for Western countries. The foundation in April 1951 of the European Coal and Steel Community represented an historical turning point, as it intrinsically transformed the European ideal of politics. Created under the proposition of Robert Schuman, the ECSC was the first of a long and increasing series of European supranational institutions. Hence, the purely domestic and individualistic conception of politics moved towards a new integrative project, based on international cooperation and supranational integration¹³. That is proved by the fast evolution that the initial economic project pursued. As in the 60's a consistent economic growth was registered, helped by the fact that the six countries of the European Community stopped to charge custom duties on goods imported from each, allowing free cross-border international trade, during the 70's the European Community experienced the first big enlargement, raising the number of Member States from six to nine. That is the same decade during which the Community started to regulate other policy sectors, such as food production and environment. While another enlargement was experienced in the 80's, it is in the 90's that the Community made big steps towards an increasing integration. In fact, in 1992 the Maastricht Treaty has been signed, setting new clear rules regulating the single market, foreign and security policies and justice and home affairs. This treaty marked the creation of the European Union, establishing in 1993 the so called "4 freedoms": free movement for people, goods, services, and money. After a new consistent enlargement of the number of Member States, in 2002 the Union moved towards a monetary union, implementing the single currency, and increasing the degree of economic coordination among its Member States. Subsequently, the year 2009 marked the ratification of the Lisbon Treaty, one of the actual

¹² Coman, R., Crespy, A., Schmidt, V. (2020) *The European Union as a political regime, a set of policies and a community after the crisis: an overview*, in Coman et al. (eds), *Governance and Politics in the Post-Crisis European Union*, Cambridge, Cambridge University Press.

¹³ Parsons, C. (2002) *Showing Ideas as Causes: The Origins of the European Union, International Organization*. Cambridge University Press, 56(1), pp. 47–84

founding treaties of the Union, whose objective was to provide a more effective regulation of the decision-making process in the European Union, reforming the legislative procedure and redistributing powers among the different institutions¹⁴. The creation of an increasing number of international agreements led to what we know today as European Union, an international organization composed by 27 Member States implementing laws on their territories according to common standards, aiming at coordinating policies on different domains throughout the continent. Beyond the original domain of market integration, the European project nowadays includes numerous policy areas, regulated at the Union level, and directly implemented on Member States.

It is particularly interesting to investigate the reasons why European governments decided to coordinate significant political domains, restraining sovereign prerogatives. One of the first and more convincing theories proposes a structuralist approach, arguing that the foundation of the European Union was due to an “objective structural imperative”¹⁵. As argued by Moravcsik¹⁶, the post-war significantly highlighted the salience of international interdependence and the vital need of States to build a common economic and political structure to meet policy challenges. Following this line of argument, it was argued that the initial institution built after the Second World War was essentially linked to the economic necessity of States to recover from the disasters caused by the war. Indeed, coordination and integration at the supranational level were considered as the only possible solution to end conflicts and to reinforce the economic and political position of Europe in the international arena. Hence, the creation of the European Union was conceived to some extent as the outcome of a significant need of States, which opted for the institutionalization of supranational actors to assure peace, economic growth, and stability. In this sense, the European Union was intended as the product of a common national self-interest of Member States, whose first objective was to reinforce their own position after a moment of hard times caused by the war. That is what was also argued by the founding father of the European Union Robert Schuman, during its Declaration on 9th May 1950, stating that “the fusion of interest is indispensable to the establishment of a common economic system (...) to contribute to raising living standards and to promoting peaceful achievements”¹⁷.

¹⁴ History of the EU, Official website of the European Union, available at https://european-union.europa.eu/principles-countries-history/history-eu_en

¹⁵ Parsons, C. (2002), *op.cit*

¹⁶ Moravcsik, A. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca, N.Y.: Cornell University Press.

¹⁷ Schuman, R. (1950) Schuman Declaration, 9th May 1950

This short historical preamble sheds light especially on the economic reasons leading to the foundation of the European Union. However, the historical aspects do not provide a concrete and reliable explanation for what concerns the increasing competences delegated to the Union over the decades. That is proved by the several international agreements ratified by Member States, building a more and more significant relationship with supranational European institutions. The next paragraph will go through the several theories on European integration, trying to analyse the main pillars on which the integrative process was founded. While the analysis of the origins of the European Union generally meets the agreement of a consistent part of the literature, the subsequent evolutionary path opens the debate on the nature of the dynamics moving the implementation of an increasingly complex multi-dimensional regime.

1.2 The project of European integration: several theories

Trying to explain the process leading to European integration, the literature conducted different studies aiming at building a theoretical approach to investigate the nature of the path resulting in the complex European project. However, considering that the process of integration has been subject to change and to an increasing number of regulatory treaties during the decades, the doctrine provided different theoretical explanations. In the early years, the theories of European integration focused on issues such as technical and economic cooperation, responding to the establishment of the European Coal and Steel Community following the federalist and then the neo-functionalist approach. Then, the enter into force of the Maastricht Treaty in 1992 and the increasing competences of the European Union lead to production of other reflections. Considering the extension of the European policy field producing communitarian foreign and security policies, home affairs regulations, and environmental and migration policies, new theoretical approaches such as intergovernmentalism, multi-level governance and mixed polity have been delivered¹⁸.

Hence, if in the early 50's theories on European integration mainly analysed the reasons leading to the foundation of the Union, especially after the 90's the theories moved towards the evaluation of the European interinstitutional relationships, with a special insight on the distribution of powers between the actors involved in the decision-making process¹⁹. That is reasonably explicable looking at the fundamental changes of the European scenario in that decade. The 90's is the decade characterized by institutionalization of international organization

¹⁸ Bergmann J., Niemann A. (2015) *Theories of European Integration* in: the SAGE Handbook of European Foreign Policy

¹⁹ *Ibidem*

and a substantial enlargement of the European membership, following the fall of the Berlin Wall and the end of the Cold War. It is the decade marking the most significant moment for the European integrative process, consequently leading to consistent academic investigation on the factors driving such process and the consequent distribution of power relations among European actors. In order to exhaustively present the nature of the European process of integration and to subsequently investigate the reasons moving the European system, it is then necessary to provide an excursus of the proposed theoretical frameworks. Despite the goal of this dissertation is to investigate the current European political dynamics, it is argued that an historical perspective would allow to shed light on important aspects that would then be integrated in the further steps of the analysis.

1.2 (a) Federalism

In the early 50's, the federalist school of thought argued that the European integrative process was triggered by the incapability of States to guarantee the political and economic stability to their citizens. This would explain why States decided to move some domestic powers at the supranational level, creating a federated system characterized by a two-level governance, where the central authority directly operates upon the citizens. Despite the States composing the European Union continued to retain some powers, according to the federalist approach the central authority should incorporate the regional units in the decision-making procedure. The father of this theory is Spinelli ²⁰, who promoted the conception of federated Union in the Ventotene Manifesto focusing on importance of the popular movement to push States to delegate their powers to a higher regulatory authority. In other words, the drafters of the Manifesto argued that it was necessary to create a political force distinct from traditional national parties, inevitably linked to the domestic political struggle, and therefore unable to effectively respond to the challenges of the growing internationalization²¹. The federalist project was mainly based on the concept of protection of the *acquis communautaire*, promoting an increasing shift of competences to the institutions of the Union in order to reinforce the position of the central authority in respect of Member States²². The proposition of a federal Union was particularly shared in the post-war period, mainly because the centralization of

²⁰ Spinelli, A. (1972) *The European adventure: tasks for the enlarged Community*. C. Knight

²¹ Spinelli, A., Rossi, E. (1944) *Manifesto di Ventotene*

²² Burgess, M. (2009) 'Federalism', in A. Wiener and T. Diez (eds.), *European Integration Theory*. Oxford University Press, pp. 25-44.

competences was considered as the only possible effective solution to recover after the shock of the Second World War.

1.2 (b) Neo-functionalism

Considering that federalism mainly highlighted the importance of the final outcome of the process of integration but did not provide a concrete explanation regarding the necessary steps to achieve the project, in the late 50's the neo-functionalist approach tried to deliver a more explicative theorization concerning the dynamics of the European project. According to Haas²³, integration should be considered as a process evolving over time, entailing in turn other changes. This theory tried in part to answer to the question concerning the increasing competences of the Union. It is argued that the integration in the economic area would automatically lead to further integration in other domains, producing a spill-over effect. More specifically, the spill-over should be considered from different interlinked perspectives, resulting in a positive combination of three aspects: the functional, the political and the cultivated one²⁴. The functional aspect refers to the increasing awareness of nations to build inter-States connections. The integration process would be caused by an evident interdependence among States and sectors, so that different policy areas could not be isolated from the rest. The political aspect is linked to the perception of national elites, more and more aware of the impossibility to address substantial interests only at the domestic level. Hence, it is argued that national political classes themselves would promote a shift of a part of the national powers at the supranational level. Then, the cultivated aspect concerns the role of supranational institutions, active agents in the integration process that benefit from a substantial increase of powers. After been established, it is assumed that supranational bodies would tend to take on a life of their own, rejecting the control of States and acquiring more autonomy. Hence, regional integration results in a dynamic process driven by transnational interest groups demanding supranational institutions to build economic benefits, consequently entailing an increasing concentration of powers in the hands of supranational authorities.

1.2 (c) Intergovernmentalism

Conversely, intergovernmentalism hypothesises that the increase of European integration is due to the States' interests. Following this line of argument, the central players in the integrative

²³ Haas, E. (1958) *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957*. Stanford, Calif.: Stanford University Press.

²⁴ Lindberg, L. N. (1963) *The political dynamics of European economic integration*. Stanford University Press.

process are still national executives of Member States. Hence, the European Union should be considered as an international arena where national governments personally decide to bargain with each other to implement common policies on their territories²⁵. The decision-making is then the product of political negotiations carried out by national executives, meeting in a neutral zone to reach compromises. According to this perspective, the European Union should be considered as a “passive structure”, whose role is to allow an efficient interstate political bargaining process. This argument is advocated by Moravcsik, stating that “the EC has developed through a series of celebrated intergovernmental bargains, each of which set the agenda for an intervening period of consolidation”²⁶. Hence, in order to consolidate the intergovernmental bargaining process and to grant an effective collaboration, governments are found to autonomously delegate powers to supranational actors such as the European Commission and the ECJ. In sum, the focus of the intergovernmental theory remains on Member States, who are the first actors to determine the goals that the supranational actors could eventually pursue. Supranational institutions are not considered as pro-active actors in the enhancement of the integration process, but rather faithful agents implementing what proposed at the intergovernmental level as a result of political bargaining.

1.2 (d) Multi-level governance

While previous theories tended to analyse the reasons leading to the integrative project or the final outcome of the latter, since the 90’s the attention of the literature moved towards the process of formulation and implementation of policies in the European Union. The goal of these contributions aimed at investigating the impact of the European system on the decision-making process at the European and at the domestic level. If the previous theories tried to establish a hierarchical structure between States and supranational institutions, the multi-level governance approach assumed that decision-making competences are not held only by national governments but are rather shared with supranational actors, resulting in different levels of governance²⁷. Hence, according to the multi-level governance model, decision-making competences involves both the national and the supranational level, rejecting the idea of supremacy of some actors over the others. In other words, supranational institutions and

²⁵ Erne, J. (2009) Conferral of Powers by States as a Basis of Obligation of International Organisations, *Nordic Journal of International Law*, 78 (2), pp. 177-199

²⁶ Moravcsik, A. (1993) Preferences and power in the European Community: a liberal intergovernmentalist approach, *Journal of Common Market Studies*, 31, p. 473

²⁷ Hooghe, L., Marks, G. (2001) *Multi-level Governance and European Integration*, New York: Rowman & Littlefield Publishers, Inc.

national governments are part of the same decision-making process, each of them exercising positive influence over the others to foster coordination. In a nutshell, while the concept of separation between domestic and international politics is rejected, the multi-level governance proposes a model based on interconnection²⁸.

1.2 (e) Mixed Polity theory

Despite assuming that the European governance includes the action both of Member States and supranational actors, the multi-level governance theory does not explain how competences should be distributed among the different actors. According to the mixed polity theory, the organising principle of the Community relies on the effective representation of interests. According to Jacqu , it is the salience of interests that shapes the structure of the decision-making²⁹. Consequently, each subject matter follows a different decision-making procedure according to the interest to be protected. Then, the decision-making results in a balance between interests. Hence, the mixed polity theory advocates the principle of institutional balance, as the allocation of powers results in a dualist approach, balancing the role of the Commission on the one side, and the activities of the Council and the European Parliament on the other side. In this sense, the organs representing Member States and supranational institutions are intended to cooperate while remaining distinct actors, each of them exercising their own powers³⁰. In order to justify this line of argument, it is argued that the principle of institutional balance finds its legal roots in the founding treaties of the Union advocating the principle of conferral, according to which “each institution shall act within the limits of the powers conferred upon it by this treaty” (art.5 TEU). In order to grant an effective representation of interests and an equal institutional balance, the theory of mixed polity also stresses the importance of the principle of mutual cooperation between supranational actors and national authorities³¹. That is because the European Union is based on a decision-making system conciliating political representation with the European Parliament, national interests with the Council, and supranational interests with the European Commission. From a constitutional perspective, this prescription is confirmed again by art. 4 TEU, stating that “institutions shall practice mutual sincere cooperation”. In a

²⁸ *Ibidem*

²⁹ Jacqu , J.P (1990), *Cours G n ral de Droit Communautaire*, in Clapham. A (ed.) *Collected Courses of the Academy of European Law*, 1 (1), pp. 247-360, Dordrecht. Martinus Nijhoff

³⁰ Majone, G.D. (2002), *Delegation of Regulatory Powers in a Mixed Polity*, *European Law Journal*, 8, pp. 319-339

³¹ *Ibidem*

few words, it is argued that the principle governing the European Union consists in a particular system based on fusion of powers, rather than a concrete separation.

1.3 Technocracy and Politics in the European Union

Looking at the evolution of the European system and at the intense production of theories, it could be argued that the project towards integration presents considerable peculiarities, especially in regulating the distribution of powers between the diverse actors playing in the European arena. Despite the common interest of Member States in coordinating essential aspects of their domestic prerogatives, it is after the enter into force of the Maastricht Treaty in 1992 that the domains regulated at the European level found a considerable enlargement³².

The system implemented by the Maastricht Treaty was mainly founded on three pillars: single market, common foreign and security policy, and home affairs. In order to regulate these three pillars, the European Union institutionalized two coexistent logics of decision making, allocating diverse competences to different actors. The post-Maastricht European integration was defined as the “deliberative intergovernmental” era³³, during which collective decision-making at the European level started to involve the implication both of supranational and intergovernmental actors, depending on the policy area under discussion³⁴. Under the supranational procedure, on the one side the Commission had the role to foster cooperation between the supranational institutions of the European Union enjoying the power of legislative initiative, on the other side the Council and the European Parliament had the duty to adopt jointly the legislative proposal. Under the intergovernmental procedure, the Council acted unanimously, the Commission shared the power of initiative with the Member States and the European Parliament played substantially a minor role. Hence, European integration still presented some features corresponding to the two main different approaches of European integration that have led to the foundation of the Union: supranationalism and intergovernmentalism. Despite these theories failed to explain the complexity of European integration, they were at the base of the bargaining process involving supranational and intergovernmental actors, implemented with the Maastricht Treaty to regulate the day-to-day

³² Coman, R., Crespy, A., Schmidt, V. (2020) Introduction: The European Union as a Political Regime, a Set of Policies and a Community after the Great Recession, in Coman et al (eds.) *Governance and Politics in the Post-Crisis European Union*, Cambridge, Cambridge University Press, pp. 1-30

³³ Puetter, U. (2012) Europe’s deliberative Intergovernmentalism – The role of the Council and European Council in EU Economic Governance, *Journal of European Public Policy*, 19 (2), pp. 161–178

³⁴ Fabbrini, S. (2007) *Compound democracies*. 1st ed. Oxford: Oxford University Press, pp.176-186.

policy making³⁵. These antithetic but in the same co-existing models of decision-making increased the curiosity of the literature, which followed the technical and political evolution of the European system during the decades, characterized by a constant reshaping balance among the two approaches. That is because the questions concerning the ambiguity of the European constitution, the balance of powers between institutions, the competences of supranational actors and Member States, and the methods of democratic legitimacy did not find concrete answers during the intergovernmental conferences in Amsterdam (1996), Nice (2000) and Rome (2004). Some answers to the governance dilemma were provided only in 2009 by the Lisbon Treaty³⁶, which to some extent normatively clarified the quality of the interinstitutional relationships. Before continuing the analysis, it is interesting to reconstruct in detail this evolutionary process.

1.3 (a) The technocratic foundation of the European Union

Despite the different approaches fuelling the enhancement of European integration and the diverse reasons driving towards an increasing coordination among Member States, the literature further investigated the possible driving approaches leading to the performance of an effective balance of powers among different institutions. If on the one hand the process of integration could seem to be started thanks to the political behaviour of national governments, several scholars argued that the early stages of the European project were marked by a technocratic approach. As argued by Featherstone³⁷, the key idea of the Monnet Plan for the European Coal and Steel Community was to implement a method of integration based on networks of interest groups, with a special position given to experts in the decision-making process at the supranational level. Hence, the engine of integration consisted in a combination of experts and interest groups, working together creating supranational coalitions to create European common policies. In fact, according to Andersen and Burns³⁸, the foundation of the European Union not only relied on the mechanism of representation of national interests, but also on the participation of the expertise. The technical component made the European Union an organization founded

³⁵ Sweet, A. S., Sandholtz, W. (1997) European integration and supranational governance, *Journal of European public policy*, 4 (3), pp. 297–317

³⁶Micossi, S. (2008) Un nuovo equilibrio destinato a durare, in Bassanini F., Tiberi G (eds) *Le nuove istituzioni europee: commento al Trattato di Lisbona*, Bologna : il Mulino, 2008, pp. 451-460.

³⁷ Featherstone, K. (1994) Jean Monnet and the Democratic Deficit in the EU, *Journal of Common Market Studies*, 32 (2), pp.149-170

³⁸ Andersen, S.S., Burns, T. (1996) The European Union and the erosion of parliamentary democracy: A study of post-parliamentary governance in Andersen, S.S. and Eliassen, K.A. (eds) *The European Union: How democratic is it?* Sage: London, pp. 227-251

on a technocratic conception. This aspect has been then proved by the evolutionary process of the integrative European project itself. During the decades, the European Union has developed a strong regulatory dimension thanks to the cognitive resources concerning the knowledge of markets and all the required subjects that needed to be regulated at European level to ensure stability³⁹. In order to implement a new kind of supranational governance aimed at ensuring benefits for all Member States, a change in the nature of power was experienced, moving the mentality of governance from a domestic and political to a technocratic one. This change was perceived as a necessary element to grant efficiency and productivity. In fact, restraining the control of political representatives on some parts of the policy making process was considered as particularly helpful to enforce policies in complex policy areas. Hence, considerable aspects of the policy making were moved in the hands of technicians, delegating competences to a group of experts that were able to act on the basis of a scientific knowledge rather than partisan and political logic.⁴⁰ Consequently, the increasing European regulation was reached through an intense system of interaction among experts, national civil servants and Brussels officials, resulting in what Majone defined as a “*copinage technocratique*”⁴¹. The supranational actor entitled to set common interests and to provide common solutions was the High Authority, the present European Commission, a bureaucratic institution composed by experts that de facto embodied the engine of integration⁴². As the objective of the European integrative process was to increase the general efficiency of Member States, the political approach of political parties and mass opinion only able at re-distributing resources impacting the social structure was considered as unsuitable in that context. That is why the founding fathers of the Union opted for a positive-sum games, applicable letting aside political conflicts, ideological debates, and political controversies. Hence, the politics of European regulation promoted a technocratic mentality, the only possible method able to grant a rational analysis and a scientific examination of issues, that would in turn bring to the application of efficient policy solutions. In this sense, the European technocratic approach was interpreted as the direct outcome responding to the increasing demand for planning, stabilisation of the economy, and rationalisation of the policy process in the post-war period⁴³.

³⁹ Majone, G.D. (1996) *Regulating Europe*, London: Routledge

⁴⁰ Tortola P.D, Tarlea S. (2020) The power of expertise: gauging technocracy in EMU reform negotiations, *Journal of European Public Policy*, 28 (12), pp. 1950-1972

⁴¹ Majone (1996), *op. cit*

⁴² Radaelli, C.M (1999) The public policy of the European Union: whither politics of expertise?, *Journal of European Public Policy*, 6 (5), pp. 757-774

⁴³ *Ibidem*

1.3 (b) The need of a political component: from Maastricht to Lisbon

Despite the initial necessities in creating supranational actors able to coordinate policies in the different countries, the literature further investigated the nature of the role played by politics during the evolution of the European project. The first point of the analysis looks at the organigram of the Union itself. In fact, if on the one side the supranational action is embodied by the technocratic European Commission, on the other side the role of politics is defended by the Council and the European Parliament. The co-existence of technical and political actors is what makes the European decision-making a very complex system, where coordinated solutions are constantly provided according to different models and approaches. If in theory the policy making process should consist in a clear and stable path, in practice the European system is regulated by different actors, proposing diverse methods of policy solutions. Indeed, the European decision-making is composed on the one hand by technical actors proposing policies in coordination with other experts, on the other hand by politicians who frame their proposition according to the position of their national constituencies⁴⁴. More practically, technocratic and supranational actors such as the European Commission engage with other expert communities to propose new ideas, building a general agreement among the various technical actors. Once the new proposition is accepted by the technical community, the proposal is moved towards other European actors and the general public opinion. On the other hand, political actors such as the Council and the European Parliament construct the decision-making privileging communication with the national governments, opening the discussion at the political level. However, the methods regulating the balance of powers still presented a consistent degree of ambiguity, fuelled by the constant expansion of the competences of supranational actors after the implementation of the Maastricht Treaty. It is only after the enter into force of the Lisbon Treaty in 2009 that these aspects found a more salient regulation, aimed at limiting the creeping functional justifications of supranational institutions⁴⁵.

In order to respond to the demand for more involvement of Member States and to balance the regulatory powers of technical institutions, the Lisbon Treaty provided a new institutional asset, giving to the Council and the European Parliament a more central position during the legislative process, explicitly recognized as political representants of Member States and European citizens. For what concerns the powers of European institutions, the Council assumed more

⁴⁴ Schmidt, V.A. (2015) *The Eurozone Crisis of Democratic Legitimacy: Can the EU rebuild Public Trust and Support for European Economic Integration?*, *Discussion Paper 015*, European Commission

⁴⁵ Micossi, S. (2008) *op. cit*

competences for what concerns the determination of political priorities, increasing its relationships with the European Commission during the definition of the political agenda⁴⁶. The European Parliament acquired the role of co-legislator shared with the Council, under the implementation of the Ordinary Legislative Procedure, and some budgetary powers. For what concerns the delimitation of competences of the Union, the Lisbon Treaty provided some clarifications, declaring the principles of conferral, subsidiarity, and proportionality as governing pillars of the Union. Firstly, according to the principle of conferral, “the Union can only act within the limits of the competences that have been conferred upon it by the European treaties”, while “competences not conferred upon the Union in the Treaties remain with the Member States” (art.5.2 TEU). Secondly, according to the principle of subsidiarity, “the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States” (art.5.3 TEU). Thirdly, according to the principle of proportionality, “the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties” (art.5.4 TEU). The legal provisions established under the Lisbon Treaty answered to the increasing demand of Member States to limit the supranational powers of technical institutions, which increased their competences especially after Maastricht. Hence, the goal was to reinforce the political components of the Union, enhancing the intergovernmental aspect of the system. If the driving approach of the foundation of the Union was mainly technical, during the last decades the intergovernmental powers were considerably reinforced.

1.3 (c) The co-existence of technocracy and politics: the alleged “democratic deficit”

Considering the increasing powers of supranational institutions and the foundation of new technical actors regulating diverse political domains, the European Union has often been criticized because of the lack of control over experts. If on the one hand the delegation of powers could effectively increase the production and the implementation of laws, on the other hand the risk was to seriously undermine the role of politics. Indeed, in an ideal well-functioning system, the actions of technical experts should remain in a midway position in respect to the political sphere⁴⁷. The operations of technicians should be limited within the objectives set by the political counterpart, the only sphere assuring accountability before citizens. The policy decisions should then consist in a combination of different perspectives, including the knowledge-based and the political one. However, when technicians escape the control of

⁴⁶ *Ibidem*

⁴⁷ Tortola and Tarlea (2020), *op. cit*

politics, the system is likely to move towards a completely technocratic regime, where political aspects play only a residual role. The risk is then to establish an undemocratic and illegitimate process of decision making. If on the hand the contribution of experts could foster integration and coordination between different political positions, on the other hand an inefficient balance with politics would result in the establishment of a technocratic regime, that is what Tortola and Tarlea defined as “a state of undue dominance by unelected experts over representative politicians in the making of public policy”⁴⁸. When the technocratic approach tends to prevail over the political one, the formal features of representative democracy risk to be undermined, reducing the control of *demos* on the decision-making process, and enhancing the position of a small group of experts.

The constant and unclear reshaping balance among political and technical actions considerably affects the structure of the policy making in the European Union. The co-existing technical and political approaches of the Union interested a considerable part of the literature analysing the European decision-making structure. That is because the increasing specialisation of the European regulatory regime put into question the overall accountability and responsiveness of the European Union, especially when this system is compared with national political systems, which provided an extensive consolidation of the role of the parliaments over the executives⁴⁹. In fact, for a large part of its history the process of European integration has been driven by an elitist class, during which political powers were consecutively transferred at the supranational level. Despite the implementation of the Lisbon Treaty clarified the basic pillars of the European governance⁵⁰, a part of the literature argues that delegation of powers to technical institutions continues to make the overall system undemocratic, non-representative and apolitical. Considering the multi-level feature of the European governance, the increasing delegation of powers to non-elected institutions, and the regulatory nature of their policies, the European decision-making system has been often criticized because of its alleged “democratic deficit”⁵¹.

⁴⁸ *Ibidem*

⁴⁹ Russack, S. (2019) EU parliamentary democracy: how representative?, *CEPS Policy Insights*, n.2019/07, May 2019

⁵⁰ Micossi, S. (2008) *op. cit.*

⁵¹ Maignette, P. (2003) European Governance and Civic Participation: Beyond Elitist Citizenship?, *Political Studies*, 51(1), pp. 144–160

The first argument advocating the democratic shortage of the European system takes into consideration the functions of the European Parliament, the only directly elected body of the Union. Despite the co-legislative role that the European Parliament acquired after the enter into force of the Lisbon Treaty and the implementation of the Ordinary Legislative Procedure, its competences are limited compared to ordinary parliaments. If parliamentary systems present a parliament with an independent power of legislative initiative, an executive responsible to the latter, and elected by the people⁵², the European Union do not respect these standards. Indeed, on the one hand the non-elected executive embodied by the European Commission holds the power of legislative initiative and its responsible for the legislation, on the other hand this bureaucratic body results to be stronger than the political and the representative actors. That is because the function of the European Parliament is principally to amend or block legislations proposed by the Commission, and not to introduce new pieces of legislation. If in national systems parliaments are proactive actors in the policy-making procedure, it is argued that the European Parliament is more likely to play a “policy-shaping” function⁵³. While in national parliamentary democracies the control over the executive is achieved through “responsible party government”, in the European Union the shortage of control over the executive results in a separated system of government⁵⁴. Hence, the decision-making process results to be controlled by a non-elected technocratic institution rather than a political actor⁵⁵, not democratically accountable neither to the other institutions nor to the European citizens⁵⁶. That is what is also argued by Juliet Lodge, stating that “the EC policy-making processes are largely dominated by bureaucracies and governments that provide little scope for parliamentary institutions (whether national parliaments or the EP) to intervene and to exercise roles traditionally believed to be the hallmarks of legislatures in liberal democratic politics”⁵⁷. Despite according to art 10.1 TEU “the functioning of the European Union is founded on

⁵² Dahl, R. A. (1998) *On Democracy*, New Haven, CT, Yale University Press

⁵³ Dann, P. (2002) Looking through the federal lens: The Semi-parliamentary Democracy of the EU, *Jean Monnet Working Paper*, 5/02, pp.1-50

⁵⁴ Lord, C. (2003) “The European Parliament, Not a Very European Parliament?”, *Politique européenne*, 9 (1), pp.30-48.

⁵⁵ Majone, G.D. (1998), Europe’s ‘Democratic Deficit’: The Question of Standards, *European Law Journal*, 4, pp. 5-28

⁵⁶ Mair P., Thomassen J. (2010) Political representation and government in the European Union, *Journal of European Public Policy*, 17(1), p.20-35

⁵⁷ Lodge, J. (1989) *The European Community and the Challenge of the Future*, Frances Pinter.

representative democracy”, according to this part of the literature the Union is found to do not respect its basic principles ⁵⁸.

The second argument advocating the European democratic deficit put into question the increasing accreditation of competences attributed to the European Union, especially after the implementation of the Maastricht and the Lisbon Treaties. With the enter into force of the Treaty of European Union, if the principles of conferral, of subsidiarity and of proportionality were declared as organising principles of the European legal order (art.5 TEU), it is also true that increasing significant competences were declared as part of the European domain. This criticism highlights the weak legitimation of the Union itself, especially when considering the powers of the Council. In fact, despite the integration process derives its legitimation from sovereign and democratically accountable national governments that ratified the founding treaties of the European Union, the position of the Council is significantly weaker compared to a supranational actor such as the European Commission, which could be considered as the most proactive player pushing for the centralization of competences. Considering that the Council represents Member States and their interests in the Union, a stronger involvement of the Council in the legislative process would be required to reinforce the general legitimacy of European policies. In order to concretely increase legitimation, the position of the intergovernmental institution directly involving Member States should be enhanced in respect to the supranational component.

The third argument questioning the European democratic shortage calls into question the role of external technocratic agencies with increasing decision-making powers in the Union ⁵⁹. Indeed, important competences are delegated to independent bodies such as central banks and external authorities, which are not part of the three main European institutions, are not directly accountable to voters, and are not strictly linked to the governments, but that however enjoy a certain degree of regulatory powers ⁶⁰. This is particularly the case of the European Central Bank (ECB), created under the Maastricht Treaty, an independent institution that has the power to make regulations that must be implemented at the European and national level without the

⁵⁸ Russack, S. (2019) *op. cit*

⁵⁹ Scicluna N., Auer S. (2019) From the rule of law to the rule of rules: technocracy and the crisis of the EU governance, *West European Politics*, 2 (7), pp. 1420-1442

⁶⁰ Majone, G.D. (1997) From the Positive to the Regulatory State: Causes and Consequences of Changes in the Mode of Governance, *Journal of Public Policy*, 17:2, pp. 139–167.

involvement of national parliaments, European Parliament, or other European institutions⁶¹. In sum, considering that since the Maastricht Treaty the European Union sensibly enhanced its competences and created new independent institutions, the “democratic deficit” argument increased its popularity, criticizing the delegation of powers to non-elected institutions of the Union and advocating for a stronger involvement of representative institutions. While delegation could be justified to respond to the functional need of supranational coordination to create a single market, the regulation of other domains could have been reached with intergovernmental agreements, filling the alleged shortage of legitimacy and accountability that the Union is often accused to ignore.

1.4 The hybrid nature of the European Commission: beyond the “democratic deficit”

While the European Commission is often targeted by the literature advocating the democratic deficit of the multi-level system, other scholars further investigate its role. If reasonably an embryonal evaluation focused on the possible shortage of representation, it is argued that the analysis concerning the position of the Commission in the European system is much more complex. Beyond the criticisms, different co-existing aspects both technical and political in nature should be integrated in the analysis.

Representing the body establishing the supranational regime, the European Commission is defined as the engine of European integration⁶², whose function is to defend the founding treaties of the Union and to represent the interests of the entire community. The Commission can be considered as the most special among the European institutions, as it derives its foundation from Member States, defending however a certain degree of independence⁶³. Ratifying the founding treaties of the Union and accepting the supremacy of the European law over the national one, Member States delegate some significant powers to this institution, loosing competences in certain domestic domains. Being the guardian of the treaties, the Commission has the duty to implement European treaties and to impose to Member States to respect their obligations under European law (art.258 TFEU), with the possibility to start an infringement procedure if the State concerned does not respond to the request of the Commission⁶⁴. Moreover, it enjoys the administrative powers under the European Competition

⁶¹ Gormley, L.W., De Haan, J. (1996) The democratic deficit of the European Central Bank, *European Law Review*, 21, pp. 95–112

⁶² Radaelli (1999), *op cit.*

⁶³ Magnette, P. (2003) *Controler l'Europe – Pouvoirs et responsabilité dans l'Union européenne*, Editions de L'Université Libre de Bruxelles, Bruxelles

⁶⁴ Schmidt, S. K. (2000) Only an Agenda Setter?: The European Commission's Power over the Council of Ministers, *European Union Politics*, 1(1), pp. 37–61

Law (art.101 - 102 TFEU), regulating the actions of Member States in protecting certain sectors from the competition of other States. In fact, the Commission may provide binding directives and decisions to Member States tending to defend their industries. For what concerns its competences in the decision-making process, it is worth to remind that the European Commission enjoys the monopoly of legislative initiative, controlling the overall European agenda-setting, despite being a non-elected body. For these reasons, the Commission is often contested because of its alleged supremacy over the other European institutions, especially the Council representing Member States. Indeed the Council, and also the European Parliament after the introduction of the Ordinary Legislative Procedure, can only request the Commission to present a legislative proposal, whose draft is prepared by the Commission itself. Moreover, as the Council has the power to amend proposals only with a unanimous consent, de facto the propositions of the supranational body are quite rarely subject to change⁶⁵. Furthermore, the Commission has the power to influence policy making because of its interaction with external actors, promoting policies that could be considered as being not part of the interests of Member States⁶⁶. Taking into consideration the practical aspects of the decision-making process and the numerous competences attributed to the Commission by the founding treaties, this institution covers a significant technical position in the European context, playing to some extent part of the executive, legislative and judicial roles⁶⁷.

Despite the overall of its functions, however it is argued that the European Commission should be conceived as a hybrid institution rather than a simply bureaucratic body⁶⁸. That is because on the one hand it is legitimately technical in nature, but on the other hand it is also de facto quite political. If its technical attitude is justified by the functional role attributed by the founding treaties, namely to represent the overall interests of the Union and to coordinate Member States, the intrinsic competences of the Commission highlight the significant political roles that this institution plays during its interactions with other actors that are part of the European system⁶⁹.

⁶⁵ *Ibidem*

⁶⁶ *Ibidem*

⁶⁷ Maignette, P. (2003) *op. cit.*

⁶⁸ *Ibidem*

⁶⁹ Coombes, D. (1970) *Politics and bureaucracy in the European Community*. Allen & Unwin, p. 83

1.4 (a) The political roles of the European Commission

Despite the literature focused on the composition and the operation of the European Commission, often leading to the conclusion that this supranational institution should be considered as a high technical and non-political body, other scholars argued that the Commission also plays several political roles in the European system⁷⁰. The contribution of Pisani, in fact, explained to what extent the Commission covers a dual role: on the one hand this institution has managerial functions, respecting the bureaucratic standards of a technical body, on the other hand it has a political function, organising and coordinating European integration assuming the political leadership of the Union⁷¹. The political roles of the European Commission have been further investigated by Nugent and Rhinard, who proposed an explanatory analysis of the concept of politics within an administrative institution such as the Commission⁷². According to these authors, firstly the Commission plays an ideological political role in the Union. In fact, as the founding treaties identify this institution as the engine of European integration, this line of thought automatically entails that the Commission itself is part of big political process called European Union. As its foundation is based on the ideological project of integrating States, it is argued that the action of this body is moved by a political motivation of Member States. This line of argument is shared also by Mosher, who defines the Commission as a “representative bureaucracy”, representing the public political interests⁷³. Secondly, the Commission acts politically as it is involved in shaping European public policies. This role is based on the founding treaties of the Union, attributing to the Commission the powers of legislative initiative in several domains. Despite being a bureaucratic institution, this prescription confers to the Commission the power to politically decide on the European agenda according to its own priorities. Considering its policy initiation right, it is evident that the evaluation of the Commission could not only be based on a technical approach, but also on a political reasoning⁷⁴. Thirdly, and strictly linked to the second point, it is argued that it is the organisation of the European system itself that makes the Commission politically engaged. That is due to the multi-level structure of the decision-making process: in fact, the Commission

⁷⁰ Hooghe, L. (2002) *The European Commission and the Integration of Europe: Images of Governance*, Cambridge: Cambridge University Press

⁷¹ Pisani, E. (1956) *Administration de Gestion, Administration de Mission*, Française de Science Politique 2, pp. 315–331

⁷² Nugent, N., Rhinard, M. (2019) The ‘political’ roles of the European Commission, *Journal of European Integration*, 41 (2), pp. 203-220

⁷³ Mosher, F. C. (1968) *Democracy and the Public Service*. Oxford: Oxford University Press.

⁷⁴ Nugent, N., Rhinard, M. (2019), *op. cit.*

constantly interacts with other bodies, being engaged in a continuous interinstitutional political debate. Despite covering the role of a bureaucratic actor, the Commission always seats at the table of the decision-making in the Council and in the European Parliament, and this automatically entails the assumption of a political position before the other actors ⁷⁵.

Going back to the competences attributed to the Commission, it could be noticed that the political aspect is present during the performance of all its functions. Firstly, a political evaluation is always present in the agenda-setting function of the Commission, as it proposes new legislations according to the analysis of the European objectives, trying to persuade the Council and the European Parliament to adopt them. Hence, in order to foster cooperation and integration, it is part of the role of the Commission to mobilize political arguments. This argument finds a legal support in art.17.1 TEU, stating that “the Commission shall promote the general interest of the Union and take appropriate initiatives to that end”, but also in the second paragraph of the same article, arguing that “Union legislative acts may only be adopted on the basis of a Commission proposal”. Hence, not only the proposals should be provided by the Commission, but also the amendment should be applied under its political consent. Secondly, the Commission covers an important political role during its interaction with the other European institutions involved in the policy making process. Despite both the Council and the European Parliament enjoy to some extent more democratic legitimacy compared to the Commission, the latter plays a fundamental role in the bargaining process. That is because the Council and the European Parliament, composed by national representatives, are strongly characterised by internal divisions and structural heterogeneity. If on the hand these aspects assure the representation of Member States and reinforce the democratic legitimacy of the overall system, on the other hand their complex composition does not facilitate negotiations. In this context, the Commission plays the role of political mediator, facilitating the policy making and pushing the other institutions towards a common agreement. Hence, despite being the less political institution in a strict sense, the Commission is however an active player during political consultations ⁷⁶. The third political implication of the Commission consists in its continuous tendency in covering other policy sub-fields, which are not strictly incorporated in its primary functions, through the implementation of non-legislative legal acts. Making use of favourable ECJ judgements, a large interpretation of treaty provisions and the European liberal economic context, the Commission substantially foster its intervention in regulating private actors and

⁷⁵ *Ibidem*

⁷⁶ *Ibidem*

governments. This accumulation of powers is due to the political sensitivity of the Commission, which consequently exercises a political influence on domains that are not properly part of its competences⁷⁷.

The technocratic and at the same time political nature of the European Commission significantly affects the integration process in the Union, influencing not only the outcome concerning a given policy, but also the process leading to the latter. Hence, the decision-making process results in a complex path, characterized both by technical and political features. Being a hybrid institution, the European Commission drives the policy making, exercising its control on Member States, and alternating technocratic and political methods during the performance of its functions. This aspect has an important influence on the activities of the Union. In fact, on the one hand the Commission has the power to depoliticize the issues at stake and to respond to them with a technical approach, on the other hand it can also raise the issues at the political level, proposing a coordinated response and engaging Member States in a collective solution⁷⁸. The existence of two antithetical binomials such as technocracy/politics and depoliticization/politicization in the decision-making makes the European Union a chameleonic organization, reshaping its activities adopting different attitudes following a case-by-case approach.

1.5 Depoliticization and Politicization: coexisting models of policy making

Considering that the policies of the European Union have become more and more relevant during the last decades, that a significant increase of the number of supranational agencies have been registered, and that the decision-making system remained at the halfway between a supranational and intergovernmental approach, the co-existence of technical and political tendencies in the policy making became significantly evident. Considering the articulation of the multi-level governance of the European Union, the literature investigated how these two different but, in the same time, synchronic models are implemented at the European level. In fact, if on the one hand in the first decades the process of integration was quasi-exclusively conducted following an apolitical approach, since the Maastricht treaty the European system became much more variable⁷⁹. Enhancing the competences and deepening the democratic

⁷⁷ *Ibidem*

⁷⁸ Vahl, R. (1997) The role of the European Commission, in R. Vahl, *Leadership in Disguise – The role of the European Commission in EC Decision-Making on Agriculture in the Uruguay Round*, London, Routledge

⁷⁹ Bressanelli E., Koop C., Reh C. (2020) EU Actors under pressure: politicisation and depoliticisation as strategic responses, *Journal of European Public Policy*, 27 (3), pp. 329-341

ambition of the Union ⁸⁰, the distribution among technicity and politics increased its complexity. This debate on regional integration interested especially the neo-functionalist and the intergovernmentalist theories, trying to analyse whether the process of coordination was the outcome of the action of supranational actors rather than Member States.

However, other contributions went beyond the analysis of the supranational and intergovernmental powers, explaining how these two models continue to co-exist and to what extent they continuously reshape their relationship in the policy making process. In this sense, the analysis moved its theoretical focus, that was mainly based on a simple evaluation of the power balance between actors. If before the central point of the research were the European actors, now the goal is to investigate how these actors behave. It is argued that supranational and intergovernmental actors do not follow a precise scheme of interaction, but rather reshape their positions in the European arena according to internal or external factors, adopting alternatively a top-down or a bottom-up perspective. Hence, they modulate the degree of coordination depending on various aspects, affecting in turn the degree of politicization or depoliticization of the European action. In this matter, some theoretical contributions deserve to be deeply presented.

1.5 (a) The identity perception for a “constraining dissensus”

Going beyond the simple binomial neo-functionalism/intergovernmentalism, Hooghe and Marks proposed a new theory of regional integration, trying to explain how political choices are made in a multi-level system⁸¹. Letting aside the theories tending to reduce the European complexity to an evaluation of the stronger and weaker actors in the Union, these authors argued that the action of the European Union is driven by the perception of identity of Member States, impacting the nature of governance. Starting from the assumption that the goal of European governance is to achieve collective benefits and that this automatically entails the need of the existence of a strong feeling of community, Hooghe and Marks sustained that cooperation rarely coincides with the territorial perception of community ⁸². In this sense, the European actions result to be divided, with on the one hand the willingness to act collectively and on the other hand the desire of Member States to defend a part of their powers. Hence, it is the identity perception that moves Member State towards a supranational rather than an intergovernmental

⁸⁰ Weiler, J. H. H. (1991). Problems of legitimacy in post 1992 Europe, *Aussenwirtschaft*, 46 (3/4), pp. 411–437.

⁸¹ Hooghe, L., Marks, G. (2009) A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus, *British Journal of Political Science*, 39 (1), pp. 1-23

⁸² *Ibidem*

approach. Hooghe and Marks defined their theory as post-functionalism, as on one side they share with neo-functionalism the view of functional authority, on the other side they argued that the structure of governance is finally determined by the national political conflicts engaging the conception of unique identity. Hence, political conflicts reshape preferences over European integration, politicizing or depoliticizing the European action. The result is a “constraining dissensus”, namely the polarization of the attitudes of Member States in respect of European integration⁸³. In sum, the supranational or the intergovernmental attitude is influenced by the perception of political parties of Europe itself, resulting in a European action moved by the kind of top-down perspective of Member States.

1.5 (b) Strategic responses for an “enabling dissensus”

Despite the literature often pointed out the different types of actors that are respectively involved in the policy making process, other authors argued that the European policy making process is not shaped by technocrats or politicians, but rather by different logics conceptualizing the possible solutions to better respond to a given issue. Going beyond the conception of democratic deficit, it is argued that the policy making in the European Union should not be classified as a technocratic or a political regime. It should be considered as a dynamic spectrum, combining different approaches according to the circumstances. If according to Hooghe and Marks the action of the Union depends on the identity perception of Member States, the model presented by Radaelli⁸⁴ suggests that the two variables affecting the emergence of one type of model instead of another are the political salience and the degree of uncertainty of the issue under discussion. The salience entails the stronger or weaker involvement of the public opinion and political parties, making the matter more or less political. Hence, the general public interest affects the politicization of a problem. According to these authors, another dimension that should be considered is uncertainty, that affects the perception of the issue at stake and influences the required degree of expertise to provide effective solutions⁸⁵. When policy problems are visible to the public opinion and solutions are available at low cost of expertise, the mode of operation is mainly political. On the other hand, when information is not available at low cost, the supranational approach is straightened in respect to the political one, leading to the participation of experts and knowledge to provide possible policy solutions. Hence, general interests and knowledge are always present, but combined in a different way in the policy

⁸³ *Ibidem*

⁸⁴ Radaelli, C.M. (1999) *op. cit.*

⁸⁵ *Ibidem*

making process. The choice for a more politicalised or depoliticised approach depends on the perception of the single issue at stake, which characteristics require a diverse method to reach the more effective solution. The shift between one approach to another is affected by the interpretation of policy dilemmas, which in turn influences the representation of problems by the different actors. Consequently, the policy responses and the relationships of interaction among actors are constantly subject to change.⁸⁶

Sharing the point of view of Radaelli, which argues that depoliticization and politicization are part of the same system, Bressanelli⁸⁷ goes further in the analysis, assuming that the European Union adopts one or the other approach depending on the strategy to put in place to provide an effective solution to the issue at stake. Going against the top-down theory provided by Hooghe and Marks, Bressanelli argues that the approach is rather bottom-up. Considering that the European system entails the presence of different actors interacting in a multi-level governance, the relationships among them is reshaped according to the issue at stake. Hence, the European response is subject to change according to the problem that need to be solved. Consequently, this argument confirms the volatility of the European approach and the continuous reshaping of the system. Following the strategic line of argument, it is argued that European actors intentionally change the behavioural and procedural structure at the supranational level, moving the degree of politicization according to the goals. Shifting the status quo at the supranational level, the depoliticized strategy aims to underline the need for a coordinated response, recognizing the necessity to increase communication only among technical actors. In this situation, the power is concentrated in the hand of supranational institutions, whose task is to conduct a problem-driven analysis, using technical terms, involving experts to provide efficient solutions⁸⁸. Conversely, European actors can also choose to move the status quo in the hearth of politics, increasing the politicisation of the issue under discussion⁸⁹. Hence, the decision-making moves to be highly technical to highly political, fuelling the participation of political parties and civil society. This choice is mainly driven by the fact that actors could consider eventual political conflicts as high beneficial to solve the problem at stake. In sum, on the one hand the contribution of Hooghe and Marks proposes a new perspective, advocating the

⁸⁶ *Ibidem*

⁸⁷ Bressanelli E., Koop C., Reh C. (2020), *op. cit*

⁸⁸ *Ibidem*

⁸⁹ *Ibidem*

“constraining dissensus”⁹⁰ of Member States towards European integration, shifting their behaviour according to the identity perception of the community. On the other hand, rejecting this argument, Bressanelli argued that the attitude of Member States before supranational institutions is much more similar to an “enabling dissensus”⁹¹, since the European choices depend on the kind of bottom-up pressures to which the overall system is exposed.

⁹⁰ Hooghe, L., Marks, G. (2009) *op. cit.*

⁹¹ Bressanelli E., Koop C., Reh C. (2020), *op. cit*

CHAPTER II

European integration through the crises in the 2000s: comparing the Eurozone crisis and the Covid-19 pandemic

The theoretical analysis proposed in Chapter I tried to exhaustively shed light on the several contributions provided by the literature investigating European integration, evaluating the integrative nature of the European process towards the enhancement of coordination and cooperation among Member States. Since the creation of the Union, political scientists examined the peculiar features of the European multi-level governance, attempting at clarifying the methods of distribution of powers among the different actors playing a role in the European arena. Despite the increasing number of legal provisions and regulations aimed at implementing a more stable policy-making procedure at the European level, the power balances, and the distribution of competences between supranational and intergovernmental actors remain a quite complex issue. On the one hand, the difficulty in establishing a system of mutual cooperation between co-existing actors is intrinsically due to the peculiar organigram of the European multi-level governance, presenting both a supranational executive, non-elected and technical in nature, such as the Commission, and political institutions representing the interests of Member States and those of European citizens such as the Council and the European Parliament. On the other hand, the system is challenged by the sensible enlargement of policy domains regulated at the European level, reducing the domestic competences of Member States, and enhancing the role of supranational institutions. The combination of these aspects put into question the nature of the European system itself, as it results in a combination of technical and political institutions, regulating together several policy areas. The co-existence of naturally different actors playing in the European arena moves the debate towards a more intricate evaluation, namely how supranational and intergovernmental institutions interact during the policy making process. Despite the common interest of supranational and intergovernmental institutions to reinforce regional integration and to enhance the European position in the international arena, the approaches provided by the Union to respond to the policy challenges present both technical and political features. This aspect particularly influences the interinstitutional relationships between European actors, in turn affecting the nature of the actions of the Union. If in theory the concept of European integration should entail a constant and stable governmental organization, in practice the presence of different actors playing a role in the decision-making

process affects the relationships among European institutions, which are continuously subject to change.

Taking into consideration the contributions of Radaelli and Bressanelli presented in the previous Chapter, arguing that the political or technical approaches at the European level depend on the kind of bottom-up pressures to which the overall system is exposed, Chapter II proposes a theoretical evaluation of the notion of crisis, as it could provide a more extensive comprehension of the balance between technical and political engagement of the Union. In this sense, the nature of European integration will be reconsidered, taking into account the influence that external pressures can put on the European multi-level governance. Considering critical junctures as moments punctuating political development and contributing to the institutional path-dependency, a methodological conceptualization of the possible variables affecting the nature of crisis will allow to understand the factors triggering changes and fuelling institutional development. The analysis of the diverse intrinsic characteristics of critical junctures will permit to evaluate the causal inference between crisis and change, leading to a more concrete explanation concerning the activity and the behaviour of actors experiencing moments of uncertainty and instability. In order to prove how crises can have an impact on institutional development, this Chapter proposes a comparative analysis of two peculiar historical moments, whose complexity required policy solutions adopted at the European level: the Eurozone crisis and the Covid-19 pandemic. The analysis of the main characteristics of these crises are necessary to highlight the causes affecting the action of the European multi-level governance and the consequences that the related responses have had on the interinstitutional relationships. Hence, the conceptualization of the most influential elements characterising different critical junctures should be considered as necessary prerequisites to subsequently proceed to the evaluation of the related European responses, and of the consequent redistribution of the balance of power among actors. While Chapter II will mainly focus on the conceptualisation of crises and on the measurement of the most influencing factors which are likely to affect the policy-making approach at the European level, the assessment of the political consequences triggered by the respective crises will be reported in Chapter III.

2.1 European integration through crises

Since the creation of the European Community in the '50s, the life of the European Union has been shaped by crises, namely moments generated by difficulty and hard times needing a

solution to re-establish social and political order⁹². That is also what was predicted by Jean Monnet in his memoirs, stating that “Europe will be forged in crises and will be the sum of the solutions adopted for those crises”⁹³. Despite a part of the literature considers crises as useless analytical categories to explain the path towards European integration since its intrinsic characteristics reflect moment of alteration, Seabrooke and Tsingou reasonably consider crises as part of the everyday life in European politics⁹⁴. Indeed, analysing the history of European integration, it can be argued that since its creation the European integrative process has been constantly marked by situations of distress. In fact, even the origins of the integrative project should be considered as the direct outcome of an international crisis, “starting the redefinition of power relations between nation States on the European continent”⁹⁵. To respond to the crisis caused by the Second World War and to grant peace throughout the continent, the six founding Member States agreed to pursue a process of sectoral economic integration, establishing the ECSC in 1951 and the EEC in 1957. If on the one hand, from a functionalist perspective, the creation of a supranational structure of decision-making was due to the common interests of Member States, it is also true that the establishment of such institutional framework is strongly related to the experience of a disruptive structural crisis.

The experience of crises not only led to the initial deepening of European integration, but also triggered the spatial enlargement of the European project. Indeed, if at the beginning of the integrative plan many countries were sceptical concerning the creation of a supranational order establishing the Economic and Monetary Union (EMU), after the experience of oil crisis in the ‘70s and the increasing unemployment and inflation rates, not only third parties expressed their interest in joining the European Union, but also Member States revised their position concerning the strength of policy coordination. In fact, in the early ‘80s the Union registered a substantial enlargement of Member States, signing as well the Single European Act (SEA), a single market programme created under the leadership of the then President of the European Commission Jacques Delors. After the acceleration of the path towards integration with the SEA, in the early ‘90s the European Union entered a new stage, namely after the end of the Cold War. The dismantlement of the Berlin Wall, the reunification of Germany and the collapse

⁹² Coman, R. et al. (2020) *op.cit.*

⁹³ Monnet, J. (1978) *Memoirs*, London: William Collins.

⁹⁴ Seabrooke, L., Tsingou, E. (2019) Europe’s fast- and slow-burning crises, *Journal of European public policy*, 26 (3), pp. 468–481

⁹⁵ Fabbrini, S. (2015) *Which European Union?: Europe after the Euro Crisis*. Cambridge: Cambridge University Press

of communism in Central and Eastern European countries constituted a new moment of change in the European scenario. This historical moment is considered by Fabbrini as a significant critical juncture, leading to the ratification of the Maastricht Treaty in 1992⁹⁶. Increasing the European competences, redistributing powers to the European Parliament, to the Council, and creating the EMU, Maastricht is the result of new role that Europe started to play in the international arena, namely to grant peace to the entering countries and to assure the respect of the rule of law in the Western world.

The most important crisis that the Union faced in the 2000's is the Eurozone crisis, since it has constituted a turning point calling for a redefinition of the European economic governance⁹⁷. Considering the failures of EMU in coordinating monetary policies and occurring in structural reforms to labour markets and welfare states⁹⁸, European actors reformed the Eurozone area reinforcing the rules on fiscal discipline, improving coordination of macroeconomic policies, and creating mechanisms of assistance to financially weaker Member States. As argued by Jones et al., the Eurozone crisis reshaped the European economic and financial landscapes, imposing a series of reforms to respond to the structural fiscal instability affecting a part of Member States and fuelling a rapid period of deepening integration⁹⁹. The Eurozone crisis was not the only crisis of the decade, as in 2015 a new emergency involved the Schengen area. The influx of refugees passing European borders generated tensions among Member States, since some of them demanded to restore controls at the internal borders to avoid illegal circulation of migrants. Facing an important humanitarian crisis and a significant disappointment of Member States, the year 2015 raised concerns about the general commitment to European fundamental values, since it revealed both the limits of solidarity and integration among European countries¹⁰⁰. Five years later, in 2020, the European Union faced probably the most impacting crisis of the last decades: the Covid-19 pandemic. The health crisis, which immediately shifted towards an important economic crisis, entailed a rapid change in policies and process in the affected domains, influencing European integration and deepening the collaboration of Member States.

⁹⁶ *Ibidem*

⁹⁷ Coman, R. et al. (2020) *op.cit*

⁹⁸ Dyson, K. (2000) EMU as Europeanization: Convergence, Diversity and Contingency, *Journal of Common Market Studies*, 38(4), pp.645–666

⁹⁹ Jones, E., Kelemen, R. D., Meunier, S. (2016) Failing Forward? The Euro Crisis and the Incomplete Nature of European Integration, *Comparative Political Studies*, 49(7), pp. 1010–1034

¹⁰⁰ Grimm, A., My Giang, S. (2017) *Solidarity in the EU: A Fundamental value in Crisis*. Cham: Springer

2.1 (a) Integration theories and explanations of crises

The considerable number of crises experienced during the decades put pressure not only on the overall European policy making, but also on the literature theorizing European integration¹⁰¹. Despite the goal of the theories of European integration is to explain the dynamics of the process, the analysis concerning the conditions under which the integrative path occurs remains a quite challenging topic for the literature. Indeed, integration theories sensibly differ not only with regard to the origins and causes of crises, but also for what concerns mechanisms reshaping the governance and the outcome that the impact can produce at the policy making level.

According to the intergovernmental perspective, Member States are the major actors of the integrative process, reshaping it according to their national interest¹⁰². Adopting the same approach both during the evaluation of moments of “stability” and moments of crisis, intergovernmentalism argues that the design of European integration depends on domestic preferences of Member States. Indeed, international challenges can change the intergovernmental interests and the power of Member States, influencing in turn integration. Hence, only if Member States are unable to deal with the crisis on their own and if a more coordinated response is likely to foster their position in the political arena, they could delegate the power at the supranational level. In this sense, the delegation of competences to supranational institutions is strictly linked to possible maximization of benefits that Member States can achieve. Consequently, the more they value their bargains and the more they are concerned about their domestic political situation, the more they are willing to strengthen the position of the European Union, with aim at stabilizing and protecting their substantive interests¹⁰³. According to the intergovernmental theory, the integration outcome after the experience of a crisis depends on the preferences of Member States, and the perception they have had of it. In sum, integration process and supranational actors remain instruments under the control of Member States, reshaping their relationship with other institutions according to their constellation of preferences¹⁰⁴.

¹⁰¹ Schimmelfennig, F. (2017) Theorising crisis in European integration, in D. Dinan, N. Nugent, W. Paterson (eds.) *The European Union in Crisis*, Basingstoke: Palgrave Macmillan, pp. 316–336

¹⁰² Hoffmann, S. (1966) *Obstinate or Obsolete? The Fate of the Nation State and the Future of Western Europe*, *Daedalus*, 95(4), pp. 861-898

¹⁰³ Moravcsik, A. (1993) p. 510

¹⁰⁴ Schimmelfennig, F. (2017) *op. cit.*

At the opposite spectrum in respect to the intergovernmentalist theory, the neo-functionalism argues that supranational actors are extremely relevant actors, since crises are significant moments to push their functional scope, reinforcing the level of centralization and expanding their competences¹⁰⁵. Basing its evaluation on an historical institutionalism perspective, the neo-functionalism assumes that integration is driven by spill-over and path-dependent evolution. Integration is considered as a complex dynamic process, since Member States may shape integration delegating powers, but are then unable to control the development of the already delegated competences. The transfer of powers at the supranational level implies the development of preferences and capacities of supranational actors of their own. The spill-over effect theory is also applied during moments of crises, as it creates further demand for integration, automatically reinforcing the position of supranational institutions. In this sense, crises can be considered as attractive situations for high level actors, as they strengthen their role in respect of Member States, often unable to deal alone with moments of uncertainty. To some extent, crises are a window of opportunity for supranational actors to institutionalize their actions and stabilize the path forwards stronger integration¹⁰⁶. In this sense, crises are not considered as shocks, but rather as an integrating part of the integrative dynamics¹⁰⁷.

Rejecting both the intergovernmental and the supranational approach, the post-functionalist perspective assumes that the focus on the functional, the efficiency-based rationale and the interest bargaining does not provide an effective presentation of the path towards European integration. Conversely, it is argued that integration crises are characterized by politicization, meaning the salience of the issue under discussion, the quality of actors involved, and the degree of polarization on European integration¹⁰⁸. That is due to the fact that the Union has extended its competences in core areas of state sovereignty, producing effects in sensitive domestic policy domains and increasingly involving the public opinion¹⁰⁹. During crises, the perception of the public opinion in respect to the European Union strongly depends on the degree of politicization of the issue at stake. Depending on the salience of the European policies, the actors involved, and the attitude of supranational actors, the public reshapes its position. However, if the neo-functionalist perspective regards crises as useful mechanisms to foster integration, on the other

¹⁰⁵ Lefkofridi, Z., Schmitter, P.C. (2015) Transcending or Descending? European Integration in Time of Crisis, *European Political Science Review*, 7(1), pp. 3-22

¹⁰⁶ Schimmelfennig, F. (2017) *op. cit*

¹⁰⁷ Schmitter, P. (1970) A revised theory of regional integration, *International Organization*, 24(4), pp. 836–868

¹⁰⁸ De Wilde, P. (2011) No polity for old politics? A framework for analyzing the politicization of European integration, *Journal of European Integration*, 33(5), pp. 559–575

¹⁰⁹ Hooghe, L., Marks, G. (2009) *op.cit.*

hand the post-functionalist approach expects negative outcomes, undermining the path towards cooperation and increasing the level of dissatisfaction of Member States and more generally of the public opinion.

2.1 (b) European governance facing crises: beyond the theories

Taking into consideration the several crises affecting the action of the European Union during the last decades, a considerable number of studies tried to interpret institutional innovation in the European Union applying the most influential theories of European integration during moment of crises. Despite the attempt to establish which kind of theory would effectively explain the changing dynamics of the decision making in the Union, the considerable number of contributions working on the topic of crisis-led European integration suggests that it is not possible to apply a single integration theory to evaluate the variety of policy making approaches triggered by the crises that the Union faced¹¹⁰. What is generally recognized by the literature is that the main theories explaining European integration such as intergovernmentalism, neo-functionalism and post-functionalism are not sufficiently inclusive to find explanations on the way how the European Union politically acts during moments of crisis. Instead of comparing different theoretical models, the analysis of the literature moved towards a more complex evaluation, combining and alternating models depending on the critical circumstances under discussion¹¹¹.

Trying to explain which kind of theoretical contribution dealing with European integration could effectively provide an efficient evaluation of the European governance adopted during moments of crisis, the main question for scholars investigating integration concerned the nature of factors driving a certain behaviour of Member States and the actions of supranational institutions. In other words, scholars tended to investigate who has politically driven the process of decision-making during crises and how¹¹². The decision-making methods that have been especially considered are the supranational and the intergovernmental ones. The former places supranational institutions such as the Commission and non-state actors such as the ECB at the centre of the decision-making, deepening integration through policies highly technical in

¹¹⁰ Ferrara, F.M, Kriesi, H. (2021) Crisis pressures and European integration, *Journal of European Public Policy*, pp. 1-24

¹¹¹ Saurugger, S. (2016) Politicisation and integration through law: Whither integration theory?, *West European Politics*, 39(5), pp. 933–952

¹¹² Schmidt, V.A. (2020) Theorizing institutional change and governance in European responses to the Covid-19 pandemic, *Journal of European Integration*, 42 (8), pp. 1177-1193

nature. The latter stresses the role of Member States represented in the Council, fostering cooperation in particular policies area¹¹³. This binomial supranationalism/intergovernmentalism was mainly used to understand the power relations between European actors during moments of crisis. However, this division do not provide a concrete evaluation of the European response to face instability as a whole. The power balances among actors do not take into consideration the continuous evolutionary process of the European Union, influencing in turn the interaction among European actors. Notwithstanding the balance of powers, the integrative process has reinforced the interaction and the interdependency between diverse institutions. Hence, interaction should not be considered as a struggle of interest-based power, but rather as a dynamic and evolutionary process¹¹⁴. In this sense, it is suggested to consider the different theories of European integration as complementary part of the same puzzle, each of them explaining both different and co-existing aspects to explain the complexity of the integrative process and the European decision-making. For what concerns intergovernmentalism, we could agree on the fact that Member States reshape their position in respect of European integration according to their domestic preferences, but this does not automatically imply the exercise of control over supranational actors. Conversely, neo-functionalism effectively explains the nature of the path leading to a sensible increase of competences of supranational actors, but it does not take into consideration the political role played by Member States, that still have some power in influencing the direction of the action of the Union. Lastly, if on the one hand the post-functionalist approach interestingly stresses the importance of politicization and the perception of public opinion, on the other hand the salience of European policies not always lead to an increase of scepticism towards the Union. Hence, it is argued that the analysis should move towards a multi-dimensional conceptualization, taking inspiration from the classical theories recombining their building blocks.

In this sense, rather than continuing the debate discussing whether supranational or intergovernmental are in control and if the degree of politicization affects the perception of European integration, the dynamics of interactions among these aspects should be considered along with the alternance of the empowerment of these actors and the reshaping of the common sentiment, especially during crises¹¹⁵. Following this line of argument, the role played by crises

¹¹³ Coman, R. et al. (2020) *op.cit*

¹¹⁴ Schmidt, V.A (2020) *op. cit*

¹¹⁵ White, J. (2019) *Politics of Last Resort: Governing the Emergency in the European Union*, Oxford: Oxford University Press

in reforming the nature of the European multi-level governance do not put into question only the level where decisions are taken, but also the sentiment and the behaviour of actors, influencing in turn the degree of politicization or depoliticization of the issues triggered by the shock. The sense of uncertainty and insecurity triggered by the experience of the crises increases polarization between the two approaches, shifting the heart of the decision-making at the supranational or at the intergovernmental level. Depending on the problem under discussion, on the perception of the community, and the degree of coordination needed to recover from the shock, the leading approach of the European policy making can change in nature, involving different actors and producing diverse responses. Considering that the different theories of European integration do not completely explain the variation of the governance during moments of instability, it is then necessary to evaluate the specific features of different crises in order to evaluate which kind of policy making processes have generated from them¹¹⁶. Hence, this conceptualization focuses on the way how diverse critical pressures promote politicization or depoliticization in crisis resolution, moving the power balance of decision making between supranational or intergovernmental actors. In order to conduct such an analysis, it is then required to evaluate specific case-studies, aiming at reconstructing the possible elements affecting European integration in particular historical moments. Going beyond the theories, it is argued that only the evaluation of different situations could allow to shed light on the nature of the evolution of European integration. Consequently, it is necessary to take into consideration the literature analysing critical junctures to further study institutional development.

2.2 Conceptualization of the study of critical junctures

The alternation between long phases of stability and moments of fluidity has been widely studied by the historical institutionalist doctrine analysing political changes and institutional development. Despite the concept of critical juncture has been applied by a consistent number of topics, the emphasis of the literature was mainly concentrated on the mechanisms of institutional transformism, rather than on the concrete phase of critical juncture¹¹⁷. The analysis substantially focused its attention on the institutional consequences triggered by crises, considering critical junctures as occasional points affecting the institutional evolution. Hence, the goal of the literature was to understand causal links between moments of fluidity and

¹¹⁶ Ferrara, F.M , Kriesi, H. (2021) *op.cit*

¹¹⁷ Pierson, P. (2000) Increasing returns, path dependence, and the study of politics, *American Political Science Review*, 94 (02), pp. 251–267.

institutional choices. Most theoretical studies considered institutions as self-reinforcing entities, building path-dependent processes depending on the alternation of critical junctures. The moment of contingency was conceived as the starting point for institutional path-dependent changes, driven by the trajectories set up by the critical junctures affecting them. The attention was then on the “reproductive” phase, namely the causal mechanisms of institutional changes and their evolution ¹¹⁸.

However, if on the one hand the evolutionary study of institutions could provide an explanation concerning the effects of moments of political uncertainty and volatility, on the other hand this theorization did not put into question the causes leading to such changes. In order to fill this gap and to provide a more effective conceptualization concerning the institutional path-dependent processes, Capoccia and Kelemen further investigated the nature of critical junctures and how their intrinsic features can affect political development¹¹⁹. Hence, the study of critical junctures allowed to respond to the questions concerning institutional development, providing explicative motivations regarding a certain kind of political evolution. Following this line of thought highlighting the significance of the intrinsic features of critical junctures, Capoccia and Kelemen defined crisis as “relatively short period of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest” ¹²⁰. This notion of critical juncture is particularly meaningful, as it stresses two fundamental points: the temporal and causal perspective. On the one hand, it underlines the fact that for a brief period of time agents have the possibility to opt for a change for what concerns their actions. On the other hand, it stresses the eventuality that the actions of agents could have subsequent consequences, triggering other outcomes. Hence, they argue that is the moment of contingency that consequently triggers an institutional path-dependent process, in turn impacting on future choices¹²¹. In substance, depending on the degree of uncertainty of the critical juncture, political actors can redefine their behaviours and their actions. Hence, the study of critical junctures is crucial to carry out institutional development analyses, as the contingent moment is likely to trigger substantial changes in the economic, organizational, and social contexts. Since critical junctures consist in peculiar moments of rupture, it is argued that the analysis should be focused on their different features, since they subsequently affect the perception of contingency and

¹¹⁸ *Ibidem*

¹¹⁹ Capoccia, G., Kelemen, R. D. (2007) The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism, *World Politics*, 59(3), pp.341-369

¹²⁰ *Ibidem*

¹²¹ *Ibidem*

uncertainty of the involved actors. In this sense, according to Capoccia and Kelemen, it is necessary to consider intrinsic aspects of the moment of shock to understand if an event can be considered as a critical juncture, if it has triggered an institutional change, and to what extent it can influence future political changes.

In order to conduct an exhaustive analysis on these issues, firstly the study requires an attentive evaluation on the endogenous or exogenous nature the shock. While the endogenous feature implies an internal collapse due to a high degree of dysfunctionality of the institutional system, an exogenous shock is due to an external cause. Secondly, it is necessary to consider the spatial distribution of the critical juncture. This aspect takes into consideration the degree of symmetry or asymmetry, namely the degree of influence that the crisis exercises on different actors. If symmetry implies an equal level of affection, asymmetry implies an unbalanced impact depending on the actor. Thirdly, the temporal dimension of the crisis should be taken into account, analysing its evolutionary process from a temporal perspective. This aspect is particularly interesting, as on the one hand the initial temporal development of the critical juncture affects the degree of predictability of the impact itself, while on the other hand its duration influences the behaviour of actors hit by the latter. Lastly, the overall degree of uncertainty should be considered. This aspect presents considerable complex features, as it strongly depends on the combination of the three variables previously mentioned. It is argued that the quality of contingency strongly depends on the nature of the shock, the quality of the symmetry of the actors involved, and the temporal evolution of the crisis. In fact, when the crisis is exogenous in nature, impacting several actors in a symmetric way following a fast and unpredictable evolution, the degree of uncertainty perceived by the hit actors tends to be particularly influential. Conversely, during the experience of endogenous and asymmetric shocks relatively slow in their temporal evolutionary process, the perception of uncertainty and political volatility is sensibly reduced¹²².

2.2 (a) Endogenous and exogenous shocks

The first aspect that should be addressed is the existential nature of the shock. The analysis of this aspect is particularly central to understand whether the moment of instability is due to a lack of self-organization of the system or rather to external impact¹²³. Indeed, depending on their origins, critical junctures can be endogenous or exogenous. On the one hand, the endogeneity of a shock implies an internal collapse of the system, due to previously existing

¹²² *Ibidem*

¹²³ Sornette, D. (2004) *Endogenous versus Exogenous Origins of Crises*, Cornell University, pp.1-23

dysfunctional factors that subsequently triggering significant consequences on the overall system, resulting then in a shock. On the other hand, the exogeneity of a critical juncture refers to external factors that, far from being predictable, impact the system. However, it is necessary to underline that the origins of a crisis can even present mixed features, combining endogeneity and exogeneity. In fact, despite originating from an exogenous shock, the crisis can impact the integrative process because of previous endogenous deficiencies of the system. Hence, the exogenous impact is likely to expose already settled endogenous tensions, destabilizing the original construction of the governance¹²⁴. In this sense, while on the one hand the strictly original feature of a crisis is produced at the exogenous level, on the other hand the degree of influence of such shock is the outcome of already existing endogenous instability. While the cause of instability can be attributed to external factors, the consequences produced by some crises are likely to affect the system because of internal dysfunctionalities. For this reason, it is argued that some shocks can be considered as semi-exogenous in nature.

2.2 (b) Spatial distribution

In order to understand whether an event constitutes a critical juncture and how it influences the behaviour and the action of the actors involved, it is necessary to evaluate a precise unit of analysis, namely the institution, the organization, or the structured interaction between diverse organizations or actors that would eventually be affected by the critical juncture. The choice of the unit of analysis is particularly central during in the analysis, as an unexpected shock can not only produce diverse effects on different institutions in a different way, but also leave some of them unaffected¹²⁵. For what concerns international organizations such as the European Union, the choice of the unit of analysis is slightly more complex, since it is necessary to consider the entire multi-level system, composed by supranational and intergovernmental actors. Hence, the evaluation should take into consideration the existence of diverse co-existing institutions, constantly involved in a process of interaction and strongly dependent on each other. Indeed, when a critical juncture affects the decision-making structure at the supranational level, this automatically implies that a considerable implication has been also registered for Member States. As the European Union is composed by 27 Member States, it is then necessary to consider not only the multi-level structure, but also the domestic one, as the national perception of the shock is likely to have some influence at the European level. Despite the founding

¹²⁴ Schimmelfennig, F. (2017) *op. cit.*

¹²⁵ Cortell, A., Peterson S. (1999) Altered States: Explaining Domestic Institutional Change, *British Journal of Political Science*, 29(1), pp.177-203

concept of the European Union is based on coordination, integrating all Member States in a common project, it is necessary to remind that each component unit presents its unique features. If on the one hand Member States of the Union are regulated by common policies, on the other hand the units do not present equal territory, population, economic features, cultural patterns, and domestic systems of governance. Despite being similar thanks to the integrative process promoted by the European Union, significant social, economic, and political peculiarities still divide Member States¹²⁶. During the study of crises affecting the European multi-level system, it is then necessary to consider the spatial distribution of crisis pressures among Member States. That is, Member States may not be exposed to a crisis to a similar extent¹²⁷. Indeed, when there is a high degree of heterogeneity in crisis pressures between Member States, the critical juncture triggers an asymmetrical scenario, as Member States are affected by the crisis in a different way. Conversely, the crisis can produce a symmetrical scenario when all Member States are exposed to the critical juncture in a homogeneous way¹²⁸. Hence, during the study of critical junctures affecting international organizations, it is necessary to consider not only the number of countries affected by the shock, but also the power position of the hit Member States in respect to the others. Hence, the degree of interdependence should be taken into consideration, since crises can produce heavy consequences for certain Member States, letting others less vulnerable. In a few words, it is required to establish the degree of symmetry or asymmetry of the critical juncture in order to investigate whether the shock has triggered an institutional change and a redefinition of power balance among actors. That is especially true when investigating the effects that crises have had in a multi-level system such as the European one, since the diverse degree of pressure experienced by Member States is likely to reshape the interinstitutional relationships. In fact, in order to effectively recover from a crisis, protecting their political position in the international arena, and generally defending their interests, it can be supposed that those Member States that are hardest hit by the crisis are more likely to push towards integration, while the less affected are much more interested in protecting their domestic status quo. In sum, the degree of symmetry or asymmetry of a shock considerably reshapes the Member States' perception of European integration.

¹²⁶ Tarlton, C. D. (1965) Symmetry and Asymmetry as Elements of Federalism: A Theoretical Speculation, *The Journal of Politics*, 27(4), pp. 861–874

¹²⁷ Ferrara, F.M, Kriesi, H. (2021) *op. cit*

¹²⁸ *Ibidem*

2.2 (c) Temporal dimension

The third aspect that needs to be pointed out is the temporal dimension, that however should be interpreted according to two different but interconnected perspectives. Firstly, it is necessary to evaluate the time span during which the shock has originally developed, as it could provide an extensive comprehension of the degree of predictability experienced by the hit actors. An interesting theorization of the significance of the temporal dimension during crisis is provided by Seabrooke and Tsingou, conceptualizing the notion of fast-burning and slow-burning crises. From this perspective, fast-burning crises are considered as instant shocks, whose origins present high degree of unpredictability. On the other hand, slow-burning crises are characterised by a certain aspect of graduality, which automatically implies a more concrete possibility of prevention¹²⁹. In this sense, it is argued that the experience of fast-burning crises is particularly salient to consider the perception of the actors concerned in the crisis, as it affects their sensations and behaviours facing unexpected moments of contingency. Hence, revolutionary and unpredictable shocks should be preferred to understand the causal inference between the event and its political consequences. Secondly, the absolute duration of the critical juncture itself should be considered, as it has an impact on the possible actions of actors. Indeed, the longer and unpredictable is the impact of the critical juncture, the more political decisions have the chance to substantially affect the interinstitutional behaviour. Depending on the temporal intensity and the necessity of immediate responses, short-term or long-term actions can be put in place, affecting in turn the quality of the relationships among actors.

2.2 (d) Uncertainty driving politicization

The last aspect that should be considered in order to understand the causal inference between critical juncture and institutional development is the degree of uncertainty triggered by the crisis. Despite political scientists have the tendency to analyse the power relations between actors, this kind of conceptualization can only partially be applied during the evaluation of the consequences triggered by a moment of high contingency. Indeed, in certain peculiar circumstances the main issue at stake is not the competition for power among institutions, but rather the incapability to find solution to recover from an unexpected shock¹³⁰. Hence, it is argued that the higher the degree of uncertainty concerning the knowledge of the issue and the related possible political solutions to it, the more actors puzzle over public policy. According

¹²⁹ Seabrooke, L., Tsingou, E. (2019) *op. cit*

¹³⁰ Radaelli C.M (1999) *op. cit*.

to Kamkhaji and Radaelli, depending on the degree of uncertainty and unpredictability of crises, actors are supposed to perceive the critical juncture in a different way, modifying the path towards institutional change¹³¹. This theorization follows a behaviour-oriented approach, as it conceptualizes the causal relationship between crises and policy change according to the perception of actors in response to contextual variations. Depending on the original nature of the shock, its spatial distribution, its temporal dimension, and the consequent degree of predictability, uncertainty, actors are supposed to experience different levels of contingent perception of the critical moment. Hence, the feeling of uncertainty is likely to polarize the behaviour of political actors, pushing towards a more centralized rather than a more individualistic action according to the situation that better fits for their interests. Following this line of argument, according to these authors¹³², the central point that needs to be measured is the perception of the crisis, as it constitutes the essential element to explain and to investigate the different kind of institutional development. In this sense, the perception of the crisis and the degree of uncertainty triggered by the latter affects in turn the politicization of the issue at stake, influencing the decision-making process and the actors working on it. This includes the procedures, the rules, and the practices making up the functioning of political institutions. From this perspective, the degree of politicization refers to the influence of politicians in the policy making, redistributing the decisional power of bureaucrats, experts, and national governments¹³³. Hence, depending on the nature of crisis, its spatial dimension, and its temporal distribution, Member States can perceive the shock in different way, fostering a change in the behavioural approach towards decision-making, increasing or decreasing the role of political and technical European institutions. If the degree of politicization per se does not automatically imply a stronger or weaker commitment of Member States for European integration, however it can be argued that is the perception of Member States in respect to the role of European supranational institutions to affect the integration process and the attitudes of Member States vis-à-vis the Union¹³⁴.

¹³¹ Kamkhaji J.C., Radaelli C.M. (2017) Crisis, learning and policy change in the European Union, *Journal of European Public Policy*, 24 (5), pp. 714-734

¹³² *Ibidem*

¹³³ De Wilde, P. (2011) *op. cit*

¹³⁴ Schimmelfennig, F. (2017) *op. cit.*

2.3 Hypothesizing crisis-led European integration

Considering the historical evolution of the process towards European integration, a considerable part of the literature investigating the integrative European path focused its analysis on the role that crises have played in reshaping the multi-level governance scenario. A definition that is interesting to report is proposed by Zeitlin et al., defining the European governance as a system modelled by “polycrisis”¹³⁵. Despite being further analysed in their theoretical contribution, the term was coined by the President of the European Commission Jean-Claude Juncker in 2016, making reference to multiple challenges that the European Union has experienced during the decades, from “the worst economic, financial and social crisis since World War II” through “the security threats in our neighbourhood and at home, to the refugee crisis, and to the UK referendum” that “feed each other, creating a sense of doubt and uncertainty in the minds of our people”¹³⁶. Despite not being a scholar dealing with European integration, the former President of the European Commission Juncker interestingly stressed the two main aspects that should be considered as particularly central to understand the evolution of the European integrative process. On the one hand, he stressed the significance of moments of crisis, whose peculiarities are likely to polarise and reshape the European action. On the other hand, he underlined the influence of the consequent perceptions of policy makers and public opinion. As defined by De Wilde et al.¹³⁷, the perception and the opinions of Member States in respect of European integration fuel the degree of politicization or depoliticization of the European issues, pushing towards a stricter conception of coordination rather than a more isolating and autonomous idealization of national politics. The combination of moments of general uncertainty triggered by crises and the political salience of the issue at stake is likely to affect in turn the unity of the European Union, reshaping the attitudes of Member States towards a more egoistic rather than a more supportive behaviour. Being the driving sentiment of the political action particularly crucial during crises, it is argued that the behavioural approaches of Member States are reshaped according to their necessities and interests. Despite being part of a common European project, the support for European integration is subject to change, depending on the circumstances and on the position of every single Member States. This concept is

¹³⁵ Zeitlin, J., Nicoli, F., Laffan, B. (2019) Introduction: the European Union beyond the polycrisis? Integration and politicization in an age of shifting cleavages, *Journal of European Public Policy*, 26 (7), pp. 963-976

¹³⁶ Juncker, J.C. (2016) Speech at the annual general meeting of the Hellenic federation of enterprises, Athens, 21 June, available at http://europa.eu/rapid/press-release_SPEECH-16-2293_en.htm.

¹³⁷ De Wilde, P., Leupold, A., Schmidtke, H. (2016) ‘Introduction: the differentiated politicisation of European governance’, *West European Politics*, 39(1), pp. 3–22.

synthesized by the term “polycleavage”, coined by Zeitlin et al., arguing that diverse issues can polarize actors in different ways, mobilizing a certain kind of political attitude according to the matter under discussion¹³⁸. Moreover, considering the European multi-level governance, the degree of politicization occurs within as well as between Member States, affecting the relationships of actors both at the supranational and at the intergovernmental level. In this sense, the European political system becomes increasingly characterized by temporary alliances, supporting each other depending on the single situation. In sum, going beyond the classical theories of European integration, it is argued that the European policy making, and the interinstitutional relations, are particularly vulnerable to change and instability, altering the European-level dynamics.

To further investigate under which conditions a considerable degree of uncertainty affect the perception of political actors, leading the latter to reshape their inter-relationships, the following paragraph proposes a comparative analysis of the Eurozone crisis and the Covid-19 pandemic, in order to evaluate which crisis brought about reinforcing the union among Member States and the general position of the European Union. These two crises are particularly relevant to provide an assessment of European integration facing moments of instability, as they sensibly affected the European system and its integrative project. Indeed, both the Eurozone and the Covid-19 crises sensibly marked the European political context, triggering some radical changes not only from the point of view of the decision-making, but also of the perception of the community concerning the role of the European Union. Before evaluating the nature of the evolution of European integration triggered by the experiences of these two crises, it is necessary to deconstruct these historical moments, highlighting their respective features. As already mentioned in the previous paragraphs, different independent variables will be considered. Firstly, the exogenous or the endogenous origins of the Eurozone crisis and the Covid-19 pandemic will be assessed, analysing whether these shocks derive from external or internal factors. Secondly, the spatial distribution of the influence of these crises will be taken into account, measuring the quality of symmetry and the number of countries involved. This variable will consider not only the quantitative aspect of the spatial distribution, but also the entity of the hit Member States. In this sense, the nature of interdependence and the bargaining powers of Member States will be assessed, evaluating whether crises affect different actors and their related interests. Thirdly, the Eurozone crisis and the Covid-19 pandemic will be evaluated from a temporal perspective, considering the time span during which the impact has originated

¹³⁸ Zeitlin, J., Nicoli, F., Laffan, B. (2019) *op. cit.*

and the subsequent duration of the affection. Lastly, these three aspects will be combined to evaluate the degree of uncertainty and unpredictability of both crises. Uncertainty will be measured taking into consideration not only the perception of Member States, but also of institutions, expected to provide effective solutions to recover from the crises. Providing a comparative analysis of the Eurozone crisis and the Covid-19 pandemic, three main hypotheses will be sustained:

H1: The semi-exogenous origins of the shock, its asymmetrical spatial distribution, and its predictable temporal evolution promote an unequal sentiment of uncertainty among Member States and a national interests-based political approach at the European level. The intrinsic features of the Eurozone crisis and the consequent European response confirm this tendency.

H2: The exogenous origins of the shock, its symmetrical spatial distribution, and its unpredictable temporal evolution promote a common sentiment of uncertainty among Member States and a solidarity-based political approach at the European level. The intrinsic features of the Covid-19 pandemic and the consequent European response confirm this tendency.

H3: Depending on the perception of uncertainty of Member States vis-à-vis crises, intergovernmental relations are constantly redefined during the negotiating process. Since the European action is affected by the distribution of bargaining powers among Member States, the latter constantly reshape their conception of European integration.

2.4 Eurozone Crisis

2.4 (a) A semi-exogenous shock

For what concerns its origins, the Eurozone crisis originated from an exogenous shock. In fact, it goes back to the United States, the first country experiencing a deep financial crisis and a consequent economic recession. Considering the linkages between the American and the European financial markets, the European banks were consequently involved in the crisis. Some countries of the Eurozone lost the confidence of bond markets, triggering bank bailouts, credit squeeze and an impressive sovereign debt. In a few words, some European countries were on the edge of bankruptcy. Despite the economic shock is exogenous in origin, some aspects related to the Eurozone crisis are strongly due to homemade deficiencies of the European Monetary regime. In fact, the macroeconomic integration implemented by the EMU did not

provide effective instruments to regulate the economic stability of 27 Member States. The idea was to liberalize capital markets in the European Union, delegating monetary policy to the ECB, whose task was to ensure price stability through Member States with the unique currency. However, since Member States still had substantial control on fiscal policy and on national banks, the European monetary governance continued to present some structural deficits. Despite the implementation of the Stability and Growth Pact in 1997 to commit Member States in respecting the European fiscal discipline, the economic situation of Member States did not totally respect what had been settled at the European level. Furthermore, the EMU did not offer effective European programs or rules to rescue Member States in case of debt crisis¹³⁹. To some extent, the fiscal fragility of national banks was already clear before the hit of the Eurozone crisis. Consequently, when the crisis hit, the financial systems broken, requiring ongoing bailouts to save domestic banks¹⁴⁰. These bailouts exponentially increased sovereign credit risk of Member States, triggering instability of banks and distrust of financial markets, in turn intensifying the gravity of the crisis. Despite the huge amount of payments that the most affected Member States faced to save national banks, no effective rescue plan was implemented. In fact, Eurozone countries could neither devalue the currency nor rely on fiscal support from the monetary union. In this sense, if on the one hand the Eurozone crisis originated from an exogenous shock produced in the United States that only subsequently developed in Europe, on the other hand it could be argued that the severity of the situation has been considerably fuelled by endogenous deficiencies. That is the reason why here the Eurozone crisis it is classified as a semi-exogenous shock. Despite the financial breakdown, the situation of Member States sensibly worsened because of the lack of adequate European policy instruments to prevent and eventually recover from such impacts. Hence, the lack of effective EMU rules and the absence of adequate European financial mechanisms to ensure stability throughout Member States should be also considered as part of the causes of the economic crisis. Hence, the Eurozone crisis should be considered not only as a massive financial breakdown of national banks, but also as a considerable structural crisis, since it highlighted the significant deficiencies of the European Monetary Union.

¹³⁹ Copelovitch, M., Frieden, J., Walter, S. (2016) The political economy of the Euro crisis, *Comparative Political Studies*, 49(7), pp. 811–840

¹⁴⁰ Acharya, V., Schnabl, P., Drechsler, I. (2011) A Pyrrhic victory? Bank bailouts and sovereign credit risk, *NBER Working Paper 17136*, Cambridge: National Bureau of Economic Research.

2.4 (b) Spatial distribution: an asymmetric shock

For what concerns the spatial distribution of the crisis, two elements should be taken into consideration: on the hand the number of countries hit by the shock, on the other hand the intergovernmental bargaining on how Member States of the monetary union would distribute the costs triggered by the economic crisis. From a merely distributional perspective, it is true that during the Eurozone crisis all Euro-states suffered at least some economic consequences, but the effects on national financial markets were significantly unbalanced. That is essentially linked to the fact that the monetary union brought together countries pursuing different economic strategies. Despite the common currency, the Eurozone was divided into two groups of countries: the “northern coalition” composed by Germany, Austria, Finland and the Netherlands, whose economic systems were based on supply-side, export-led growth, competitiveness, and productivity, and the “southern coalition” composed by Spain, Italy, Greece, and Portugal, pursuing a demand-led growth strategy based on fiscal expansion and wage inflation¹⁴¹. Consequently, the Euro financial system was constituted by a part of countries with considerable economic resources, while others affected by a high degree of fiscal vulnerability. The significant economic heterogeneity affecting Member States of the monetary union was worsened by the ineffective system proposed by the EMU, letting the responsibility for rescuing domestic banks with Member States. Considering this context, it is clear that the shock that followed the United States crisis of 2008 triggered different economic consequences depending on the single Member State. In fact, facing the Eurozone crisis, the “northern coalition” still shared a positive fiscal position and a favourable balance-of-payments, while the “southern coalition” was in a worse position, with a high public debt, less wealthy, and under considerable pressure from the financial market¹⁴². Despite the already unequal economic situations of Euro countries, the economic crisis highlighted the existing cleavages among countries. The negative interdependence and the increasing economic distances among Member States led to national conflicting views on the means of saving the Eurozone from the crisis and consolidating the role of the EMU. The crisis affected especially the preferences and the political position of Northern countries, basically reluctant to assist Southern countries and to jeopardize their domestic situations. In spite of providing assistance to the most hit countries, Germany demanded the adjustment of the economic situation through the implementation of

¹⁴¹ Hall, P. (2012) The economics and politics of the Euro crisis, *German Politics*, 21(4), pp. 355– 371.

¹⁴² Schimmelfennig, F. (2015) Liberal intergovernmentalism and the euro area crisis, *Journal of European Public Policy*, 22 (2), pp. 177-195

austerity policies, based on strict fiscal discipline and supervision. On the other hand, Southern countries pushed for a mutualization of sovereign debt, demanding the establishment of European rescue funds and unlimited bond purchases by the ECB¹⁴³. In sum, the asymmetry of the consequences triggered by the Eurozone crisis further pointed out the existence of strong economic and financial differences among countries, whose cleavages have been highlighted especially during the intergovernmental negotiations concerning the adoption of political measures to save the Eurozone.

2.4 (c) Temporal dimension: a slow evolution calling for a fast reaction

For what concerns the temporal perspective, the time evolution of the Eurozone crisis should be evaluated taking into account both the endogeneity and the asymmetric nature of the shock, as the two aspects sensibly influenced the temporal dimension of the critical process. As already analysed in the previous paragraphs, the Eurozone should be considered as a semi-exogenous crisis, because of internal deficiencies resulting from earlier structural issues. In this sense, it consists of the direct consequence of endogenous factors triggered by specific prior decisions for the monetary union. The lack of effective EMU policies aiming at granting stability and at protecting all Member States triggered an inevitable debacle especially for the financially weaker Euro-countries. In this sense, from a temporal perspective, the tensions caused by the crisis find their origins at the initial construction of the monetary union. The existence of a monetary union lacking fiscal union in a non-optimal currency area was already tangible and perceivable before the hit of the crisis. Hence, the Eurozone crisis and the related asymmetric shock should be considered as the temporal consequence of an issue previously settled in the structural construction of the EMU. From this perspective, the Eurozone crisis can be classified as a slow-burning crisis, characterized by a gradual changing of the circumstances¹⁴⁴. The slow change of circumstances during the Eurozone crisis is related to the evolution of the financial situation of Euro-states, which was already unstable at the origins and only tended to worsen after the crisis in the United States. The fact that the inefficiencies of the monetary union system were known before the shock, to some extent made the Eurozone crisis a possible predictable event. The degree of predictability of the crisis is strongly related to the temporal dimension since it affects the behaviour of actors during the perception of the moment of the shock. Consequently, the temporal evolution of the crisis not only implies the pace of change caused

¹⁴³ Schimmelfennig, F. (2018) European integration (theory) in times of crisis. A comparison of the euro and Schengen crises, *Journal of European Public Policy*, 25 (7), pp. 969-989

¹⁴⁴ Seabrooke, L., Tsingou, E. (2019) *op. cit*

by the experience of the shock, but also the rhythm of the political action to solve the issue at stake¹⁴⁵. From this perspective, it is argued that the Eurozone crisis presents some peculiar features. Despite classified as slow-burning crisis, intended as the causal outcome of an already existing dysfunctional system in the monetary union, it is characterized by a strong and fast demand for political action. Despite the high degree of predictability, the experience of the Eurozone crisis required a fast reaction of European institutions, required to solve the economic problem affecting a significant part of the Euro-countries. Indeed, immediate actions were required transversally by both the northern and the southern coalition in order to avoid worse consequences. Indeed, for the most indebted countries abandoning the euro would have automatically entail sovereign default, a breakdown of the financial system, an impressive increase of inflation, and a renounce to the benefits that the Euro implied for the national markets¹⁴⁶. On the other hand, Germany and the northern countries feared that financial markets would lose trust in the euro, triggering the collapse of exports in the international market and a long economic recession¹⁴⁷. Despite the asymmetries concerning the respective economic situations of Member States and the different proposals to adjust the costs caused by the crisis, it was part of the common interest of Member States to require the intervention of the European Union to solve the situation. In sum, for what concerns the temporal perspective, for its original development the Eurozone crisis can be considered as an example of slow-burning and predictable shock, characterized by urgency and fast political actions to restore stability for the countries of the Eurozone.

2.4 (d) Uncertainty and a non-solidarity-based approach

The last independent variable takes into consideration the combination of the precedent factors, namely the endogeneity, the asymmetry, and the predictability of the Eurozone crisis, to explain how these intrinsic elements affected the perception of the actors involved in the shock. It is argued that the perception of uncertainty is not only the direct outcome of situational and tangible issues, but it also influences the political behaviour of Member States hit by the crisis. In this sense, the categories of ideas, the sentiments, and the views of Member States should be considered in order to subsequently investigate how these factors triggered a certain political attitude and an institutional change in the European politics during the response to the Eurozone crisis. As previously explained, the Eurozone essentially produced heterogeneous effects,

¹⁴⁵ *Ibidem*

¹⁴⁶ Schimmelfennig, F. (2015) *op. cit.*

¹⁴⁷ *Ibidem*

amplifying the already existing cleavages in the Euro area and further splitting the EMU countries in two main coalitions: on the one hand the northern, productive and rich States, on the other hand the southern, indebted and poor countries. Considering the different degree of intensity of the economic and financial shock experienced by Member States, it is then arguable that the perception of Northern countries differentiated in respect to the sensation of the Southern. Despite being all being involved in the moment of contingent economic fluidity, the sentiment of Member States was radically diverse. If on the one side it is true that the German financial market was also hit by the Eurozone, on the other side the degree of intensity was not comparable with the one affecting Southern countries. Despite the Northern Euro-States considered the crisis as a feasible and tangible problem, the shock did not risk causing the collapse of the overall domestic financial systems. The crisis would have reduced the economic competitiveness in respect to the other actors playing in the international market, but bankruptcy was still far from the concreteness. The national concerns of Northern countries were mainly due to the possible indirect effects that the crisis would have produced. The worries were related to the problems that financially weaker countries would have generated in their own national economies. In this sense, the perception of contingency was related to the situation of other Member States, whose financial conditions were likely to worsen the situation of more stable countries. Conversely, the most hit countries would have experienced a general breakdown of their systems. The consequences inducted by the financial crisis would possibly lead to the exit of the countries from the monetary union, losing all the benefits of the EMU, triggering an incontrollable raise of inflation, and the increase of sovereign debt. Considering the situation, it can be argued that the high degree of uncertainty affecting Southern countries was due not only to their domestic economic conditions, but also by the lack of common interests of all Member States of the Eurozone in adopting certain kind of fiscal measures to help the European south to recover from the crisis. Indeed, if they were already concerned about their national economic structure, totally dismantled because of the crisis, the sentiment of instability was fuelled by the existing difference of interests among Member States. On the one hand, Northern countries were pushing for strict financial reforms to discipline the economic situation of the South, on the other hand the most hit countries were asking for the European support through the implementation of rescue packages. If Germany and the most stable Euro-States could not accept the mutualization of the costs of adjustment since, at the end of the day, they were expected to pay for the indebted States and their banking systems, it was also comprehensible that adjustment could not be nationalized in the form of fiscal austerity, letting alone Southern

countries to rescue their economies¹⁴⁸. In sum, considering the asymmetry of the effects caused by the crisis, it is arguable that this aspect strongly influenced the perceptions of the involved Member States, reshaping the position of countries especially for what concerns the possible solutions to be implemented to recover from the economic shock. Because of the highly heterogeneous implication of countries, the degree of uncertainty was neither uniform across the Eurozone. Hence, it can be sustained that the different quality of the perception of the problem affected the behaviour of Member States, which were found unable to propose a common plan and to respond together to the crisis. Therefore, it is worth to classify the Eurozone crisis as an example of asymmetric shock, whose heterogeneity led to a non-solidarity-based perception of uncertainty, mainly based on national interests.

2.5 Covid-19 Pandemic

2.5 (a) An exogenous shock

Triggering a global economic crisis and a contraction of the global GDP by more than 6% in 2020 according to the World Bank, it is argued that the nature itself of the Covid-19 caused an exogenous shock for the international system. If on the one hand endogenous shocks are originated inside the economic system, the Covid-19 pandemic does not find its roots in the economy or in the human society, but rather in the animal world, over which men and women have low degree of control. While crises with an endogenous origin are likely to see their founding basis in the same economic systems that are subsequently hit, exogenous shocks do not present a direct link with the already settled system. Indeed, like an earthquake or a tsunami, the Covid-19 (or Sars-Cov-2) it is completely independent in its creation and evolution, do not depending on the human activity. For what concerns its creation, the virus is the result of a process of the nature, based on the interaction among animals and human beings. Since the interaction among different species should be considered as part of the natural context in which human beings and animals live in, the transmission of a virus from one species to another is part of the natural co-habitation of different living beings. Originated most likely from bats and then jumped from one specie to another, the evolution and the consequent spread of the Covid-19 throughout the world, leading to the contamination of billions of people, should be considered as an intrinsic feature of the virus. The mutation, the genetic evolution and the increasing variants of Sars-Cov-2 that developed during the months are strongly related to the biological origins of the virus, whose tendency is to duplicate itself in different ways in order to adapt its components according to the environment and the body hosting it. In this sense, it

¹⁴⁸ Schimmelfennig, F. (2015) op. cit

can be sustained that humans do not have effective method to prevent such evolution, and that is mainly for two reasons. On the one hand, the monitoring of the biological mutation of the virus cannot be done ex-ante, since the genetic changes are subject to such an infinite number of variables that scientists and virologists would never be able to predict them before spreading. An assessment of the possible mutations can be done only ex-post the contamination, once the virus is already circulating. On the other hand, the possible ways of spreading cannot be effectively predicted. Despite the possible measures to avoid human interactions, it is quite surrealistic to imagine blocking the spreading of a virus. That is, the modern society is increasingly based on social contacts and connections, involving the continuous exchange of services, goods, and information. Interactions and exchanges are then part of any kind of social interaction, both between humans, and humans and nature. Hence, the jump of specie of viruses, their mutations, and the constant spreading among human beings are intrinsic consequences related to the world in which we live in. Considering the basis on which the economic and social systems are founded, the spread of Covid-19 is strictly due to the world made of interactions that has been built. In sum, the Covid-19 can be considered as an exogenous factor, whose origins and characteristic were completely unknown at the moment of the breakdown of the pandemic. The exogenous impact of the virus sensibly altered the possibility to control the characteristics of its origins, to predict its evolution and to prevent the possible consequences that would have entailed for what concerns the contamination. In a nutshell, if the Eurozone crisis can be considered as a related consequence of pre-existing endogenous deficiencies affecting the functionality of the overall European monetary system, the Covid-19 pandemic is due to the spread of an unknown virus, whose biologic features and evolutions were impossible to monitor. While the semi-exogenous feature of the Eurozone crisis is linked to the intrinsic breakdown of the already unstable European economic systems, the complete exogeneity of the Covid-19 pandemic is justified by the inexistent link with pre-existing factors attributable to the spread of the virus. If the European financial crisis is just the direct effect of the intrinsic malfunctioning of the system, the spread of the virus and the consequences that subsequently triggered are not part of the same issue. In this sense, despite both crises triggered significant economic consequences, the origins of both crises present different characteristics.

2.5 (b) Spatial distribution: a symmetric shock

The second element that it necessary to take into consideration is the spatial distribution of the crisis pressures, increasing interdependence among European Member States and producing

different demands for policy coordination ¹⁴⁹. The Eurozone crisis has been previously classified as a clear example of asymmetric shock, since not all Member States have been equally affected. Indeed, the European scenario was characterised by an extensive cleavage among Member States, amplifying the already existing economic and financial differences between the North and the South of the monetary union. Conversely, this paragraph sustains that the Covid-19 pandemic caused a common and symmetrical threat, experienced by all Member States of the European Union in equal measure, without any sort of distinction. In fact, all Member States registered substantial consequences both in the public health and economic domain. Consequently, all the 27 Member States had two common prerogatives: to gain medical and pharmaceutical support to slow the spread of the virus and to receive financial aid from the European Union to recover from the economic impact caused by lockdowns and restrictions¹⁵⁰. Despite some Member States were in substance more hit in respect to the others, the degree of critical interconnection was sensibly higher. In comparison with the Eurozone crisis, the difference relies mainly on the public health dimension of the Covid-19 crisis¹⁵¹. This aspect is confirmed by the letter of the nine Prime Ministers to the President of the European Council Michel on 25 March 2020, defining the Covid-19 crisis as “a symmetric external shock, for which no country bears responsibility, but whose negative consequences are endured by all”¹⁵². Hence, if during the experience of the financial crisis the Euro-countries were affected by a consistent degree of asymmetry, fuelling political, economic, and social divisions among Member States, the Covid-19 pandemic brought to life a completely different scenario. Indeed, the experience of a common existential threat reshaped the political ambiance in the Union, deleting the typical conception of “the stronger” and “the weaker” States. For the first time after the Second World War, all Member States came together to fight against the same issue, asking together for economic and pharmaceutical support in order to protect the Union’s common interests and to save lives of European citizens.

2.5 (c) Temporal dimension: a fast evolution calling for an immediate action

The third aspect that should be considered is the temporal aspect of the Covid-19 pandemic. It is worth to remind that the temporal perspective refers not only to the time span during which the crisis is supposed to develop, but also to the perception of the policy makers on how crisis

¹⁴⁹ Schimmelfennig, F. (2018), *op. cit*

¹⁵⁰ Ferrara, F.M, Kriesi, H. (2021) *op. cit*

¹⁵¹ *Ibidem*

¹⁵² Joint letter of 9 EU Member State leaders to the President of the European Council Charles Michel of 25 March 2020, available at governo.it/files/letter_michel_20200325_eng.pdf&clen=90662&chunk=true

will evolve in time. This variable is particularly central since it is composed by a combination of temporally objective elements, political salience, and emotional perspective during the experience of the shock. While here the Eurozone crisis has been conceived as a slow-burning, namely the outcome of a slow temporal evolution of an already settled malfunctional monetary system, on the contrary it is argued that the pandemic corresponds more similarly to a fast-burning crisis. Characterised by general alarm and emergency, a fast-burning crisis demands for an immediate political action, stressed by the absolute necessity to solve the issue in the shortest possible time¹⁵³. For what concerns the time span related to the evolution and to the progression of the virus, the pandemic presents three peculiar features. The first dimension that should be considered relates to the discover of the existence of Sars-Cov-2. Despite being identified in Wuhan and having probably circulated in European countries for at least some weeks before the scientific acknowledgement, the presence of the virus in Europe has been declared in February 2020, some days after the repatriations of European citizens from China. This date marked the beginning of what is journalistically called “Covid era”. From this moment, European Member States recognized the existence of an obscure virus on their domestic territories, whose biological origins were essentially unknown. If on the one hand the obscure features of the Sars-Cov-2 did not allow national public health systems to deal with the issue because of lack of scientific knowledge on the matter, on the other hand the fast increase of the number of contagions fuelled the vulnerability of governments. While at the beginning the existence of the virus was considered as highly circumscribed in China, at any moment the Member States found themselves in the middle of a health and economic crisis. The second dimension concerns the evolution of the Sars-Cov-2. Besides being highly unpredictable because of the possible biological mutations, Member States were not aware of the temporal window before reaching an incontrollable spread of Covid-19 throughout the national territory. Hence, Member States faced a veritable battle against time, trying to block the spread of the virus and to prevent the possible consequences that it could trigger on the public health and economic systems. In sum, all European countries experienced a crisis whose impact was highly unpredictable both *ex-ante* and *ex-post* the existence of Covid-19. Indeed, on the one hand, it was unlikely that Member States could have been able to predict the spread on the European territory, on the other hand the temporal and the spatial span of the contagions were considerably difficult to foresee. Thirdly, a reliable evaluation concerning the duration of the moment of emergency was considerably difficult to assess. This aspect is strongly related to the

¹⁵³ Seabrooke, L., Tsingou, E. (2019) *op.cit.*

nature of the crisis since the temporal persistence of the virus was beyond the control of Member States and the scientific communities. Indeed, it was not possible to think about eventual future political steps, as the evolution of the pandemic did not allow to make concrete and sure decisional projects. It is then evident that policy makers of national governments facing a moment of emergency, highly unpredictable both from a substantial and a temporal perspective, were forced to immediately implement extraordinary policies to possibly avoid the worsening of the situation. In respect to the Eurozone crisis where the goal of the reforms consisted in stabilizing the monetary union, the call for a fast political action during the Covid-19 pandemic was not only due to the lack of financial resources to deal with the emergency, but mostly to avoid an increasing loss of human life.

2.5 (d) Uncertainty and a solidarity-based approach

The last variable that should be taken into consideration to subsequently assess the kind of political approach that moved the European response to the Covid-19 pandemic consists of an evaluation of the perception of political actors. After having analysed the exogeneity of the origins of the shock, the homogeneity of its spatial distribution, the unpredictable temporal dimension of its original impact and its subsequent evolution, an assessment of the political behaviour of the hit actors can be pursued. This evaluation considers not only the tangible consequential factors triggered by the crisis, but also the sensational sentiment of the actors involved, whose perception affected the political actions implemented to recover from the shock caused by the pandemic. The first element increasing the perception of uncertainty is the exogenous nature of the shock. If the Eurozone crisis could be considered as the direct outcome of already existing endogenous dysfunctions of the European monetary system of which Member States were partially aware, the externality of the Covid-19 pandemic sensibly increased the perception of uncertainty and instability. While the causes of the collapse of the European financial systems were considerably deductible, that was not the case during the pandemic. Indeed, the degree of uncertainty was substantially fostered by the original unknown nature and the subsequent biological evolution of the virus. The second element affecting the perception of shock pressures of policy makers is the homogeneous spatial distribution of the crisis. The existence of a common and symmetrical perception of fear and uncertainty considerably increased the degree of empathy of the community¹⁵⁴. While the Eurozone crisis was characterised by considerable cleavages among Member States, whose objective was to

¹⁵⁴ Genschel, P., Jachtenfuchs, M. (2021) Postfunctionalism reversed: Solidarity and rebordering during the corona-crisis, *Journal of European Public Policy*, 28 (3), pp. 350–369

reinforce their domestic interests in respect to those of other countries, the Covid-19 pandemic triggered a transnational and equally distributed sensation of emergency. The third element further increasing the perception of uncertainty is the high degree of unpredictability of the temporal evolution of the spread of the virus. In fact, on the one hand Member States and the related scientific communities found themselves unable to predict the time span during which a substantial increase of the number of contagions was likely to be registered, on the other hand the gravity of the situation due to the continuous loss of human life required a fast and effective action to prevent further complications. While the perception of uncertainty was already widely spread because of the incapability of Member States to fight against an unknown issue, the sentiment of emergency was considerably fostered by the necessity of a fast political action to block or at least slow the diffusion of the virus. The combination of these elements allows to analyse not only the nature of the sentiment of Member States during the experience of the crisis, but also the consequent driving behaviour of the political action at the European level. Further comparing the Eurozone crisis and the Covid-19 pandemic, it can be argued that the attitude of Member States was essentially selfish during the former, driven by national economic interests, while it was characterised by a high degree of solidarity during the latter. This aspect can be explained taking into consideration the perception of similarity that all Member States of the European Union experienced during the pandemic. The sensation of collective identification was essentially fostered by the common threat that all countries were forced to deal with, reconstructing a sort of communitarian identity that was substantially inexistent during the Eurozone crisis. In 2012, according to the Northern creditors, the crisis in Southern countries was caused by bad national policies and the incapability of those Member States to respect the guidelines implemented by the European monetary regime. Empathy for the most hit Member States was extremely low, preferring the primacy of national fiscal self-help. On the contrary, the Corona-crisis revitalized the European solidarity among Member States¹⁵⁵. Probably driven by the empathy with the victims of the pandemic and by the fact that almost all Member States were experiencing the same situation, the behaviour of Member States and supranational institutions was characterised by strong political cohesion.

¹⁵⁵ *Ibidem*

CHAPTER III

New intergovernmentalism explaining EU integration:

National circumstances driving European solidarity

The measurement of the degree of uncertainty during the Eurozone crisis and the Covid-19 pandemic allows to further continue the analysis, assessing the consequent decisional approaches adopted by political actors in order to respond to the respective crises. As already specified in the previous Chapter, the intergovernmental, neo-functional and post-functional theories tend to be mutually exclusive in nature, do not properly considering the wide number of variables affecting interinstitutional relationships and in turn its consequences on European integration. However, focusing on the features of the moments of contingency, the interests, the behaviours, and the perceptions of Member States, avoiding the conceptual limitations of the classical theories of international relations, it is sustained that the most exhaustive theory effectively explaining the dynamics of European integration during moments of crises is the new intergovernmentalism. It will be argued that the European decision-making does not present stable roots, as it is subject to change according to the situational position of Member States, which reshape their attitude towards European integration according to the circumstances. This would consequently trigger changing relationships with European supranational institutions. The considerable influence of external factors and political uncertainty on the multi-level system confirms that the European integrative model should be considered as a highly complex system of governance, whose driving approaches are significantly sensible to the perception of necessity of political actors which are part of the system itself. The preference formation of Member States is then the leading input reshaping the European institutional approach during the decision-making. From this perspective, the tendency towards different methods of European integration strongly depends on the national preference formation of Member States, influencing in turn the form of strategic bargaining among domestic governments at the European level. The reliability of the new intergovernmental theory will be demonstrated taking into consideration the operationalization of the Eurozone crisis and the Covid-19 pandemic proposed in Chapter II. The endogeneity and exogeneity of such shocks, their spatial distribution, their temporal dimension, and the consequent perception of uncertainty of the hit Member States constitute the starting point to further evaluate to what extent the different characteristics of critical junctures affect not only

the relations among Member States at the intergovernmental level, but also the action of European supranational institutions in response to crises. The categorization of these four independent variables will allow to systematize the evaluation of the driving approaches leading the decision-making. Hence, on the one hand, the European response to the Eurozone crisis will be analysed, taking into consideration the main problematics of the issue and the different political positions of the involved actors. On the other hand, the action carried out at the European level to recover from the Covid-19 pandemic will be considered, highlighting the diverse health and economic mechanisms implemented in order to the support Member States vis-à-vis the crisis. The evaluation of the proposed European policies in these crucial moments will permit to advocate the hypothesis at the base of this Master Thesis. The respective responses to the Eurozone crisis and the Covid-19 pandemic will confirm that the intrinsic features of each critical juncture promote different perceptions of uncertainty among Member States. This aspect is likely to redefine the national conception of European integration, reshaping the position and the willingness of Member States concerning the coordination with other countries in light of a European common action. Because of the different perception of crises and the diverse involvement of Member States, the European action is driven by different methods of governance, adopting a more or less evident austerity-based or solidarity-based approach, increasing or decreasing cooperation between countries, demonizing or promoting the action of the European Union. In this sense, it is evident that the vulnerable behavioural tendencies of national governments and their national interests play a crucial role in redefining not only the intergovernmental bargaining approaches during the decision-making, but also the nature of policies implemented at European level. The complex combination of different aspects affecting the bargaining process at the intergovernmental level is then likely to affect the path towards integration and the stability of the “Community method”.

3.1 Testing the “new intergovernmental” model

In light of the four independent variables identified in the previous Chapter, the analysis will continue assessing the nature of the different policies implemented at the European level to respond to the shocks caused by the Eurozone crisis and the Covid-19 pandemic. The most effective contribution that could support the validation of the hypotheses at the base of this Master Thesis is provided by Bickerton et al.¹⁵⁶, arguing that European integration depends on the occurrence of different institutional dynamics. This theoretical proposal analyses the role

¹⁵⁶ Bickerton, C.J., Hodson, D., Puetter, U. (2015) The New Intergovernmentalism: European Integration in the Post-Maastricht Era, *Journal of Common Market Studies*, 53 (4), pp. 703– 722

of deliberation and consensus in the decision-making. If according to the founding treaties supranational institutions are intended as the engine of the Union fostering agreement between Member States, especially in the post-Maastricht period deliberation and consensus are found at the heart of intergovernmental setting¹⁵⁷. Going beyond the supranational logic, the responsibility of the decision-making is found to rely on Member States, whose approaches and coordination in turn move the action of European institutions. Hence, while on the hand several theories of European integration consider supranational bodies as proactive entities in the decision-making, on the other hand the new intergovernmental theory argues that the policies proposed by institutions are just the consequence of what has been settled at the intergovernmental level during the negotiating process. In this sense, supranational institutions found their energy in Member States and their representatives, the main actors driving the path towards a stronger or weaker Union. Hence, it is argued that the European integrative process does not depend on the role of supranational institutions themselves, but rather on the domestic preference formation of Member States. The new intergovernmentalism inevitably presents some features of the traditional intergovernmental theory. However, this new proposal goes beyond the simplistic evaluation of the decisional power of Member States compared to supranational institutions, as it takes into consideration the several domestic aspects that would in turn influence the behaviour of each Member State when it comes to implement common policies at the European level. The new intergovernmentalism sees the political leaders of the Member States in the European Council particularly proactive, having taken on an unprecedented ideational leadership role, but always in line with their national interests¹⁵⁸. Moreover, rather than taking the traditional intergovernmental view of the Council as the principal for which the Commission is the delegated agent, the new intergovernmentalism see the Council as engaged in active attempts to reduce Commission powers and to insert politics in the hearth of the Union. The new intergovernmental theory provides then a more reliable conceptualization of the role of Member States, whose perception of European integration is subject to transformism especially during crises. Rather than be stable, national political tendencies are reshaped according to the historical moment, the ruling ideologies, and the positions of other Member States, whose dynamics can affect the domestic institutional situation of the State itself. In this sense, domestic politics and the intergovernmental relations play then a fundamental role in European integration, conducted according to the ideologies

¹⁵⁷ *Ibidem*

¹⁵⁸ Schmidt, V. (2020) Theorizing institutional change and governance in European responses to the Covid-19 pandemic, *Journal of European Integration*, 42 (8), pp. 1177-1193

and interests of Member States. Consequently, the role of supranational institutions is considerably dependent on the political tendencies and necessities of Member States. In light of these reasoning, the concept of solidarity is increasingly crucial. The different political positions of Member States automatically imply the possibility of the existence of convergent rather than opposite opinions of Member States, in turn resulting in more or less complex bargaining processes. Being composed of 27 diverse countries, each of them with its own peculiarities, the goal is then to look for common agreements at the European level, whose outcome would be subsequently implemented under the direction of supranational institutions. However, the reach of a common agreement is not always granted. Indeed, the intergovernmental bargaining process implicitly accepts the possibility of conflicts among Member States, complicating in turn the positions of supranational institutions which are themselves expected to deal with the different positions of Member States. Hence, depending on the conditions, Member States are likely to approach political issues from identical or opposite perspectives, proposing diverse solutions. In that context, supranational institutions acquire the hard task to deal with diverse proposals, implementing the most convenient for the common good of the Union.

The relevance of the intergovernmental relations between Member States acquires growing significance during the study of critical junctures, moments characterized by high level of uncertainty that could in turn trigger different political positions during the bargaining process between Member States at the European level. If the new intergovernmental theory assumes that Member States drive the European political tendencies, it is then logic that the kind of decisions implemented at the European level to face situations of contingency are the result of the negotiating process between Member States. In this sense, the actions implemented at the Union level should to some extent respond to the requests of Member States, mirroring the behavioural approach driving the intergovernmental bargaining process and granting the effectivity of the implemented policies. However, the common position of Member States should not be taken from granted. That is, the outcome of intergovernmental negotiations not always reflect the willingness of all Member States. Referring to the already mentioned independent variables at the base of the study of crises, it could be supposed that depending on the endogenous or exogenous nature of a shock, its spatial and temporal distribution, the relations among Member States can be reinforced in light of a strong cooperation or weakened in case of conflicts. In this sense, applying the new intergovernmental model according to which European supranational positions depend on the domestic preferences and political tendencies

of Member States, different approaches of the countries should be identified depending on the combination of the four independent variables, in turn influencing the European action. That would confirm the argument proposed by Bickerton et al.¹⁵⁹, sustaining that the path towards European integration does not present fixed roots, but rather transforming features according to the political and situational positions of Member States. In order to test the reliability of the new intergovernmental approach and to evaluate to what extent the nature of shocks, their spatial and temporal distributions affect the European action, the policies implemented to recover from the Eurozone crisis and the Covid-19 pandemic will be evaluated focusing on the bargaining positions of Member States. In light of the four independent variables, the next paragraphs will be mainly dedicated to the hypotheses testing. Anticipating the conclusions, the evaluation of the European response to the Eurozone crisis and the Covid-19 pandemic will confirm that Member States reshape their predisposition to solidarity according to the circumstances and their national interests, affecting in turn intergovernmental solidarity and consequently European integration. Depending on the political positions of Member States and the variables affecting the context, the European Union and supranational institutions redefine their roles and their attitudes vis-à-vis Member States. In turn, evaluating the European action during moments of crisis, Member States are likely to reshape their behaviour concerning the acceptance of common European policies. Hence, the study of domestic interests and the influences of the latter on the relations among Member States are crucial to understand the changing dynamics of European integration, especially during moment of instability.

3.2 The European response to the Eurozone crisis

3.2 (a) An intergovernmental bargaining conflict

Arguing that the European action depends on the behaviour of Member States while bargaining at the intergovernmental level, this assumption gains increasing significance during the examination of peculiar moments of the history of European integration. One of the most challenging situations is certainly the experience of the Eurozone crisis, that put into question the political and economic stability of the European Union. As explained in Chapter II, the Eurozone crisis is peculiar for different reasons. Firstly, it has been classified as a semi-exogenous shock, whose causes can be attributed not only to the financial crisis developed in the United States in 2008, but also to the already settled malfunctioning of the European Monetary Union. Secondly, its effects were considerably asymmetrical, as the economic consequences for the Northern and the Southern European countries were significantly

¹⁵⁹ Bickerton, C.J., Hodson, D., Puetter, U. (2015) *op. cit.*

unbalanced. Thirdly, it should be considered as a slow-burning crisis from a temporal perspective, characterized by a gradual changing of the circumstances that in practice pre-existed the economic escalation of the crisis. However, despite the predictability of the economic consequences of the ineffective fiscal policies of monetary union, the shock required a fast political action, because of the eventual enchaining effects that the crisis would further entail. These three elements influenced the national situations of Member States part of the monetary union. If on the one hand Germany and other Northern countries showed a certain economic resilience, the financial conditions of the most fragile Southern Member States put at risk the stability of their banking systems. Increasing the “polycleavage”¹⁶⁰ within the members of the Eurozone, Northern and Southern countries that were part of the same system were essentially antagonists in the definition of the European action in response to the situation. Despite the common goal was to protect the national economic interests, the different financial situations during the Eurozone crisis fuelled disagreements and dissatisfaction for what concerns the proposals of economic policies to recover from the shock. On the one hand Germany and Northern countries considered the impact on Southern countries as the result of the reiterated incapability of the political class to assure the financial stability of their countries, on the other hand Southern Member States explained the situation referring to the intrinsic pre-existing economic differences between the Member States part of EMU. While Northern countries did not conceive the European support as extremely urgent, Southern countries called for immediate interventions to save their systems. If the perception of economic uncertainty of Germany did not directly entail the future of its financial system but rather the possible side effects, Southern countries risked the failure of their economic apparatus. Referring to the four independent variables at the base of this analysis, it is evident that the positions and the expectations of these two groups of Member States were considerably different in front of the crisis.

Indeed, governments entered hard intergovernmental bargaining, trying to define how they would distribute the crisis burdens and the costs of policy reform. Conflicting views on the possible ways of saving the EMU were basically in line with the different economic positions¹⁶¹. On the one hand, the “Northern coalition” pushed for a favourable balance-of-payments aimed at minimizing their liabilities and assistance. In that context, the German

¹⁶⁰ Zeitlin, J., Nicoli, F., Laffan, B. (2019) *op. cit.*

¹⁶¹ Schimmelfennig, F. (2018) European integration (theory) in times of crisis. A comparison of the euro and Schengen crises, *Journal of European Public Policy*, 25 (7), pp. 969-989

position was the leading one, representing the Northern countries, relatively less affected by the financial crisis, promoting a rule-based approach. In order to assure stable monetary order, the German approach prioritized three main solutions: to safeguard the independence of the EBC granting a strong monetary policy and prohibiting to monetize public debt, to implement the Stability and Growth Pact against non-sustainable national budgetary policies, and to attribute national responsibility for fiscal policies not in compliance with the EMU guidelines¹⁶². The position of Germany reflected what stated in art.125 TFEU, do not admitting the existence of a bail-out clause. Despite the extremely difficult situation of several Member States, according to the German approach the founding principles at the base of the EMU and the legal provisions of art.125 TFEU could not be derogated. The German system proposed an orderly sovereign default procedure, making the sovereign default of Southern Member States a possible option, and preventing risky borrowing and lending for the most stable countries. Moreover, Germany proposed to reinforce the Stability and Growth Pact, increasing the sanctions for Euro Members with unsustainable deficits, increasing European fiscal policy surveillance through the implementation of the European Semester. The goal was to create a new mechanism assessing the national draft budgetary plans based on a score-board of indicators, strengthening the position of the Union in controlling economic imbalances among Member States¹⁶³. On the other hand, the “Southern coalition” called for a mutualization of the sovereign debt and soft adjustment policies¹⁶⁴. They displayed the preference for a crisis management option, implementing rescue schemes for Greece, Ireland, Portugal, Spain, and Italy. The proposal was based on the application of the European Financial Stability Facility, a banking license providing access to the funds of the ECB. Furthermore, Southern Member States requested the purchase of sovereign debt on secondary markets, in order to reassure the international market and make the domestic situation more stable¹⁶⁵. In a few words, Southern countries called for a rescue plan based on solidarity. As stated by former French State Secretary for European Affairs Pierre Lellouche, Southern countries expected to see the application of the same principles of NATO art.5 on mutual defence even during the Eurozone crisis, according to which “when one member is under attack the others are obliged to come its defence”.

¹⁶² Schild, J. (2013) Leadership in hard times: Germany, France, and the management of the Eurozone crisis, *German Politics & Society*, 3 (1), pp. 24–47

¹⁶³ *Ibidem*

¹⁶⁴ Schimmelfennig, F. (2018) *op. cit*

¹⁶⁵ Schild, J. (2013) *op. cit.*

This opinion was not shared by Germany, whose priority was to minimize possible economic impacts on its budget. Considering the opposite approaches facing the crisis, the bargaining process at the European level was then characterized by an intergovernmental distributional conflict, as governments oriented their policy positions towards the most convenient solution depending on the domestic consequences of the costs linked to the adjustment options. Forming alliances according to their national interests, Member States had opposite policy options. This consequently led to extremely difficult intergovernmental negotiations, whose outcome was predictably unlikely to meet the agreement of all the Member States. That is what Schimmelfennig defines as a “chicken game”, a term coined to refer to the common preference for the preservation of the euro but accompanied by divergent preferences for what concerns the distribution of adjustment costs¹⁶⁶. Since the expectations of the diverse Euro countries were essentially different as far as it concerns the implementation of economic reforms to recover from the crisis, the asymmetrical interdependence resulted in an institutional design reflecting the preferences of Germany and of the “Northern coalition”, the most politically influential countries that were relatively less hit by the financial crisis. Being the largest economy of the Eurozone and the country enjoying the strongest trust of the markets, Germany was pivotal for the survival of the entire Euro area¹⁶⁷. The economic survival of Southern countries was dependent on the support of solvent countries, and this made the bargaining power of highly indebted countries incredibly residual. Hence, the “Southern coalition” was then obliged to accept what was proposed by the leading country in order to avoid bankruptcy. In sum, the “Northern coalition” led by Germany enjoyed the power to shape the terms of the recovery proposals at the European level during the Eurozone crisis.

3.2 (b) The German leadership and the austerity economic policies

Despite the different political positions of Member States and the heterogeneous economic situation of the two coalitions, since 2010 austerity policies had been endorsed under the leadership of Germany. The major representatives of the European institutions agreed with the German position, arguing that strict policies were necessary to restabilize the monetary system, losing credibility on the international market. Debtor countries, namely the most affected ones, had residual negotiating power in respect to creditor countries such as Germany, being particularly influential both for its political and economic power at the European level¹⁶⁸.

¹⁶⁶ Schimmelfennig, F. (2015) op. cit.

¹⁶⁷ *Ibidem*

¹⁶⁸ Fasone, C. (2015) Taking budgetary powers away from national parliaments? On parliamentary prerogatives in the Eurozone crisis, *EUI Working Paper Law 2015/37*

Considering the Eurozone crisis as the direct outcome of irresponsible national political institutions, unable to cope with the European fiscal regulations and to implement effective domestic policies in line with the EMU provisions, Germany pushed European institutions to put politics under control, allowing experts to propose economic policies to stabilize the European financial system. Under the German supervision, since October 2011 the meetings were hosted by the so-called “Frankfurt Group”, a group of officials composed by Angela Merkel, Nicolas Sarkozy, the President of the European Commission Barroso, the President of the European Council Van Rompuy, the Commissioner for Economy and Finance Olli Rehn, the President of the ECB Mario Draghi, the President of the Eurogroup Jean-Claude Juncker, and the President of the IMF Christine Lagarde¹⁶⁹. The predominance of Germany was undoubtful, to the point that some commentators ironically stated that “suddenly Europe was speaking German”¹⁷⁰. The decision-making power was then concentrated in the hands of one country and a few unelected officials, whose approach was far away from being driven by intergovernmental political consensus. Adopting the German school of budgetary discipline, the Frankfurt Group agreed that cuts and austerity could reduce governments deficits and solve the problems of illiquidity. In order to apply the ideology of Germany, the lack of substantial support for the most hit countries was hidden behind some legal provisions defended by the art.123 and art.125 TFEU. Accordingly, the ECB could not provide financial assistance through direct purchase of national bonds, and the Union itself was barred from “assuming the commitments of central governments, regional, local or other public authorities (...)”. Based on these treaty provisions, derogations were not conceived as applicable according to the German line of thought. In order to avoid national risks, the goal of Germany was to prevent the introduction of Eurobonds or any other form of mutualization sovereign debt. Debt should remain national, and the only possible financial support could come in the form of credits. In order to reduce the risk for solved countries, only residual mechanisms of immediate support were implemented, despite being conscious of the small capacity of those rescue plans. Firstly, the European Union established the European Financial Stabilization Mechanism (EFSM), a temporary fund providing emergency lending up to 60 billion euro backed by an implicit guarantee in the European budget. Established by the Council Regulation n.407/2010 and based on art.122.2 TFEU, that provision allowed the European Union to grant financial assistance to Member States “in difficulties or seriously threatened with severe difficulties caused by natural

¹⁶⁹ Hughes, K. (2011) European Politics and the Euro Crisis: Ten Failures, *Friends of Europe*, Policy paper

¹⁷⁰ *Ibidem*

disasters or exceptional occurrences beyond its control”¹⁷¹. However, compared to the gravity of the situation, it was clear that this fund was insufficient. Secondly, the temporary European Financial Stability Facility (EFSF) was created, an executive agreement to coordinate loans and guarantees from Euro Member States. However, this mechanism was created under Luxembourg law, do not directly involving the European Union and consequently avoiding the risks feared by Germany. Then, in 2011 the European Stability Mechanism was implemented, an instrument for enhancing European economic coordination. If the former plans were funds of crisis management, the latter was a framework for promoting crisis prevention, coordinating *ex ante* the budgetary policies of Member State in light of the provisions of the Stability Growth Pact¹⁷². Indeed, according to the so-called European Semester, each country was expected to set its own medium-term budgetary objectives, under review of the European Commission¹⁷³. The Commission then acquired the power to issue country-specific recommendations, providing its opinion on the domestic budgetary plans. Regardless of national occurrences, supranational institutions were designed to enforce pre-commitments, controlling budgetary tendencies and the level of national debt and deficit. This mechanism was implemented under the supervision of supranational institutions, intensifying the supranational control and deepening fiscal and economic coordination among Member States, but under strict conditionality¹⁷⁴. Indeed, in June 2011 the European Council took further measures. The so-called Six Pack was implemented, consisting of legislative proposals to reinforce policy coordination required by the European Semester and the Stability Growth Pact. These provisions increasing strengthened surveillance of the budgetary positions of Member States, enforcing both budgetary control in the Euro area and measures for correcting excessive macroeconomic imbalances¹⁷⁵. Hence, despite of a collective plan aimed at reinforcing solidarity among Euro Member States, the European response to the Eurozone crisis was mainly based on the implementation of mechanisms of consistent surveillance. The demand for stronger supranational surveillance was a proposal of creditor states, namely the “Northern coalition”, aiming at controlling the economic status of the most unstable Member States to

¹⁷¹ Scicluna, N. (2014) Politicization without democratization: How the Eurozone crisis is transforming EU law and politics, *Oxford University Press*, 12 (3), pp. 545 - 571

¹⁷² Fabbrini, S. (2013) Intergovernmentalism and Its Limits: Assessing the European Union’s Answer to the Euro Crisis, *Comparative Political Studies*, 46 (9), pp.1003-1029

¹⁷³ Fasone, C., Lindseth, P. (2020) Europe’s Fractured Metabolic Constitution: From the Eurozone Crisis to the Coronavirus Response, *Luiss School of Government, Working Paper Series, SOG-WP61/2020*

¹⁷⁴ *Ibidem*

¹⁷⁵ Fabbrini, S. (2013) *op. cit*

avoid further economic shocks. Beyond the increasing fiscal competences of supranational institutions, in practice the economic policies based on fiscal rigour and austerity were a diktat from the “Northern coalition” to the “Southern coalition”, accused to not comply with the European standards. If in theory the implementation of the European Semester and its related measures were considered as necessary provisions to ensure stability to the monetary union, in practice the experience of this regime targeted some specific countries, unable to deal with such conditionality provisions. The “Southern coalition”, whose levels of public debt deviated from the common European objective, were then obliged to implement very strict structural reforms, implying the raise of taxes and several sectoral cuts in order to be in line with the German standards.

3.2 (c) Supranational control: an hegemonic choice

Despite the opposite positions of Member States of the Eurozone, the crisis management has been reached at the intergovernmental level. It is undoubtful that supranational institutions sensibly increased their fiscal competencies, but the agreement on the rescue funds was reached between Member States during the European Councils and ECOFINs¹⁷⁶. While it is clear that supranational institutions extended their competences, it is necessary to keep in mind that this was possible because of the strong support of Member States. However, it is also evident that the agreement was not the result of symmetric bargaining. Indeed, States that were less vulnerable during the financial crisis successfully advocated for the terms of integration that worked in their favour. If on the one hand part of the scholars studying European integration in light of the Eurozone crisis argued that non-elected bodies such as the Commission, the ECB and the IMF sensibly increased their competencies gaining political autonomy¹⁷⁷, on the other hand it cannot be argued that the agenda setting was not controlled by at least some of the Member States. Indeed, whereas the Commission launched some initiatives in favour of supranational solutions, these were successful when meeting the preferences of Germany and the allies of the “Northern coalition”¹⁷⁸. Despite at the first sight the most evident European institutional development during the Eurozone crisis concerned the increasing controlling powers of supranational institutions, this point should be further problematized, investigating the factors triggering the strengthening of the position of the European Commission and the ECB. Indeed, the analysis should consider not only the nature of the measures implemented to

¹⁷⁶ Fabbrini, S (2013) *op. cit*

¹⁷⁷ Camisã, I. (2015) Irrelevant player? The Commission’s role during the Eurozone crisis, *Journal of Contemporary European Research*, 11 (3), pp. 268-286

¹⁷⁸ Schimmelfenning, F. (2015) *op. cit*

deal with crisis, but also the institutional means to control the enforcement of such measures. Indeed, beyond the substantive terms of integration to deal with crisis, strong governments decided also the institutional design aimed at implementing the rescue plans. In this sense, the empowerment of supranational body was a rational choice of Northern Member States, in favour of ceding competences to assure compliance with the financial and fiscal provisions. Indeed, because of this asymmetry, the institutional design leading the implementation and the monitoring of the financial funds followed the institutional preferences of Germany, the Member State with superior bargaining power. According to the Northern line of thought, the delegation to supranational institutions was needed in order to centralize expertise and information. The institutional choice of Germany was driven by the necessity of enforcement and strict surveillance, which could be reached only through supranational supervision. This necessity of control was then incorporated in the so-called Troika, a triumvirate composed by the then President of the European Commission, the President of the ECB, and the President of the International Monetary Fund. To limit their financial commitment and, in the same time, strengthening the commitment of indebted country to fiscal discipline, Germany and the solved countries centralized decision-making, attributing controlling and monitoring powers to supranational organizations mainly to assure the effectivity of the re-stabilizing plans. That is strictly linked to individual interests of Member States and the perception of uncertainty and distrust about the behaviour of other governments¹⁷⁹. Focused on reinforcing the rules-based, a numbers-targeting approach founded on the Stability and Growth Pact with a discourse centred on the need for stability, Germany has predominated making for “one size fits one” governance¹⁸⁰. The Eurozone governance turned into an intergovernmental process of decision-making under the dictatorship of Germany, which subordinated other European institutional actors.

3.2 (c.1) One size fits one: from the Bundesbank to the ECB

In order to assure compliance with the European economic provisions, the German leadership tried to implement the ordo-liberal principle on which the German coordinate market economy is founded¹⁸¹. According to this school of thought, a strong legal framework is necessary to grant the effectiveness of economic policy of order. Translated in the European context, the German

¹⁷⁹ *Ibidem*

¹⁸⁰ Schmidt, V. (2015) The Eurozone’s Crisis of Democratic Legitimacy: Can the EU Rebuild Public Trust and Support for European Economic Integration?, *Discussion Paper 015*, European Commission

¹⁸¹ Bulmer, S. (2014) Germany and the Eurozone Crisis: Between Hegemony and Domestic Politics, *West European Politics*, 37 (6), pp. 1244-1263

line of argument advocated for monetary stability and fiscal conservatism, achievable through rules and numbers-based governance. The resilience that this domestic model demonstrated during the Eurozone crisis promoted the transfer of the German policy models at the EU level, increasing the role of the Stability and Growth Pact and those of supranational institutions. Hence, Germany transferred its own economic principles, incorporating the ordo-liberal principles into the European system¹⁸². However, this system was far from being deliberative and consensual, as it did not take into consideration the substantial asymmetries of the European economic landscape. It was evident that this kind of economic policy was substantially favourable to creditors states, constraining debtor states to deal with strong austerity and conditionality. Hence, the institutional preferences and the delegating powers were influenced by the substantive political positions of stronger Member States. Considering the unbalanced degree of affection, and the asymmetry of the crisis itself, the institutional design leading the implementation and the monitoring of the financial funds followed the institutional preferences of the State with superior bargaining power. Strengthening the commitment of indebted country to fiscal discipline, the goal of Germany was to export its commitment to a stability culture to fellow Euro area States, despite their national economic conditions were substantially different. The application of the German model concerned especially the role of the ECB, the authority controlling the compliance of debtor countries with the European guidelines and having the power to let debtor countries run into insolvency in case of lack of adjustments¹⁸³. Taking into consideration the German model, it should be noticed that the powers that the ECB gained during the Eurozone crisis were quite similar to those of the Bundesbank. Despite the ECB is a politically independent institution and democratically unaccountable, the role that the European Central Bank played during the Eurozone crisis were far from being neutral. Indeed, it was the crucial actor calling for a greater centralization of economic policy especially on fiscal rules, determining whether a Member States was insolvent or not and imposing draconian adjustments in highly indebted countries. Despite the willingness of President Draghi to do “whatever it takes to save the euro”, the German leadership continued to press for fiscal consolidation through austerity and structural reforms. Indeed, the ECB defended the core neoliberal theory favouring consolidation of public finances cutting public expenditures to inspire the trust of markets. Despite implementing a gradual introduction of fiscal rules, the European Central

¹⁸² *Ibidem*

¹⁸³ Sanchez-Cuenca, I. (2017) From a Deficit of Democracy to a Technocratic Order: The Postcrisis Debate on Europe, *Annual Review of Political Science*, 20, pp.351-369

Bank immediately targeted public jobs programs, social transfers, and public sector wages for spending cuts¹⁸⁴. In this sense, the “what ever it takes” of Draghi did not correspond to an unorthodox promise, but rather to the application of stability-focused ordo-liberal rules sustained by the German model. In a nutshell, being Germany the country with the highest level of GDP in Europe, a low budget deficit, and an impressive intra- and extra- EU trade because of its competitiveness, the unbalanced bargaining power at the intergovernmental favoured the German position, particularly favourable to the reinforcement of the European economic framework and its regulatory institutions. That has been demonstrated analysing the competences of the ECB and its political tendencies, mirroring the preferences that Germany already imposed at the intergovernmental level in the Council during the design of European economic policies. However, while the hegemonic position of the richest countries on the one hand promoted an orthodox political line of thought and the empowerment of supranational institutions, on the other hand it also necessary to consider the consequences that such kind of policies have triggered both for the relationships between Member States and for European integration.

3.2 (d) The consequences: the erosion of European cooperation

The asymmetric nature of the Eurozone crisis increased the already existing cleavages between Member States, highlighting the different political and economic powers. Despite the inefficiencies of the policies promoted by the EMU were evident even before 2010, the Eurozone crisis not only increased the economic differences between the “Northern” and the “Southern” coalition, but also worsened the general political willingness of Member States towards European integration. That is clearly linked to the kind of economic governance implemented in order to respond to the Eurozone crisis. If on the one hand the most hit Member States called for rescue plans based on flexibility and mutualization, on the other hand the less affected Member States promoted the creation of temporary economic funds, whose goals were to provide some residual recovery instruments under strict conditionality. According to the Northern logic, the strengthen of fiscal surveillance at the supranational level was necessary in order to solve the enforcement and the compliance dilemmas¹⁸⁵, but also to increase coordination among the States of the monetary union. However, the solutions proposed by creditors countries were evidently driven by self-interest based on national economic and fiscal stability, and an alleged distrust that the “Northern coalition” had in respect to the commitment

¹⁸⁴ Schmidt, V. (2015) *op. cit*

¹⁸⁵ Fabbrini, S (2013) *op.cit*

of the “Southern coalition”. For these reasons, while austerity policies were expected to increase integration among States, the effects of surveillance triggered the opposite outcome. Indeed, the perception of austerity for the most unstable Member States triggered considerable dissatisfaction. That is understandable. Southern countries and their citizens were asked to implement reforms at the national level to stick to what regulated at the European level by some rich Member States, being allowed to receive financial support only if certain targets were reached. More concretely, citizens of indebted Member States had to pay high costs to make the national structural adjustments of their countries compliant with the European standards settled by more prosperous countries. Despite the content of the decisions, the most fundamental issue was the fact that larger and creditor Member States had imposed their control on smaller and debtor Member States, centralizing the intergovernmental discussion in the hand of few rich countries¹⁸⁶. In this sense, the intergovernmental approach during the Eurozone crisis was paradoxical. If on the hand intergovernmentalism should intrinsically entail constructive dialogue among Member States, during the Eurozone crisis the intergovernmental model was mainly conducted under the leadership of few hegemonic countries. Despite to a certain extent those requirements were practically controlled by supranational institutions, it was evident that this was the result of a complex bargaining process between Member States, whose outcome had been principally favourable to the Northern countries, strongly advocating for this kind of institutional design. Consequently, the lack of solidarity and the implementation of strict economic rules weaken the perception of Southern Member States for what concerned the concept of collaboration that the European Union was supposed to defend. The implementation of austerity policies triggered inevitably some political and legitimacy issues, both at the national level for the most hit countries and at the European level.

3.2 (d.1) Politics against policy: an illegitimate intergovernmental throughout

For what concerns the domestic domain, the most hit countries faced extremely relevant political problems. Market pressures became so powerful that countries with high ratios of public debt had to register the collapse of their governments¹⁸⁷. While in Ireland, Portugal, and Spain the crisis triggered new elections, in Italy and Greece the parties in government were substituted by technical executives, composed by experts and technocrats whose task was to restabilize countries according to the European scheme. This was an outcome clearly

¹⁸⁶ *Ibidem*

¹⁸⁷ *Ibidem*

encouraged from Brussels, under a strong influence of Germany, arguing that technocrats were considered much more reliable actors compared to politicians¹⁸⁸. To some extent, the Frankfurt Group declared the failure of national politics in highly indebted countries. Hence, technocratic governments were necessary not only to reach the financial standards appointed by the Union, but also to guarantee to the distrusted “Northern coalition” that Greece and Italy were able to cut their public debt and assure financial stability to the international markets. The political dissatisfaction at the domestic level was caused not only by the technical nature of the governments put in place especially in Greece and Italy, but also by the hegemonic power that the Northern countries demonstrated at the European level during the crisis management. The anti-German feeling in the debtor Member States was linked to the perception of constriction of the “Southern coalition”, interpreting economic policies as an imposition rather than a free choice. This perception fuelled what Schmidt called “politics against policy”¹⁸⁹, the increase of public discontent and the rise of anti-system sentiment because of the perception of illegitimacy of the decision-making processes. That is linked to the residual role of Member States politics, which became policy-takers of what settled at the European level by some powerful countries. Lack of solidarity was rightly perceived as the result of the self-interest of stronger Member States, promoting the effectiveness of their national systems at the European level and trying to implement the same kind of economic structure. The increasing dissatisfaction of national public opinion in Southern countries was evident, as citizens of the indebted Member States massively protested against Angela Merkel, the German Chancellor of that period, and the diktat that national governments were obliged to accept in order to avoid bankruptcy¹⁹⁰. This aspect consequently triggered some doubts about the legitimacy of the German approach, taking advantage of the instability of Southern countries to direct the action at the intergovernmental level in the Council. Indeed, the German predominance through the “one size fits one” rules put into question the nature of the Council’s sources of powers and the general throughput legitimacy in the Eurozone governance. The position of Germany as leading Member State of the Council challenged the deliberative mutual accountability of the decision-making between Member States in the Council, questioning the legitimacy of the political criteria applied during the negotiations.

¹⁸⁸ Hughes, K. (2011), *op. cit*

¹⁸⁹ Schmidt, V. (2020) *Europe's Crisis of Legitimacy: Governing by Rules and Ruling by Numbers in the Eurozone*, Oxford University Press

¹⁹⁰ Fabbrini, S. (2013) *op.cit*

3.2 (d.2) *The illegitimate political position of the European Union*

For what concerns the European Union in general, it is then evident that the lack of coalition and collaboration between Member States substantially affected the evolution towards integration at the European level. Indeed, if the impositions of Germany were sensibly criticized, it is also true that part of the objections were also moved against the European Union. In fact, the most common slogan accused the European Union to be an executor protecting the interests of the most powerful countries, instead of assuring the common good of all its Member States. Considering the lack of full acceptance by all Member States for what concerned the economic instruments to recover from the crisis and the evident hegemony of Germany, the European Union was supposed to act as a mediator, proposing different measures in order to satisfy also some of the requests of the Southern countries. In a certain sense, that is also what is promoted by the values of the European Union itself. As argued by the founding treaties, the European Union should promote “economic, social and territorial cohesion, and solidarity among Member States (art.3 TEU) and the “principle of sincere cooperation” in assisting States to apply treaty commitments (art.4 TEU), in light of the principal values of democracy and equality among Member States¹⁹¹. Hence, the goal of the European Union should be to respect the collective interest, reinforcing fair multilateralism through a set of supranational institutions which should defend the common good of all the Member States. However, the solutions proposed in response to the Eurozone crisis were far from being equal and impartial. Hence, European institutions were accused to have taken sides in the distributive conflicts at the intergovernmental level related to fiscal adjustments, standing with Germany and creditor Member States despite the evident full dependency that debtor countries already had for evident reasons. In this respect, supranational institutions were accused to play a political role, promoting the positions of certain Member States compared to others¹⁹². That is, the response of the Union to the crisis made a clear choice in favour of creditor countries. Conversely, the European Union could have forced a restructuring of the debt in Southern countries, averting cleavages and dissatisfaction generated by the rescue packages and their conditionality¹⁹³. However, the European institutions followed the ordo-liberal principle of Germany, arguing that debts must be repaid whatever the cost to debtor countries. Indeed, the then President of the European Council Van Rompuy did not appear to have acted as an effective EU leader to

¹⁹¹ Bulmer, S. (2014) *op. cit.*

¹⁹² Sanchez-Cuenca, I. (2017) *op. cit.*

¹⁹³ *Ibidem*

ensure that all Member States felt included in the decision-making. On the contrary, no evident objections were presented in order to limit the German dominance¹⁹⁴. Clearly, this approach fostered the dramatic fall in support for the European Union in Southern Member States, traditionally the most enthusiastic supporters as they considered the Union as a safe haven in case of instability in their national systems¹⁹⁵. Contributing to the increase of conflicts among Member States, the European Union lost its performance-based legitimacy, at the base of its founding principles. If the Union was considered as an efficiency-enhancing regulator, its response to the Eurozone crisis underlined the existence of political tendencies even inside supranational institutions, sometimes promoting policies not balancing the possible different requests of all Member States. For these reasons, the European Union was accused to not defend the interests of all its Member States. This aspect put into question the overall legitimacy of the Union, which has its founding roots in the equal representation of interests of all governments representing their Member States. Indeed, as the intergovernmental decisions were let in the hand of few Northern countries and that the Union accommodate what proposed by Germany, this raised problems not only about the legitimacy of the decision-making, but also about the legitimacy of the policies that were supposed to be implemented and the institutional design defined for their enforcement.

3.2 (d.3) Policies without politics: an illegitimate supranational outcome

The problem of legitimacy concerned not only the lack of deliberative consensus for policies, but also the institutional design supposed to monitor the correct implementation. Hence, legitimacy issue involved both the throughout of the bargaining process and the policy outcome at the political and at institutional level. In other words, that is linked not only to the residual consideration given to the governments of the most hit countries and the alleged hegemony of Germany, but also to the increase of competences of supranational institutions. The most controversial aspect concerned the ECB, a politically and socially disembedded institution¹⁹⁶. Despite being a non-elected, a non-representative, and an apolitical institution, the ECB acquired substantive powers that were not made explicit in the Maastricht treaty, where the European Central Bank finds its constitutional roots¹⁹⁷. However, the rhetoric of necessity and

¹⁹⁴ Hughes, K. (2011), *op. cit*

¹⁹⁵ Sanchez-Cuenca, I. (2017) *op. cit*

¹⁹⁶ Scicluna, N. (2014) *op.cit*

¹⁹⁷ Scicluna, N., Auer, S. (2019) From the rule of law to the rule of rules: technocracy and the crisis of EU governance, *West European Politics*, 42 (7), pp. 1420-1442

the political influence of Germany emphasized the need of coercive enforcement of the rules by a supranational actor composed by technocrats and experts. The moment of uncertainty led to the transformation of the ECB in “simultaneously much too powerful and much too detached from democratic institutions”¹⁹⁸. That was the perception of the already marginalized Member States, as the ECB could flout rules on national economic systems, increasing a sense of illegitimacy, and undermining the democratic principles which should be at the base of the European project. If other supranational institutions were relatively more legitimized by the founding treaties according to legal guidelines, the ECB moved from being an independent institution to a consistent political actor in the European arena, acquiring powers in the domestic systems of Member States. In this sense, while non-representative institutions acquired consistent competences regulating and intervening in national political domains, significant aspects that were part of the administration of governments were depoliticized and moved in the hand of supranational experts. The coercive turn of the ECB provoked an unprecedented demonization of the European Union, causing significant problems to the integration project. If before it was considered as a regulatory order dealing with issues with relatively low political salience, the experience of the Eurozone crisis and the related response shed light on the highly politicized regulatory state of the Union, able to stretch its competences in case of necessity and under request of powerful Member States. The famous term “policy without politics” coined by Schmidt¹⁹⁹ perfectly sizes the perception of the most hit Member States, forced to follow rules that did not find a political consensus at the intergovernmental level and that were enforced by non-elected institutions and stronger Member States.

In sum, the response to the Eurozone crisis triggered conflicts between Northern and Southern Member States at the intergovernmental level, resulting in turn in dissatisfaction and distrust in European governance. That is, the asymmetrical impact of the crisis and the hegemonic management substantially limited the choices of national governments, which in turn started to reject the imposition of the Frankfurt Group and the general role of the European Union²⁰⁰. Taking into account the evident German dominance during the decision-making, the residual consideration of less powerful Member States, and the consequent empowerment of supranational institutions that the Northern coalition strongly sustained, it could be argued that

¹⁹⁸ Lacey, J. (2017) *Centripetal Democracy*. Oxford: Oxford University Press

¹⁹⁹ Schmidt, V. (2016) Reinterpreting the Rules “by Stealth” in Times of Crisis: A Discursive Institutional Analysis of the European Central Bank and the European Commission, *West European Politics*, 39 (5), pp. 1032-1052

²⁰⁰ *Ibidem*

problems of legitimacy undermined both the throughout and the output of the European response to the Eurozone crisis. Procedurally, a lack of involvement and representation of the interests of all Member States was evident, replaced by the strong political domination of Germany. Substantially, the enforcement powers attributed to technical institutions such the ECB questioned the representativeness of national governments and the democratic aspects that the European Union was supposed to defend. On the one hand, taking into account the evident German dominance during the decision-making and the residual consideration of less powerful Member States, an anti-German feeling developed within national politics. The leadership of Germany in the Council, the House of Member States, questioned the throughout legitimacy of the bargaining process. Indeed, Member States developed a “politics against policy”²⁰¹ sentiment, do not accepting the implementation of “policies without politics”²⁰². Then, the lack of representation of interests of some Member States moved the debate from Germany and its role at the intergovernmental level to the consequences that this entailed for European supranational institutions. In fact, if on the one hand the dissatisfaction of Member States raised some doubts about the legitimacy of the hegemonic position of Germany and the throughout process of policy-making, on the other hand the political positions that the European Union took in light of the situation raised some doubts about the impartial role that the Union was expected to grant. Automatically, this posed some problems about the legitimacy of the output, namely the policies to be implemented and the kind of actors supposed to enforce them. In this sense, the Eurozone crisis and the response proposed at the European level led to a substantial erosion of the relationships among Member States, promoting the widespread of an anti-European sentiment especially in Southern countries. In a few words, the experience of the Eurozone crisis negatively influenced the path towards European integration, challenging the sense of unity and solidarity at the base of the European project.

3.3 The European response to the Covid-19 pandemic

3.3 (a) The need of a pan-European response

The study of the European response to the Eurozone crisis confirmed the political significance of the relationships among Member States in the study of European integration. It confirmed the importance of the role played by critical junctures in defining not only the nature of the intergovernmental bargaining process, but also the perception that national governments had vis-à-vis European supranational institutions. This aspect demonstrated to subsequently entail

²⁰¹ Schmidt, V. (2020) *op. cit.*

²⁰² Schmidt, V. (2016) *op. cit.*

some kind of effects for the path towards integration at the European level. If the Eurozone crisis is a concrete historical example triggering difficult relations among Member States and a certain sceptic sentiment about European integration, the analysis of consequences of the Covid-19 pandemic reveals opposite outcomes in terms of solidarity, political response, and national willingness of European coordination. Adopting a new intergovernmental approach and conceptualizing the study of crises, it is argued that the different political dynamics developed in response to the Eurozone crisis and the Covid-19 pandemic are related to the opposite features of the four independent variables allowing to conceptualize critical junctures and operationalize their characteristics. Firstly, the Covid-19 is a clear example of exogenous shock, whose origins were undefined and undetermined. Politically, the widespread of an unknown virus had the same effects as an earthquake. The event was impossible to prevent and to control, and then no one could be blamed for its consequences. Secondly, its effects were homogeneously symmetrical. All Member States of the European Union faced the same issue, and the quality of the impact was balanced. Despite at the beginning of March 2020 some Member States were more affected than others, after few days an uncountable number of Covid-19 cases were depicted everywhere in Europe. Hence, the peculiarity of this crisis is that there were no differences among Member States, both for what concerns the magnitude of the impact and its related consequences: the highly contagious nature of the disease placed the healthcare of all Member States under pressure; many European countries declared states of emergency and adopted very strict measures such as lockdowns and quarantines; all Member States were affected by an economic crisis caused by reduced exchanges in goods and services flowing significantly from confinement measures²⁰³. Thirdly, compared to the slow-burning nature of the Eurozone crisis, the Covid-19 pandemic is concrete example of fast-burning crisis. The widespread of the virus and the number of contagions increased sensibly in few days, overwhelming hospitals, and radically changing the way of life of millions of people. The unexpected rapidity of the spread of the virus and the visibility of its consequences called for an immediate political response both at the national and at the European level, trying to limit deaths and to control the economic crisis that was affecting all Member States. The combination of these three factors caused an increasing perception of uncertainty between Member States and policy makers. Firstly, there was uncertainty related to the epidemiological evolution of the pandemic, namely the infectiousness of the virus, the development of vaccines and the effects

²⁰³ Fasone, C., Lindseth, P. (2020) *op. cit.*

on the health care systems²⁰⁴. This was linked to the unknown origins of the virus, the increasing number of contagions around Europe, and the impossibility to prevent its rapid spread. Secondly, this kind of uncertainty triggered uncertainty about the economic outcomes of restrictions and lockdowns. This aspect was likely to have an impact both at the macro and the micro economic level, affecting demand and offer, production and consumption²⁰⁵. It is evident that, thirdly, this automatically triggered a certain degree of uncertainty related to the policy measures and the impact that would have on the economy. All these three sources of uncertainty influenced the landscape in which policy makers operated, creating further uncertainty about policy decisions and their effectiveness²⁰⁶. In that situation, no countries remained unaffected. No country had a solution to the problem. No country knew what kind of policies could be effective both at the national and the European level to avoid the deterioration of public health systems and to prevent a serious economic crisis. The degree of uncertainty was equally shared among the 27 Member States. All countries were equal vis-à-vis such a degree of volatility. If on the one hand the perception of contingency was due to lack of information concerning the origins, the possible evolutions of virus, and its economic consequences, on the other hand the main problem of Member States was to find effective solutions to limit deaths and avoid economic stagnation. However, volatility was not the only behavioural effect related the corona-crisis. Indeed, the incapability of Member States to deal with an unknown and uncontrollable virus and a related economic crisis increased not only the perception of uncertainty, but also the sense of solidarity between countries. This aspect was translated into a coordinated political response at the European level, both for what concerns the economic measures to provide financial support to Member States and the joint procurement mechanism for the purchase of vaccines.

3.3 (b) Solidarity-based economic policies

Compared to the Eurozone crisis where individual perceptions prevailed in the definition of the European policy making, during the Covid-19 pandemic Member States acknowledged their interdependence and the need of coordination. Contingent factors highlighted security concerns for all Member States, contracting the functional scale based on efficiency used to respond to

²⁰⁴ Benigno, P., Canofari, P., Di Bartolomeo, G., Messori, M. (2020) Uncertainty and the Pandemic Shocks, *Monetary Dialogue Papers*, European Parliament (ECON)

²⁰⁵ *Ibidem*

²⁰⁶ *Ibidem*

the Eurozone crisis and expanding expectations of community at the transnational level²⁰⁷. A sense of empathy among Member States led to consistent calls for European solidarity, resulting in concrete activities to expand European risk and burden sharing²⁰⁸. Solidarity and cooperation driving the intergovernmental relations and the decision-making in the Council were translated into concrete policies adopted at the European level to limit the economic consequences triggered by the pandemic. Because of the “borderless nature” of the Covid-19 and the common European interest in detecting the virus and preventing its spread, the first action of the European Union began as far back as 25 January 2020, before the detection of the virus in the continent²⁰⁹. The European Centre for Disease Prevention and Control informed all Member States about the potential impact of Covid-19 in Europe, even if the virus was still considered as a Chinese issue. On 21 February 2020, the Covid-19 became officially a European concern. Two weeks later the Italian government imposed a national lockdown, triggering a domino-like coordinated entry into confinement for all the other Member States²¹⁰. In less than one week, all countries depicted Covid-19 cases in their national territories, being forced to enforce general lockdowns. Considering the situation, and in order to give important signals to the instable financial markets, the European Union and its Member States started to individuate possible political solutions limiting the worsen of the economic conditions triggered by the pandemic. The first significant step to limit the economic consequences of such restrictions was taken by the European Central Bank on 18 March 2020, when the President Christine Lagarde announced the Pandemic Emergency Purchase Programme. The PEPP was a temporary asset purchase programme of private and public sector securities, mobilizing 750 billion euro in Eurozone assets and debt instruments²¹¹. In substance, it consisted of a non-standard monetary policy measure, whose goal was to counter the risks posed by the Covid-19 outbreak and the consequent national lockdowns that all Member States were forced to impose²¹². Then, on 20 March 2020 the European Commission proposed to the Council to suspend fiscal rules of the

²⁰⁷ Genschel, P., Jachtenfuchs, M. (2021) Postfunctionalism reversed: solidarity and rebordering during the COVID-19 pandemic, *Journal of European Public Policy*, 28 (3), pp.350-369

²⁰⁸ *Ibidem*

²⁰⁹ Fasone, C., Lindseth, P. (2020) *op. cit.*

²¹⁰ Deruelle, T. (2022) Covid-19 as a catalyst for a European Health Union: recent developments in health threats management, in Vanhercke B. and Spasova S. (eds.) *Social policy in the European Union: state of play 2021. Re-emerging social ambitions as the EU recovers from the pandemic*, Brussels, European Trade Union Institute (ETUI) and European Social Observatory (OSE)

²¹¹ Kreilinger, V. (2020) Tectonic shifts in the EU’s institutional systems, *Working Paper Series 62/2020*, Luiss School of Government

²¹² *Ibidem*

Stability and Growth Pact, activating an “escape clause”. This clause offered the possibility to Member States to deviate from the rules imposed at the European level and to undertake budgetary measures in light of the exceptional circumstances²¹³. Through the suspension of fiscal rules, Member States were allowed to deviate from their medium-term budgetary objectives in order to provide fiscal support to citizens and businesses, protecting them from the negative economic consequences of the pandemic²¹⁴. Treating the coronavirus as an exceptional occurrence, the Ecofin Council endorsed the proposal of the Commission, implying a departure from the European fiscal surveillance framework and from the “governance by rules and numbers”²¹⁵ that was previously endorsed in response to the Eurozone crisis²¹⁶. The magnitude of the pandemic increased during the weeks and the need for greater intergovernmental and supranational efforts became evident²¹⁷. Among the several cohesion policies that were on the table, on 2 April the European Commission proposed a draft regulation establishing the Support to mitigate Unemployment Risks in an Emergency (SURE), a temporary instrument to support Member States in protecting employment²¹⁸. Being approved by the Council with shared political consensus, the project aimed to provide financial assistance for up to 100 billion euro under the form of loans granted on extremely favourable terms by the European Union. In a strict sense, this fund financially supported Member States who were forced to increase their expenditures to protect employment. Also in April 2020, the Eurogroup agreed that the European Stability Mechanism could have provided a Pandemic Crisis Support, a credit line of 2% of the GDP aimed at directly supporting healthcare, cure, and prevention related costs during the pandemic²¹⁹.

The peculiarity of these funds is that they were not subject to special economic conditions. The conditionality imposed during the Eurozone crisis by the Troika on creditor states disappeared. The absence of conditionality mechanism represented a real revolution for the economic policies of the European Union, that always preferred to have a certain control over the expenditure of Member States. Hence, when it came to support national systems, the exceptional circumstances favoured a change of the political and economic behaviour within

²¹³ *Ibidem*

²¹⁴ Fasone, C., Lindseth, P. (2020) *op. cit.*

²¹⁵ Schmidt, V. (2020) *op. cit.*

²¹⁶ Kreilinger, V. (2020) *op. cit.*

²¹⁷ Fasone, C., Lindseth, P. (2020) *op. cit.*

²¹⁸ Kreilinger, V. (2020) *op. cit.*

²¹⁹ *Ibidem*

the Union. More specifically, considering the significant numbers of contagions and the real risk of a consistent economic recession, the European Union was substantially pressed by nine countries (Belgium, France, Greece, Ireland, Italy, Luxembourg, Portugal, Slovenia, Spain) to provide a concrete response to the economic effects of the pandemic²²⁰. These countries were asking for the creation of a common debt instrument issued by the Union to raise funds on the market on the same basis and to the benefits of all Member States, ensuring a long-term financing to implement policies to counter the consequences caused by the pandemic²²¹. However, the creation of the so-called Coronabonds posed some problems to the “frugal four” (Austria, Denmark, the Netherlands, Sweden), raising some doubts about the compatibility of Coronabonds with the “no bailout clause” in art.125 TFEU, the same legal provision that the “Northern coalition” defended to avoid the mutualization of sovereign debt during the Eurozone crisis²²². However, if during the Eurozone crisis they enjoyed a favourable position during the bargaining process, that was not the case for the political negotiations in response to the Covid-19 pandemic. At the end of the day, despite the “Northern coalition” traditionally used to defend the implementation of strict economic policies, the circumstances during that precise historical moment favoured the relaxation of their theoretical rigidity. Indeed, on 23 April 2020, the European Council asked to the European Commission to develop a Recovery Fund. The idea was to rise the Multiannual Financial Framework (MFF), the European seven-year budget, from 1.2% to 2% of GNI and to imply the Recovery Fund in the same framework. Without a change of the existing economic agreements, the proposal consisted in establishing a derogation to the already existing mechanisms, including some additional funds to further support Member States. In this context, the key issue concerned the nature of the distribution of funds, whether via loans or grants. The nine aforementioned countries pushed for solidarity-based grants, while the “frugal four” asked for more loans that recipient Member States were supposed to pay back. At the end of May, the European Commission proposed the Next Generation EU, a plan of 750 billion euro, whose 500 billion euro distributed by grants and 250 billion euro by loans to be repaid by 2058 at the latest. At this stage, Member States entered the political negotiations, which came to an end during the European Council of 17-21 July 2020. The EUCO agreed on the maintenance of the 750 billion euro proposed by the European Commission funded by the borrowing under the MFF, but the distribution resulted in 390 billion euro of grants and 360 billion euro of loans. Grants consisted in real financial transfers to Member States, entitled to

²²⁰ Fasone, C., Lindseth, P. (2020) *op. cit.*

²²¹ *Ibidem*

²²² *Ibidem*

spend the money in several years after having submitted a national recovery and resilience plan to the Commission, entitled to provide an assessment in two months followed by the approval of the Council. Hence, on the one hand for grants the mechanism of conditionality was almost inexistent, consisting mainly in the presentation of national plans regarding the future sectoral investments on the ground. On the other hand, for what concerned loans, Member States benefited of extremely favourable terms and the deadline for the payment back to the European Union were fixed in the real long-term. In this sense, the political economy and the foundation of financing of the EU had been overturned²²³.

3.3 (c) The joint procurement of vaccines

When the pandemic hit the European continent in February/March 2020, the urgency of the situation and the uncontrollable growing crisis gave momentum to national governments to implement domestic measures, in order to try to release pressure on health care systems and to limit loss of lives²²⁴. At the very beginning, the role of the European Union was considered as limited because of lack of competences in the public health domain, which were part of the national prerogatives. According to art. 168.5 TFEU, the support on Member States could be extended only in the “fight against (...) serious cross-border threat to health” and in the adoption of “incentives measures designed to (...) combat the major cross-border health scourges”²²⁵. While to a certain extent the European Union enjoyed some coordinating competences in terms of risk assessment, it is necessary to say that the substantial aspects of public health management remained in the hand of national systems. However, the exception of the moment and the need of “emergency politics” constituted such a complex scenario that Member States felt the need of a coordinated response to the health crisis, with a special implication of the European Union to promote common policies for the health crisis management²²⁶. Despite the European Union did not have binding instruments on health management, the logic of “every man for himself” which used to prevail in the public health domain was substituted by a common sense of solidarity among Member States²²⁷. The inexistence of treaty provisions concerning European health management in case of pandemic was then replaced with

²²³ Sandberg, P. L. , Ruffert, M. (2022) Next Generation EU and its constitutional ramifications: A critical assessment, *Common Market Law Review*, 59 (2), pp. 433-472

²²⁴ Fasone, C., Lindseth, P. (2020) *op. cit.*

²²⁵ *Ibidem*

²²⁶ Tesche, T. (2021) Pandemic Politics: The European Union in Times of the Coronavirus Emergency, *Journal of Common Market Studies*, pp. 1-27

²²⁷ Deruelle, T. (2022)

intergovernmental coordination on topic that used to be dealt at the national level²²⁸. In absence of coercive European legal basis, the action of Member States was moved by commonality, based on a combination of interests, sympathies, and aspiration²²⁹. In this sense, the solidarity-based approach promoted by Member States aimed at granting equality of opportunity and efficient allocation of resources to all countries facing the pandemic²³⁰. The Covid-19 pandemic caused a behavioural shift of Member States, which accepted coordination on health threats at the European level, especially for what concerns the purchase of vaccines. While the project concerning the creation of a joint procurement system for medical devices was already on the table at the time of the H1N1 pandemic, the residual magnitude of that crisis neglected the implementation of the program. It is only with the Covid-19 pandemic that this embryonal idea came back to light. Indeed, conscious of the gravity of the pandemic, Member States activated the mechanism of joint procurement of medical products immediately after the begin of the corona-crisis. After having coordinated the purchase of personal protective equipment (PPE) on 28 February 2020 and ventilators on 17 March 2020²³¹, the joint procurement system acquired significant importance when it came to the purchase of vaccines. The key reason moving the interests of Member States concerned the issue of equal access. As smaller Member States of the European Union did not have sufficient purchasing and bargaining powers to deal with Big Pharma, the role of the European Union was to grant equitable access to all Member States and to avoid a race for vaccines among European countries. Hence, on 17 June 2020 the European Commission presented a communication on a European strategy for Covid-19 vaccines, proposing a coordinated approach to ensure safety and equitable access to anti-viral treatments²³². With the agreement of all Member States, the European Union created a budget of 2 billion euro for the purchase of the vaccines and set up a committee of experts from all the European countries entitled to negotiate with the Big Pharma. In less than a semester, the European Commission signed purchase agreements with different pharmaceutical industries producing vaccines, providing to Member States 2.3 billion doses in total²³³. Hence, the role of the European Union was to grant a fair and equitable access to the 27 Member States, ensuring equal medical treatments to all the citizens of the Union. The role of the Commission was then

²²⁸ De Witte., B. (2021) The European Union's COVID-19 recovery plan: The legal engineering of an economic policy shift, *Common Market Law Review*, 58 (3), pp. 635-682

²²⁹ Deruelle, T. (2022)

²³⁰ *Ibidem*

²³¹ *Ibidem*

²³² *Ibidem*

²³³ *Ibidem*

to represent European countries in the bargaining process with Big Pharma and to subsequently deliver vaccines to Member States, responsible of the distribution. Compared to the Eurozone crisis, when the economic support to Member States was subject to strict conditionality and evident monitoring mechanisms, the joint procurement of Covid-19 vaccines consisted only in the creation of purchasing contracts signed by the European Commission on behalf of the Member States. After the ratification of contracts at the European level, Member States were the only proactive actors entitled to grant the vaccine roll-out at the national level. Despite having purchased the treatments, the European Commission did not enjoy any power to control the distribution. If during the Eurozone crisis the Commission used to closely monitor and constraint Member States in the implementation phase, on the question of vaccines it could not intervene²³⁴. Do not enjoying shared competences in the public health domain, the European Commission did not have the possibility to exceed the purchasing role. The fact that national authorities were in control of the distribution process of goods purchased at the European level constituted a strong signal of trust and solidarity. Compared to the general sceptic attitude of Member States during the Eurozone crisis, the decision concerning the implementation of a joint procurement agreement to purchase vaccines aimed at avoiding the increase of cleavages among countries confirmed a considerable change in the national political behaviour. If at the first sight the evolution towards solidarity concerned especially the intergovernmental relations among Member States, it is also important to consider the consequences that such collaboration triggered at the European level. As it will be presented in the next paragraph, the solidarity-based approach among Member States and stronger intergovernmental relations implied not only the relaxation of the rules-based governance that used to prevail in the Union, but also a different conception of Member States about European integration. Here again, the new intergovernmentalism theory will help shedding light on these complex dynamics.

3.3 (d) The consequences: intergovernmental consensus, positive politicization, stronger European integration

The European action in response to the Covid-19 pandemic can be classified as an effective example of “emergency politics”²³⁵, whose rapid enforcement aimed at supporting Member States both in the economic and health domain. The immediate political reaction of the European Union is strictly due to the intrinsic features of the crisis. In this context, the variables at the base of the conceptualization of the study of critical junctures are particularly explicative.

²³⁴ *Ibidem*

²³⁵ Tesche, T. (2021) *op. cit*

Indeed, if on the one hand the exogeneity, the symmetry on Member States and the fast-burning nature of the crisis fuelled instability and uncertainty for the crisis management, on the other hand the intrinsic characteristics of the Covid-19 pandemic promoted an unprecedented sense of intergovernmental solidarity. To a certain extent, the shared political attitude of Member States resulted in a real European “Hamiltonian moment”²³⁶. This definition refers to the behavioural shift of Member States for what concerns intergovernmental relations, in turn influencing the path towards European integration. This trend is particularly evident if evaluated in light of the dominating political tendencies of Member States during previous crisis management. If compared with the Eurozone crisis, the positions of Member States at the negotiation table and the roles played by European supranational institutions were driven by a cooperative approach. Indeed, the traditional conception “southern sinners vs. northern saints”²³⁷ did not dominate the political discourse during the Covid-19 pandemic²³⁸. The general necessity of a consistent economic recovery plan and the ratification of a common agreement for vaccines were part of the interests of all Member States, without distinction. While a European purchasing contract for anti-Covid treatments has met the general agreement of all countries, some initial debates led by the “frugal four” about the economic nature of the funds interested the table of negotiations. However, if during the Eurozone crisis the unbalanced bargaining powers among Member States favoured the hegemonic position of the “Northern coalition”, the political approach leading the response to the Covid-19 pandemic triggered the opposite outcome. If it is evident that this was strictly linked to the extreme externalities caused by the pandemic, it is also true that, compared to the Eurozone crisis, Member States had no interest in entering a concrete zero-sum conflict. That was also true for the “frugal four”. Changing the approach adopted during the Eurozone crisis towards the economically weaker countries, Northern countries started to consider a new way to protect their interests in Europe²³⁹. While at the beginning the German government declared some resistance to the adoption of grants, a more conciliatory attitude was assumed compared to the traditional strictness. This change was evident at the intergovernmental level. If it is true that a spirit of collaboration was linked to the circumstances, it is necessary to consider the degree of interdependence that the crisis itself had

²³⁶ Financial Times, *Is the Franco-German plan Europe’s “Hamiltonian” moment?*, 21 May 2020, <https://www.ft.com/content/2735a3f1-bc58-477c-9315-c98129d12852>, accessed: 4 April 2022

²³⁷ Matthijs, M., McNamara, K. (2015) The Euro Crisis’ Theory Effect: Northern Saints, Southern Sinners, and the Demise of the Eurobond, *Journal of European Integration*, 37 (2), pp. 229–245

²³⁸ Tesche, T. (2021) *op. cit*

²³⁹ Salvati, E. (2021) Crisis and Intergovernmental Retrenchment in the European Union? Framing the EU’s Answer to the Covid-19 Pandemic, *Chinese Political Review*, 6, pp. 1-19

boosted. While during the Eurozone crisis the issue concerned public sovereign debt and high degree of economic interdependence interested debtor Member States, the Covid-19 pandemic rebalanced the equilibrium among countries. If during the financial crisis Southern countries were economically dependent from Northern countries that were supposed to assist them vis-à-vis the instability of financial markets, the corona-crisis reduced the superiority position of the latter in respect to other Member States. The imposition of strict lockdowns and the economic difficulties of Southern countries would have substantial consequences also for Northern countries, because of the tight interconnection of production and supply chains²⁴⁰. Hence, the emergency situation, the widespread domestic incapability to deal with the economic and health issues, and the economic interdependences among Member States lead to the revision of the conditionality approach that used to dominate the European fiscal policies. The key innovations concerned not only the European issuance of grants, but also the favourable conditions both in economic and temporal terms according to which Member States would pay back loans. Hence, this was the deal that European countries arrived to negotiate, reproducing what was not possible to implement during the Eurozone crisis.

Now, if a convergence of interests and a homogeneous need of financial and health support promoted the intergovernmental relations between Member States overcoming a zero-sum conflict, it is necessary to consider how this aspect triggered some consequences for the relationships between States and supranational institutions²⁴¹. Indeed, while during the Eurozone crisis the role of the European Union was considerably contested because of its illegitimate political position and a substantial increase of competences in the fiscal domain, the attitude of Member States towards European supranational institutions was different during the corona-crisis. Despite of contesting, during the pandemic the politicization of the action of the European Union led to more cooperation within the Union and increasing willingness towards European integration. While during the Eurozone crisis the increasing competences of the European Commission and the European Central Bank were considered as illegitimate, undemocratic and non-representative of the willingness of Member States, during the Covid-19 pandemic the Council gave to supranational institutions more responsibilities, asking to provide ideas in different policy areas such as public health, not part of the formal competences of the European Union, and to work jointly with governments to endorse a European recovery

²⁴⁰ *Ibidem*

²⁴¹ Schmidt, V. (2020) *op. cit.*

fund²⁴². Hence, in the context of the pandemic, politicization turned positive, increasing cooperation among European actors. While increasing competences of non-elected bodies at the European level were often accused to illegitimately concentrate some powers in their own hands limiting the sovereignty of Member States and do not representing the interests of all countries, the Covid-19 entailed a change in the perception of politicization and legitimacy of the European Union's actions. If the top-down measures adopted by supranational institutions in response to previous crises were often condemned by the Member States because of their technical and strict nature, conversely the policies endorsed at the European level during the pandemic were kindly welcomed by national governments. The delegation to supranational bodies to build economic recovery funds and to deal with Big Pharma for a European purchase of vaccines in this case was highly recommended by Member States, conceding competences to non-elected institutions that had been blamed in the past. In this sense, if the alleged "policy without politics"²⁴³ perception of Member States during the Eurozone crisis put into question the legitimacy of the European action and questioned the democratic nature of the system, during the Covid-19 pandemic this tendency transformed into "politics with policy". The dissatisfaction of national governments synthesized in the expression "policy against policy"²⁴⁴ let the place to solidarity and cooperation, reinforcing interinstitutional relationship both among Member States and vis-à-vis European supranational institutions. The past dynamics of interinstitutional interaction that characterized crises management transformed into a new European dialogue, evidently favoured by the existence of a common threat.

3.4 A paradigmatic change for European integration?

3.4 (a) The need of a behavioural change

The analysis of the European responses to the Eurozone crisis and the Covid-19 pandemic tried to demonstrate to what extent high levels of uncertainty triggered behavioural change of Member States affecting first the intergovernmental relationships and the political approaches of countries during the bargaining process, and second the quality of the policies implemented at the European level. The latter consequently reshape the conception that Member States have of supranational powers, accused to illegitimately stretch their competences, or encouraged to reinforce their positions depending on the circumstances. While the endogenous nature of the financial crisis and its heterogenous economic consequences increased cleavages and

²⁴² *Ibidem*

²⁴³ Schmidt, V. (2016) *op. cit.*

²⁴⁴ Schmidt, V. (2020) *op. cit.*

divergencies among Member States, the widespread uncertainty during the Covid-19 pandemic caused an unprecedented sense of solidarity among countries, who jointly perceived the urgency to build a common European economic fund and to coordinate a health plan to recover from the shock triggered by the pandemic. Taking into consideration the political developments that characterized these two crucial European crises and the opposite outcomes of their related responses, it is evident that circumstances and uncertainty led to a paradigmatic change of the decision-making approach first at the intergovernmental level, and then in turn at the supranational level. The concept of paradigmatic change makes reference to the dominant belief system²⁴⁵, to the behavioural tendencies that Member States used to have when dealing with other countries at the political roundtables. Comparing the Eurozone crisis and the Covid-19 pandemic, this belief shift is evident, both in the bargaining dynamics in the Council and the endorsement of concrete policies. The solidarity-based approach of in crisis management and a general sentiment of mutual comprehension was the real revolution triggered by the pandemic. The distribution of funds in such favourable terms and a low degree of economic conditionality were almost unconceivable before the Covid-19 pandemic. In a certain sense, the exceptional and unprecedented circumstances justified the implementation of policies that during previous crises have always been contested, at least by the Northern Member States. The health of all European citizens and the interrelated economic systems needed protection, and the understanding of this necessity entailed the political acceptance of implementing special measures, even restraining national autonomy for a stronger coordination.

3.4 (b) Learning through crises: has the pandemic triggered a change?

Looking at the prior crises and at the constant reshaping of the relationships between Member States, it is clear that the degree of adaptability, resilience, and tolerance that Member States shown at the European level was only partial. That was so residual and unstable that, according to certain Member States and the public opinion, some critical moments like the Eurozone crisis led to a weakening of the quality of democracy. Indeed, it was argued that European governance had developed “coercive enforcement at the expenses of the voluntary cooperation”²⁴⁶, implementing a “coercive Europeanization”²⁴⁷. Hence, the impact of crises on democracy often

²⁴⁵ Wolff, S., Ladi, S. (2020) European Union Responses to the Covid-19 Pandemic: adaptability in times of Permanent Emergency, *Journal of European Integration*, 42 (8), pp. 1025-1040

²⁴⁶ *Ibidem*

²⁴⁷ Leontitsis, V., S. Ladi (2018) *The Changing Nature of European Governance and the Dynamics of Europeanization* in Ongaro, E., Van Thiel, S. (eds.) *The Palgrave Handbook of Public Administration and Management in Europe*, pp. 765–781. London: Palgrave Macmillan

resulted to be uneven, destructive, rather than constrictive in terms of solidarity and unity. In many respects, the process of European integration remained crystallized, or even damaged by crises. Despite the behavioural practices that characterized the experience of previous crises, the Covid-19 perhaps paved the way for a new conceptualization of the nature of European response. This change concerns the awareness that the European Union and its Member States should improve and their capacity to be resilient to be prepared for unknown risks, and to learn how to change their bad habits in light of the common interests. This behavioural tendency it is part of the fundamental pillars in order to grant political stability and an “even closer Union”. As moments of uncertainty and volatility could not always be prevented, like in the case of the pandemic, the goal of Member States would be to build stronger relations and reinforce political cooperation in order to “bounce forwards rather than back”²⁴⁸ in the path towards integration. If at the first sight crises trigger instability, the objective of Member States and the European Union would be to “normalize” crisis management. Instead of changing behavioural tendencies and reshaping the willingness of coordination depending on the nature of the contingent circumstance, the European Union should build a “new normality” system of governance based on collaboration. This new approach concerns the acceptance of the possibility to have to deal with high degree of uncertainty, to which the system is constantly exposed, and to adopt a more stable kind of governance in light of the emergency situations²⁴⁹. If it is evident that the normalisation of the European responses in times of crisis can be accelerated by the exceptional nature of a specific crisis like in the case of the pandemic²⁵⁰, it is also true that each moment of uncertainty should teach something new to Member States. That was maybe the case of the Covid-19 pandemic. Indeed, the combination of homogenous health and economic crises seems to have promoted learning, letting aside the previous political trends. However, the challenge is to understand whether this change was strictly due to the circumstances, or rather led to “learning from one crisis and making changes to prepare for another”²⁵¹. In a few words, the point is to evaluate the persistence of the maturing of the relationships between Member States and the European Union and to understand if the Covid-19 pandemic marked a turning point for the path towards a stronger and resilient attitude towards European integration during crises

²⁴⁸ Paul, R., Roos, C. (2019) Towards a New Ontology of Crisis? Resilience in EU Migration Governance, *European Security*, 28 (4), pp. 393–412

²⁴⁹ Wolff, S., Ladi, S. (2020)

²⁵⁰ *Ibidem*

²⁵¹ Moynihan, D. P. (2008) Learning under Uncertainty: Networks in Crisis Management, *Public Administration Review*, 68 (2), pp. 350–365.

management²⁵². Being the pandemic a critical juncture that produced a change in the European response to that precise shock, Capoccia said that “this is likely to have a crucial impact on outcomes later in time”²⁵³. The Covid-19 pandemic could constitute a turning point for the relationships among Member States, establishing a new mentality of governance made of compromises, solidarity, and constructive integrative politics. While the experience of the pandemic constituted a “phase of emergency crisis management”²⁵⁴, the subsequent moment consists of “a phase of purposeful institution building”²⁵⁵, determining whether solidarity-based policies implemented during the crisis are path-dependent and have some lock-in effects over time²⁵⁶. The evaluation should consider the stability of the change in the political discourse, altering “the ways policy actors perceive their interests and the environment in which they mobilize”²⁵⁷. Moving away from the idea of uncertainty, the dominating principal of solidarity among Member States that characterized the response to the pandemic should remain part of the leading political trends within the European Union. Generally, this kind of assessment is only possible after some years, evaluating the resilience of the change. However, the recent events in Ukraine and the related European political dynamics could already partially answer to this question. As in the case of the financial crisis and the pandemic, the intrinsic features of this new crisis significantly influenced the political approach of Member States and the path towards European integration. Anticipating what will be argued in the next paragraph, the war in Ukraine confirmed still the existence of bargaining conflicts among Member States. Reproposing the model adopted for the analysis of critical junctures, it will be noticed that the Ukrainian crisis can be classified between the two, presenting some common features both with the Eurozone crisis and the Covid-19 pandemic. Its mix features are consequently reflected in the related European response, halfway between solidarity- and interests-driven. Hence, it can be argued that the analysis of the latest developments in Ukraine are particularly useful to demonstrate the instability of the European political action and the reshaping relations among Member States, hypotheses which are at the base of this work.

²⁵² Wolff, S., Ladi, S. (2020) *op.cit.*

²⁵³ Capoccia, G. (2016) *Critical Junctures*, In *The Oxford Handbook of Historical Institutionalism*, edited by O. Fioretos, T. Falleti, and A. Sheingate (eds) pp- 89–106. Oxford: Oxford University Press.

²⁵⁴ Wolff, S., Ladi, S. (2020) *op.cit.*

²⁵⁵ Braun, B. (2015) Preparedness, Crisis Management and Policy Change: The Euro Area at the Critical Juncture of 2008–2013, *The British Journal of Politics and International Relations*, 17 (3), pp. 419–441

²⁵⁶ Wolff, S., Ladi, S. (2020) *op.cit.*

²⁵⁷ Béland, D. (2010) Policy Change and Health Care Research. *Journal of Health Politics., Policy and Law*, 35 (4), pp. 615–641.

3.4 (c) Confirming hypothesis: the instable behavioural approach of Member States vis-à-vis the war in Ukraine

Started recently on 24 February 2022 and being still on going, it is still premature to effectively evaluate the European response in light of the Russian aggression against Ukraine. However, despite this Master Thesis proposes an assessment of the European responses during the Eurozone crisis and the Covid-19 pandemic starting from an analytical conceptualization of study of critical junctures, the last developments in Ukraine could be considered to further confirm the reliability of the hypotheses at the base of this work. Despite the lack of literature, the four independent variables at the base of the study of critical junctures that have been applied for the evaluation of the aforementioned crises could be also considered to explain the political developments within the European Union vis-à-vis the Ukrainian crisis. However, the operationalization is slightly more complex compared to the Eurozone and the Covid-19 crises. Firstly, it is difficult to assess if the war in Ukraine should be considered as an exogenous rather than endogenous shock. This ambiguity is related to the origins of the crisis. Professor Alessandro Orsini has rightly questioned whether it is an unjustified attack of the Kremlin against Ukraine or rather the consequence of the expansionistic foreign policy of the European Union and NATO. Secondly, the asymmetry or the symmetry of the crisis is complex to assess as well. If on the one hand all the Member States of the European Union have interpreted the attack of the Kremlin as a threat to democracy and Western principles, on the other hand the side effects triggered by the war are not equally distributed among European countries. Despite being part of the European Union, every Member State has different trade, financial, and energetic relationships with Russia. The degree of interdependence with the Russian economy is not homogenous among Member States. Thirdly, the evaluation of the temporal dimension is quite difficult. In light of the precedent military operations in Chechnya and in Crimea, some experts sustain that an attack against Ukraine was possible to predict. From a temporal dimension, on the one side it can be classified as a slow-burning crisis due to the alleged interest that Putin has always had towards Ukraine, on the other side it is also fast-burning since the European continent saw the beginning of a war in its territory from one day to another, disrupting the international order and calling the attention of all countries.

Considering the gravity of the events in Ukraine, the ideological position of the European Union vis-à-vis the war was clear and unison. The President Michel called an extraordinary European Council the same day of the invasion, firmly condemning the Russian aggression against Ukraine. The response of the European Union was unprecedentedly fast, homogeneously agreed

by all Member States. Adopting packages of sanctions within few days, the European Union expelled several Russian banks from SWIFT, imposed limits on the Russian Central Bank, sanctioned oligarchs and politicians, and blocked state-sponsored Russian media channels²⁵⁸. On the Ukrainian side, the European Union disbursed 450 million euros under the European Peace Facility program to offer lethal weapons to Ukraine and implemented a new temporary mechanism of protection for refugees fleeing the war²⁵⁹. Interpreting the Russian invasion as an existential threat to the Western democratic values, the European response was unique and driven by solidarity. The need to defend European peace and prosperity fostered cooperation among Member States, all of them against one common Russian enemy. To a certain extent, Russia became the new Covid-19. Fostering the political unification of Member States, the war in Ukraine increased constructive dialogue at the intergovernmental level not only to provide support to Ukraine, but also to strengthen the strategic position of the European Union in the international arena. The continuity of the solidarity-based approach adopted during the Covid-19 pandemic is confirmed by the nature of the policies endorsed by the Union in light of the war in Ukraine. With the goal to ensure strategic autonomy and to reduce energy dependency from Russian gas, the European Commission has proposed the RePowerEU, an ambitious energy transition program that will likely foresee debt mutualisation and the bloc of debt rules to assist Member States in the transition towards energy independence²⁶⁰. Like the Next Generation EU, RePowerEU consists in a transnational project based on a common fund, whose goal is to accompany Member States towards a more sustainable and less dependent energy economy²⁶¹. RePowerEU and its financial mechanisms confirmed the tendency, already endorsed during the pandemic, to let aside conditionality and to increase the number of different economic funds to solve European problems. Hence, compared to the “rule of rules” of the Eurozone crisis, with the Covid-19 pandemic and the war in Ukraine the European Union seemed to have changed its political approach of crisis management. The solidarity-based approach adopted by Member States during the pandemic found continuity with the war in Ukraine, for what concern not only the military and humanitarian support to the Ukrainian people, but also to sustain Member States to reach energy independence.

²⁵⁸ De Witte, F. (2022) Russia’s invasion of Ukraine signals new beginnings and new conflicts for the European Union, *London School of Economic*, 14th March 2022

²⁵⁹ *Ibidem*

²⁶⁰ *Ibidem*

²⁶¹ *Ibidem*

On the one hand it is evident that a solidarity-based political approach driven the European response to the Russian aggression against Ukraine. The European Union strongly condemned the military operation of the Kremlin, endorsing packages of sanctions against Moscow, excluding Russia from SWIFT, and sanctioning individuals²⁶². Solidarity was shown also to Ukraine, supported by Member States with the provision of weapons to arm the resistance and with a protection mechanism for Ukrainian fleeing the war. If at the first sight the European Union seemed strong and united, it is also necessary to point out that it was not necessarily the case when it came to deal with other issues related to Ukrainian situation. The first topic that started to divide the political unity of Member States concerned the application of Ukraine for membership to the European Union. Despite the call of the European Parliament to the other EU institutions “to work towards granting EU candidate status to Ukraine in line with art.49 TEU”²⁶³, European leaders immediately responded that they were not going to offer a fast-track to membership to Ukraine. The topic is legally and politically controversial. From a legal perspective, the pre-accession process could only be triggered if all 27 Member States were unanimously on board. As declared by President Michel during the informal European Council in Versailles on 10-11 March 2022, there are “different opinions and sensitiveness within the EU on enlargement”²⁶⁴. Indeed, discordant positions among Member States are evident. On the one hand, Eastern European countries such as Poland, Estonia, Lithuania and Latvia were pushing for the start of the accession procedure, mainly moved by the idea to use Ukraine as a new European border to protect their national territories, which are very close to the Russian frontier. On the other countries, namely Germany, the Netherlands and Austria, were sceptic about this possibility. The concerns of the reluctant Member States were related to the geopolitical implications that the membership of Ukraine would entail. In the short-term, the candidate status could provoke the increasing disappointment of Putin and possible further escalation of the conflict²⁶⁵. In the long-term, in case of accession in the European Union, Ukraine would benefit from the “mutual assistance clause” provided by art.42.7 TEU, which

²⁶² Council of the European Union, *EU response to Russia's invasion of Ukraine*, available at <https://www.consilium.europa.eu/en/policies/eu-response-ukraine-invasion/>

²⁶³ European Parliament (2022), European Parliament resolution of 1 March 2022 on the Russian aggression against Ukraine, 2022/2564(RSP), Brussels, para.37

²⁶⁴ Michel, C., *Remarks by President Charles Michel at the extraordinary debate at the European Parliament on Russian aggression against Ukraine*, European Parliament, 01 March 2021, available at <https://www.consilium.europa.eu/en/press/press-releases/2022/03/01/remarks-by-president-charles-michel-at-the-extraordinary-debate-at-the-european-parliament-on-russian-aggression-against-ukraine/>

²⁶⁵ Van der Loo, G., Van Elsuwege, P. (2022) The EU–Ukraine Association Agreement after Ukraine’s EU membership application: Still fit for purpose, Discussion Paper, *European Policy Centre – Egmont Institute*

oblige other Member States to offer “aid and assistance by all the means in their power” in case of military aggression against one of the European countries²⁶⁶. In order to reconcile the different lines of thought of the matter, in the Versailles Declaration Member States diplomatically limited their positions stating that “Ukraine belongs to our European family”²⁶⁷. The second topic dividing European Member States is related to the possible sanctions on Russian gas. The reason of the dissent is due to the heterogenous positions that Member States have for what concerns energy dependence. This issue was already clear when the European Union started to draft the packages of sanctions. While several Russian banks were involved, Gazprombank remained unaffected. If side-effects of sanctions affecting other domains were possible to be sustained, sanctions on the bank dealing with energy transactions were out of discussion. The European discussion on the embargo on Russian gas sensibly increased after the events in Bucha. The French President Macron, chairing the rotating presidency of the Council, and President Michel recalled the attention on the question of gas, underling the need to stop gas import from Russia to further condemn the aggression against Ukraine and to stop financing the Russian war machinery²⁶⁸. It is here then that the debate increased its substance at the intergovernmental level. According to some diplomatic sources that referred their information to The Times, a political battle was raging within the European Union. On the hand, a group of countries led by Poland pushing for a commitment to hit Russian gas exports, on the other hand, a group composed by Germany, Austria, Italy, Hungary, and Bulgaria insisting that sanctions must not be extended to gas²⁶⁹. According to the latter, sanctions on this domain would hurt European countries more than Russia. It is evident that the different political positions are due to the diverse degree of energy dependency that each country has in respect to Russia. For some of them, importing almost 90% of their gas from Russia, it is particularly difficult to sanction or directly renounce to the Russian energy. Especially for highly dependent

²⁶⁶ *Ibidem*

²⁶⁷ European Council, Statement of the heads of state or government, meeting in Versailles, on the Russian military aggression against Ukraine, 10 March 2022, para.4., available at <https://www.consilium.europa.eu/en/press/press-releases/2022/03/11/statement-of-the-heads-of-state-or-government-on-the-russian-aggression-against-ukraine-10-03-2022/>

²⁶⁸ European Council, Report by President Charles Michel to the European Parliament plenary session, 6th April 2022, available at <https://www.consilium.europa.eu/en/press/press-releases/2022/04/06/report-by-president-charles-michel-to-the-european-parliament-plenary-session/>

²⁶⁹ The Times, EU divided over dependency on Russian gas, 23th March 2022, available at <https://www.thetimes.co.uk/article/eu-divided-over-dependency-on-russian-gas-2hfrtp627#:~:text=The%20three%2Dway%20split%20means,soon%20as%20possible%E2%80%9D%20until%20June.>

countries, the ban on Russia gas would entail not only a problem of alternative supply, but a consistent increase of energy prices²⁷⁰. Other countries, whose dependency from Russian gas is mitigate by a substantial use of renewable sources and by a more diversified window of suppliers, extensively shared their consent to endorse an energy embargo against Russia. In sum, when it came to deal with the request of EU membership of Ukraine and the possibility to ban import of Russian gas, here again the alleged European political solidarity let the space to national interests and bargaining conflicts among Member States. When it came to deal with strategic and economic issues related to the war in Ukraine, the political approach driving the European action was much more similar to the one adopted during the Eurozone crisis.

The analysis of the European response to the Ukrainian crisis confirmed that the Covid-19 pandemic did not mark a turning point for the behavioural approach of Member States during crisis management. Conversely, it confirmed the instability of the behavioural approach of Member States of the European Union when it comes to crisis management. Taking into consideration its intrinsic features according to the four dependent variables operationalized in this work, the war in Ukraine is an effective example to test the applicability of the new intergovernmental theory and the proposed operational model to explain European integration. Halfway between the Eurozone crisis and the Covid-19 pandemic, the European response vis-à-vis the war in Ukraine presented a mix of approaches. In response both to the corona-crisis and the war in Ukraine, Member States shown cooperation and unity. It is arguable that the solidarity-based approach adopted in both crises is due to the perception of a common European threat, an existential danger whose effects could jeopardize the stability all Member States, with no exclusions. While during the pandemic the goal of Member States was to control the widespread of an unknown virus and to limit the economic consequences of the health emergency, with the invasion of Ukraine all countries identify Russia as a common enemy and perceived the necessity to react together to defend the “European way of life” and its democratic values. In both situations the solidarity among Member States was triggered by the identification of an existential menace. Being all concerned about the possible effects of the pandemic and of the war in Ukraine, Member States felt the need to implement common policies, strengthening cooperation and increasing constructive political dialogue. However, it is also true that the bargaining approach of Member States in response to Russian aggression

²⁷⁰ La Repubblica, *Gas, perché l'Europa non dichiara l'embargo: pochi paesi fornitori, troppo costoso dire addio alla Russia*, 5th April 2022, available at https://www.repubblica.it/economia/2022/04/04/news/gas_russo_cosa_succede_se_mosca_chiude_rubinetti-344071004/?_vfz=medium%3Dsharebar

presented some similarities with the interest-based political tendency adopted during the financial crisis. Indeed, in order to defend national interests in the strategic and economic domains, bargaining conflicts interested the intergovernmental roundtables. As in the Eurozone crisis, when creditor countries tended to protect their domestic financial interests despite the demand of economic support from highly indebted Member States, during the Ukrainian crisis a consistent debate concerned the possibility to ban the imports of Russian gas. In both situations, the disagreement among Member States was caused by the heterogeneous conditions of the countries. Considering the different magnitude of the consequences triggered by the financial crisis and the diverse degree of dependency from Russian gas, Member States entered a complex negotiating process, where common solutions were uneasy to find. The consequences on European integration of such cleavages among Member States have been analysed for what concerns the Eurozone crisis. However, an evaluation of the effects triggered by the energy debate on the path towards European integration is complex to be assessed at this stage.

Conclusions

The conceptualization of the most influential elements characterising two peculiar critical junctures such as the Eurozone crisis and the Covid-19 pandemic allowed to demonstrate how political actors reshape their interinstitutional relationships according to the circumstances. The intrinsic features of these crises demonstrated to what extent European actors have the tendency to modify their behavioural approach according to the situations and the consequences that the latter would entail for their national interests. The intrinsic features of the Eurozone crisis and the Covid-19 pandemic conceptualized according to the operationalization of four independent variables at the base of the study of critical junctures were particularly significant. While the Eurozone crisis was characterized by semi-exogeneity, an asymmetric spatial distribution of its consequences and an ex-ante predictable temporal evolution, the Covid-19 pandemic consisted of an exogenous shock, whose effects were symmetrically distributed among Member States and whose temporal evolution could not be estimated and prevented. If the financial crisis did not foster an equal degree of uncertainty within Member States because of different national situations, the pandemic put into question the stability of all countries, equally affected by a health and an economic crisis.

The opposite characteristics of these two crises automatically triggered different political reactions and behavioural approaches of Member States when it came to propose a European response to deal with the consequences caused by the crises. On the one hand, during the Eurozone crisis the dialogue among Member States was characterized by an intense bargaining conflict, dividing the intergovernmental roundtable. The negotiating process was characterized by internal conflicts among Member States in the European Council, since Northern countries refused to approve the mutualisation of the sovereign debt proposed by Southern countries, the most hit by the crisis. The tendency of the “Northern coalition” was to protect their national financial interests, in order to do not get economically involved in the rescue plans for the “Southern coalition”. Instead of supporting highly indebted countries, the most powerful actors pushed for the implementation of several economic plans whose primary objective was not to save debtor countries from the bankruptcy, but rather to avoid side-effects on their national economies. Considering the highly unbalanced bargaining power among Member States at the negotiation roundtable, it is evident that the response implemented at the European level mainly reflected the expectations of Northern countries. The final outcome of the bargaining process led to the endorsement of economic policies based on high levels of conditionality and austerity, forcing indebted Member States to implement strict economic measures in their national

financial systems in order to be in line with the guidelines decided in Brussels. On the other hand, during the Covid-19 pandemic the dialogue at the intergovernmental level was much more constructive and inclusive. Facing a common threat, Member States agreed to implement innovative economic rescue plans, eliminating the austerity rules that used to regulate national financial systems and the European economic governance. Considering the general incapability of all Member States to grant economic stability during a long period of lockdowns and restrictive measures, they commonly agreed on the implementation of large packages of aids. If during the Eurozone crisis the economic reforms were based on austerity, during the Covid-19 pandemic Member States agreed on the creation of plans largely composed by loans and grants with extremely favourable terms. This sense of cooperation was also reflected in the ratification of a European contract for the purchase of vaccines. Here again, the objective was to collectively respond to the necessities of anti-Covid treatments, providing the possibility to all European citizens to protect their health, without national distinctions. The joint purchase of vaccines allowed to avoid a vaccines-race among Member States and to protect countries with weaker purchasing power from the high competitiveness of the others. In sum, if on the one hand the European response during the Eurozone crisis mirrored the interest-based approach defended by Northern countries, the recovery plans and the joint procurement of vaccines proposed to deal with the Covid-19 pandemic were driven by solidarity and cooperation. The different kind of European policies implemented to deal with these crises influenced not only the relationships among Member States, but also the position of countries vis-à-vis European integration. Considering that the European action resulted to have been particularly influenced by the nature of the bargaining relations among Member States, it is then logic that the perception of countries concerning to the role of the European Union suffered a consequent degree of instability. That is confirmed by the political opinion that Member States had during the experience of these two crises. While during the Eurozone crisis the European Union was accused to do not reflect the general interests of all Member States and to illegitimately have taken political sides in the distributive conflict among Member States, the Covid-19 pandemic increased the willingness of Member States for cooperation. If during the Eurozone crisis the increasing competences of the European were condemned and considered as non-democratic, conversely during the pandemic the policies endorsed by the Union were kindly welcomed by national governments. It is then evident that the circumstances considerably affected the position of Member States for what concerns the political acceptance of the existence of a supranational entity regulating significant domains.

These examples reflect the reliability of the hypotheses at the base of this Master Thesis. The European responses to the Eurozone crisis and the Covid-19 pandemic confirmed not only that Member States adopt different behaviours according to the nature of the crisis, but also that the perception of the crisis itself directly affect the decision-making at the European level. Depending on the national situation of each country, Member States enter the intergovernmental bargaining process adopting a national interests-based approach rather than a more constructive attitude promoting solidarity. The European response results to be consequently shaped according to the behavioural approaches of Member States. Depending on the action proposed by the Union, countries tend to redefine their conceptualization of European integration, pushing towards a stricter willingness for coordination rather than a more isolating and autonomous idealization of national politics. These trends were further confirmed by the approaches that Member States adopted vis-à-vis the war in Ukraine, an emblematic example since the intrinsic features of the crisis presents some similarities both with the Eurozone crisis and the Covid-19 pandemic. While all Member States of the Union jointly firmly condemned the Russian aggression against Ukraine adopting several packages of sanctions and endorsing economic and humanitarian plans to help the Ukrainian people and to defend the strategic position of the Union, the issue of the European enlargement and the possible ban on imports of Russian gas again divided the intergovernmental roundtable. If after the Covid-19 pandemic a political change towards increasing cooperation and collaboration was expected, the recent events in Ukraine and the related implications for Member States confirmed that European countries are constantly subject to reshape their political position according to the circumstances and their national interests.

Taking into consideration the traditional theories of European integration mentioned in Chapter I and the conceptualization of the Eurozone crisis and the Covid-19 pandemic proposed in Chapter II and Chapter III, it has been demonstrated that the intergovernmental, neo-functional and post-functional theories tend to be extremely mutually exclusive, do not properly considering the wide number of variables affecting interinstitutional relationships and in turn their consequences on European integration. Focusing on the features of the moments of contingency, the interests, the behaviours, and the perceptions of Member States, and avoiding the conceptual limitations of the classical theories of international relations, it has been showed that the most exhaustive theory explaining the complex dynamics of European integration during moments of crises is the new intergovernmentalism. The empirical analysis of the Eurozone crisis and the Covid-19 pandemic confirms what it is advocated by this theory.

Indeed, going beyond the simplistic binomial “supranational vs. intergovernmentalism”, this theoretical argument rightly sustains that the European decision-making does not present stable roots, but rather it is subject to change according to the situational position of Member States, which reshape in turn their attitude towards European integration according to the circumstances. This aspect consequently triggers changing relationships with European supranational institutions, entailing the impossibility to classify the European dynamics into a specific model. As demonstrated by the analysis of the European response to the Eurozone crisis and the Covid-19 pandemic, the influence of external factors and the different degree of political uncertainty in the multi-level system make the European integrative process a highly complex system of governance, whose driving approaches are significantly sensible to the perception of necessity of political actors which are part of the system itself. If classical theories of European integration tried to explain the complexity of the European system providing static arguments, this work suggests a different conceptualization of the European governance, considering the preference formation of Member States as the leading input reshaping the European institutional approach during the decision-making and in turn European integration.

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Summary

Since the foundation of the European Union, several theoretical contributions tried to explain the nature of the path leading the creation and subsequently the evolution of the European project. From the creation of European Community until the fall of the Berlin wall, several authors provided contributions trying to understand the reasons why European governments decided to restrain sovereign prerogatives, coordinating significant national domains according to a common political project. In the 50's, adopting a structuralist and functional perspective, a significant part of the literature agreed on the "objective structural imperative" of Member States to build a common framework in order to ensure economic and political stability in the continent. During the 90's, scholars dedicated their contributions to the study of the origins of the European Union analysing the interinstitutional relations between European actors, with a particular insight on the distribution of powers among different intergovernmental and supranational institutions involved in the decision-making. In that period, the attention of the literature was mainly concentrated on the distribution of powers within the European Union, evaluating whether Member States at the intergovernmental level rather than European institutions at supranational level used to drive the decision-making process. Then, with the enter into force of the Maastricht Treaty in 1992 and taking into account the multi-level system proposed in the European Union, the critique started to consider the implications triggered by the co-existence of supranational and intergovernmental actors involved in the policy-making process, and the related implications that this combination would cause for the policymaking. Considering the hybrid composition of the European decisional arena, the nature of the driving approaches reshaping the performance of power balances among institutions increasingly interested the debate on the European integration. Hence, the discussion was mainly concentrated on the analysis of the balance of power among technical and political decisional approaches, questioning whether the European Union could cover an efficiency-driven role for all Member States granting at the same time legitimacy, democracy, and representativeness. However, considering the consistent number of theories, the co-existence of different actors, and the increasing complexity of the European decision-making dynamics, in the 2000s the debate started to move towards a new behavioural evaluation of European actors, evaluating how these actors behave and interact during the decision-making process. Arguing that the co-existence of such different actors could not lead to a precise scheme of interaction in the decision-making, the new intergovernmental theory sustained that European actors use to modulate the nature of their interaction depending on the situations, affecting in turn the degree of politicization or depoliticization of the European action. Arguing that depending on the

salience of the issue under discussion and the (in)capability of Member States to deal with it, the European interinstitutional relationships are redefined, and consequently the path towards integration is not classified as a technocratic or a political regime, but rather as a dynamic spectrum combining different approaches according to the salience of the issue and the context in which the European Union is called to take decisions. Hence, this automatically entails that the relationships between Member States and supranational institutions can not present fixed roots, and that in turn the transformative nature of their relations affects the stability of the path towards European integration. Rejecting the argument according to which traditional theories of European integration proposed by the previous literature could provide mutually exhaustive explanations of the trends driving European integration, the conceptualization of the European system is explained adopting a more strategic perspective, which boundaries and features are consistently difficult to classify according to one single theory, since affected by circumstances and interests.

Taking into consideration the latter line of argument, the goal of this Master Thesis is to shed light on the factors affecting the relationships between European actors, on the approaches driving the decision-making process, and the consequences that these aspects have on the path towards European integration. Rejecting the structuralist theoretical contributions and adopting a behaviouralist approach, this work tries to individuate the elements contributing to the reshaping of European relations among institutions through the analysis of crises, in order to demonstrate that a clear conceptualization of European integration cannot be defined. Arguing that the study of critical junctures could positively contribute to the explanation of the developments of interinstitutional relationships and subsequently of European integration, this work proposes a conceptual framework based on the evaluation of the intrinsic characteristics of crises and the related behavioural consequences that those moments of volatility trigger on Member States. Taking into consideration the literature studying critical junctures, an analysis of the interinstitutional relationships in the Union during moments of crises is conducted, showing how relationships between European supranational institutions and Member States do not present fixed roots, but rather a consistent degree of instability. In order to investigate how critical junctures could affect the interinstitutional relations, the significance of the role of crisis is analysed taking into consideration different elements. It is argued that the degree of interaction among European actors is constantly reshaped according to the intrinsic characteristics of every shock and the level of uncertainty affecting Member States, both aspects influencing in turn their behaviour vis-à-vis European integration. In fact, this work suggests

that depending on the different features of crises and the related degree of uncertainty, the debate and the related decisions at the European level are precariously politicized or depoliticized. Depending on the concrete necessities of Member States, the latter constantly reshape their political behaviour, asking for a stronger European supranational coordination or a higher degree of autonomy from the Union according to the external circumstances. Hence, if in theory the founding pillars of European Union and the process towards European integration should assure stable relations among actors, in practice the attitude of Member States towards the acceptance of binding European guidelines is subject to change depending on the self-interest of Member States.

In order to prove these hypotheses, this work proposes a comparative analysis of the Eurozone crisis and the Covid-19 pandemic, in order to shed light on the different behaviour of Member States towards European coordination and integration. In order to understand the factors triggering changes and fuelling institutional development, the features of these two crises are conceptualized according to the operationalization of four independent variables, permitting to evaluate the causal inference between crisis and change, leading to a more concrete explanation concerning the activity and the behaviour of actors experiencing moments of uncertainty and instability. In this sense, the study of the Eurozone crisis and the Covid-19 pandemic is conducted classifying their exogenous or endogenous nature, their spatial distribution, and their temporal dimension, allowing to further define the degree of uncertainty that affected Member States during the experience of such critical junctures. While the Eurozone crisis was characterized by semi-exogeneity, an asymmetric spatial distribution, and an ex-ante predictable temporal evolution, the Covid-19 pandemic consisted of an exogenous shock, whose effects were symmetrically distributed among Member States, and whose temporal evolution could not be estimated and prevented. If the financial crisis did not foster an equal degree of uncertainty within Member States because of different national situations, the pandemic put into question the stability of all countries, equally affected by a health and an economic crisis.

After having defined the intrinsic features of these crises, the attention is moved to the responses that the European Union provided to recover from those shocks. It is demonstrated that the opposite characteristics of these two crises automatically triggered different political reactions and behavioural approaches of Member States when it came to propose a European response to deal with the consequences caused by the crises. Considering the European response to the Eurozone crisis and the Covid-19 pandemic, it is noticed that a radical change of attitude of

Member States affected the quality of European integration and coordination. On the one hand, during the Eurozone crisis the dialogue among Member States was characterized by an intense bargaining conflict, dividing the intergovernmental roundtable. The negotiating process was characterized by internal conflicts among Member States in the European Council, since Northern countries refused to approve the mutualisation of the sovereign debt proposed by Southern countries, the most hit by the crisis. The tendency of the “Northern coalition” was to protect their national financial interests, in order to do not get economically involved in the rescue plans for the “Southern coalition”. Instead of supporting highly indebted countries, the most powerful actors pushed for the implementation of several economic plans whose primary objective was not to save debtor countries from the bankruptcy, but rather to avoid side-effects on their national economies. Considering the highly unbalanced bargaining power among Member States at the negotiation roundtable, it is evident that the response implemented at the European level mainly reflected the expectations of Northern countries. The final outcome of the bargaining process led to the endorsement of economic policies based on high levels of conditionality and austerity, forcing indebted Member States to implement strict economic measures in their national financial systems in order to be in line with the guidelines decided in Brussels. On the other hand, during the Covid-19 pandemic the dialogue at the intergovernmental level was much more constructive and inclusive. Facing a common threat, Member States agreed to implement innovative economic rescue plans, eliminating the austerity rules that used to regulate national financial systems and the European economic governance. Considering the general incapability of all Member States to grant economic stability during a long period of lockdowns and restrictive measures, they commonly agreed on the implementation of large packages of aids. If during the Eurozone crisis the economic reforms were based on austerity, during the Covid-19 pandemic Member States agreed on the creation of plans largely composed by loans and grants with extremely favourable terms. This sense of cooperation was also reflected in the ratification of a European contract for the purchase of vaccines. Here again, the objective was to collectively respond to the necessities of anti-Covid treatments, providing the possibility to all European citizens to protect their health, without national distinctions. The joint purchase of vaccines allowed to avoid a vaccines-race among Member States and to protect countries with weaker purchasing power from the high competitiveness of the others. In sum, if on the one hand the European response during the Eurozone crisis mirrored the interest-based approach defended by Northern countries, the recovery plans and the joint procurement of vaccines proposed to deal with the Covid-19 pandemic were driven by solidarity and cooperation.

The different kind of European policies implemented to deal with these crises influenced not only the relationships among Member States, but also the position of countries vis-à-vis European integration. Considering that the European action resulted to have been particularly influenced by the nature of the bargaining relations among Member States, it is then logic that the perception of countries concerning to the role of the European Union suffered a consequent degree of instability. That is confirmed by the political opinion that Member States had during the experience of these two crises. While during the Eurozone crisis the European Union was accused to do not reflect the general interests of all Member States and to illegitimately have taken political sides in the distributive conflict among Member States, the Covid-19 pandemic increased the willingness of Member States for cooperation. If during the Eurozone crisis the increasing competences of the European Union were condemned and considered as non-democratic, conversely during the pandemic the policies endorsed by the Union were kindly welcomed by national governments. It is then evident that the circumstances considerably affected the position of Member States for what concerns the political acceptance of the existence of a supranational entity regulating significant domains. Indeed, the dynamics within Member States and with supranational institutions result to have strongly affected not only the decision-making and the consequent policy outcomes, but also the attitude that Member States had both towards one another and the European Union. Indeed, the opposite dynamics related to Eurozone crisis and the Covid-19 pandemic show that the acceptance of increasing regulating powers of the European Union depends on the positions that Member States cover during crises: while the European response to the Eurozone crisis was contested by the most hit countries because of its highly technical nature and the hegemonic role of Northern countries in the bargaining process, the European plan proposed to recover from the Covid-19 pandemic was substantially encouraged by all Member States. That is to sustain that the nature of the negotiating process and the intergovernmental relations among countries are likely to increase or decrease the willingness of Member States in accepting the supranational coordination of the European Union, making in turn the dynamics of the overall system subject to change according to the circumstances.

The comparative analysis between the Eurozone crisis and the Covid-19 pandemic confirms the reliability of the hypotheses at the base of this Master Thesis. The evaluation of the European responses to these crises demonstrates not only that Member States adopt different behaviours according to the nature of the crisis, but also that the perception of the crisis itself directly affects the decision-making at the European level. Depending on the national situation

of each country, Member States enter the intergovernmental bargaining process adopting a national interests-based approach rather than a more constructive attitude promoting solidarity. Consequently, according to the action proposed by the Union, countries redefine their conceptualization of European integration, pushing towards a stricter willingness for coordination rather than a more isolating and autonomous idealization of national politics. In a few words, this work argues that European integration should not be considered as a stable project among supranational institutions and Member States, but rather a dynamic process in constant definition. These trends are further confirmed by the approaches that Member States adopted in light of the the war in Ukraine, an emblematic example since the intrinsic features of the crisis present some similarities both with the Eurozone crisis and the Covid-19 pandemic. While all Member States of the European Union jointly firmly condemned the Russian aggression against Ukraine adopting several packages of sanctions and endorsing economic and humanitarian plans to help the Ukrainian people and to defend the strategic position of the Union, the issue of the European enlargement and the possible ban on imports of Russian gas again divided the intergovernmental roundtable. If after the Covid-19 pandemic a political change towards increasing cooperation and collaboration was expected, the recent events in Ukraine and the related implications for Member States confirmed that European countries are constantly subject to reshape their political position according to the circumstances and their national interests.

Taking into consideration the traditional theories of European integration mentioned in Chapter I and the conceptualization of the Eurozone crisis and the Covid-19 pandemic pursued in Chapter II and Chapter III, it has been demonstrated that the intergovernmental, neo-functional and post-functional theories tend to be extremely mutually exclusive, do not properly considering the wide number of variables affecting interinstitutional relationships and in turn its consequences on European integration. Focusing on the features of the moments of contingency, the interests, the behaviours, and the perceptions of Member States, and avoiding the conceptual limitations of the classical theories of international relations, the empirical analysis of the Eurozone crisis and the Covid-19 pandemic demonstrates that the European decision-making does not present stable roots, but rather it is subject to change according to the situational position of Member States, which reshape in turn their attitude towards European integration according to the circumstances. This aspect consequently triggers changing relationships with European supranational institutions, entailing the impossibility to classify the European dynamics into a specific model. As demonstrated by the analysis of the European

response to the Eurozone crisis and the Covid-19 pandemic, the influence of external factors and the related political uncertainty on the multi-level system make the European integrative process a highly complex system of governance, whose driving approaches are significantly sensible to the perception of necessity of political actors which are part of the system itself. If classical theories of European integration tried to explain the complexity of the European system providing static arguments, this work suggests a different conceptualization of the European governance, considering the preference formation of Member States as the leading input reshaping the European institutional approach during the decision-making.