

INTRODUCTION



Lessons and learnings from a decade of EU crises

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ABSTRACT

What are some of the lessons learnt from a decade of crises in European integration? EU studies scholars have set themselves the task not only to gain a deeper understanding of the many aspects of the process of European integration, but also to inform the EU policy debate so that lessons can be learnt from the past. This special issue brings together some of the best papers from the European Union Studies Association's 2019 conference in Denver, Colorado. Three themes emerge from the collection: the effect of crises on changing modes of EU governance, the impact of domestic politics and public opinion on EU policies, and the growing influence and relevance of the EU's supranational legal framework.

KEYWORDS crisis; European Union studies; European integration; EU policies; governance; law

Introduction

The last decade of European integration has arguably been the most challenging one yet. The decade started with a pending Greek default in the spring of 2010 that quickly led to Eurozone-wide financial contagion and resulted in a full-blown crisis of sovereign debt. The decade ended with the immense human toll and economic wreckage caused by the global COVID-19 pandemic in the spring of 2020. In between these two systemic crises, the European Union has had to cope with renewed Russian aggression to its Eastern borders, a surge in refugees from the Middle East and North Africa, a breakdown in its Schengen system of borderless travel, the UK vote to leave the Union, and the election of Donald Trump as US president, who sees the EU as both a competitor and a free rider. Over the course of the decade, the EU also struggled with a sluggish and geographically uneven economic recovery, the steady rise of populist and Eurosceptic parties on both left and right in most of its member states, and the systematic erosion of democratic principles in some of its newer member states like Hungary and Poland.

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The task for scholars who work in the field of European Union studies is to make sense of it all and to examine both the causes and the consequences of the last decade rife with crises. EU studies scholars have set themselves the task not only to gain a deeper understanding of the many aspects of the process of European integration, but also to inform the EU policy debate so that lessons can be learnt from the past. There is no doubt that both theoretical and conceptual innovations and new empirical evidence and findings can lead to better decision making in Brussels, Strasbourg, Luxembourg, and Frankfurt, and hence to better lives of EU citizens. The European Union Studies Association (EUSA), the largest US-based professional organisation devoted to the study of the EU, has tried to play a central role in this venture by convening scholars from both sides of the Atlantic, and indeed from all over the world. EUSA serves as a forum for high quality scholarship and cutting-edge academic exchange for those who study European integration and take a keen interest in Europe's future.

This collection of articles brings together some of the best papers that were presented during the 2019 EUSA Conference held in Denver, Colorado. The articles first had to be nominated by the conference panel chairs for consideration in this special issue. There were close to thirty papers nominated, which were then put through a competitive internal selection process with considerable academic scrutiny by the EUSA Executive Committee. The authors of the twelve best papers were invited to submit their manuscripts to JEPP's double-blind peer review process in the summer of 2019. The six papers that successfully made it through that arduous process are included in this special issue. This collection of papers is the end result of the fifth collaboration between the *Journal of European Public Policy* and the European Union Studies Association (Egan, 2014; Kreppel, 2012; Newman, 2018; Young, 2016). The 2020 EUSA special issue gives a flavour of some of the best recent work done in EU studies, and showcases how much learning (or not) has taken place both in the academy and in the EU's institutions.

Overview of the 2020 EUSA special issue

Any editor would be hard pressed to find an overall thread in this special issue, since the six papers in this volume were solely selected based on academic quality rather than content or subject matter. Nevertheless, one can discern three broad themes that emerge from the last decade of European integration: the experimentation with new modes of EU governance and its discontents, the growing influence of member states' domestic politics and overall public opinion on EU policymaking, and the continuing importance of the European Court of Justice and EU institutional efforts to enforce the rule of law and fight corruption in its member states.

EU governance modes in crisis

First of all, there is the changing nature of governance in European integration due to a decade of crises, typically captured by the debate between the ‘new intergovernmentalism’ (Bickerton *et al.*, 2015) and the ‘new supranationalism’ (Bauer & Becker, 2014). While some EU scholars have argued that the EU tends to ‘fail forward’ during crises (Jones *et al.*, 2016), others claim that Monnet’s dictum – that ‘the EU will be forged in crises, and will be the sum of the solutions in those crises’ – is misguided and dangerous as it encourages complacent teleological views that future progress in EU integration is all but inevitable (Parsons & Matthijs, 2015; Schelkle, 2017). The consensus in the literature, however, seems to be that the crises of the past decade have made the EU more ‘inter-governmental’ in nature but with a more robust implementation role for the EU’s supranational institutions.

In their contribution, Smeets and Beach (2020) put forward a theory of New Institutional Leadership (NIL) to make sense of EU governance at a macro level over the past decade. While they observe that the crises of the last ten years meant that EU member state leaders had to be closely involved in managing them (through what they call the ‘control room’), the EU’s institutions would provide the substance of reforms (in what they call the ‘machine room’). In other words, while the EU heads of state or government would give the political impetus for reforms and generally act as the agenda setters, their close involvement then led to informally delegated authority to the EU’s institutions to manage the process of drafting and managing tasks. The beauty of Smeets and Beach their theory is that they show how control and machine rooms are vertically linked while there is a horizontal interaction between intergovernmental and supranational columns of decision making. Smeets and Beach contend that a shift towards NIL actually leads to seeing less intergovernmentalism as the broad mandate by EU member state leaders allows the EU’s supranational institutions, like the European Commission, greater agent discretion, actually shielding them from heavy member state involvement.

Jacoby and Hopkin (2020) assess why EU conditionality proved to be so successful in Central and Eastern Europe (CEE) during EU enlargement and so disastrous during the euro crisis in Southern Europe. Jacoby and Hopkin claim that conditionality, despite its ambivalent record in the scholarly literature, actually worked in the case of enlargement because of three unique reasons. First, the policy demands the EU put to the CEE accession countries were extensive but not seen as too ‘meddling’ with central systems relating to economic tradeoffs, which were largely left to the member states to decide. Second, there were a myriad of direct economic benefits that were not linked to conditionality, including FDI promotion, trade liberalisation, and value chain inclusion. Third, the ultimate benefit of conditionality – i.e., EU membership – was something the EU could credibly promise the EU

candidate states (Vachudova, 2005). This success in using conditionality was repeated in Central and Eastern Europe in the aftermath of the global financial crisis (GFC) of 2008 when many CEE countries faced a liquidity crisis. EU conditionality once again worked by market access being restored through liquidity provision, but only because it was combined with currency devaluation (impossible for Eurozone members), sustained levels of investment in the region, and bank bailouts covered by foreign entities.

Jacoby and Hopkin argue that these two 'successful' periods of conditionality served to solidify the perception of EU officials that conditionality measures could likewise dissuade other EU member states from pursuing damaging economic policies. The perceived success of conditionality in CEE, combined with a general distrust in the public spending policies of its 'Club Med' member states, gave EU officials the confidence to impose conditional measures that directly targeted fiscal, social, and labour market structures that were always supposed to be the preserve of individual member states' 'core state powers' (Genschel & Jachtenfuchs, 2018). These harsh measures of budgetary austerity and structural reform directly intervened in Southern member state economies, disrupting established market interactions and growth patterns, with little democratic choice on the matter (Hopkin, 2015; Matthijs, 2017).

The problems of these conditionality measures were further compounded by ex-post implementation in which financial aid was conditional on achieving certain reform targets, a measure that was not used in previous crises. To add insult to injury, the ECB likewise used the crisis to demand fiscal measures and labour market reforms in return for access to liquidity. Jacoby and Hopkin believe the populist backlash to the technocratic abuse of conditionality measures will require a wholesale rethinking on how EU officials can pursue conditionality measures during future crises. Indeed, one could argue that with 'Next Generation EU', the proposed COVID-19 economic recovery fund of the European Commission, EU officials have already taken those lessons to heart (European Commission, 2020).

The role of public opinion and domestic politics in EU policy making

A second theme in this special issue is the growing influence of member states' domestic politics and overall public opinion on EU policymaking. The last decade has seen a marked increase in Eurosceptic sentiment across the European Union (De Vries, 2018), even though patterns often differed between North and South (Matthijs & Merler, 2020). The previous ten years also saw the rise of populist radical right parties in Southern and Eastern Europe, with some of those right-wing parties successful enough to either form a government on their own (as in the case of Viktor Orban's *Fidesz* in Hungary since 2010) or be part of a coalition government (as in the case of

Matteo Salvini's Lega in Italy between June 2018 and August 2019). As two contributions in this collection underline, those developments have had a direct impact on EU policymaking, including the monetary policy of the European Central Bank and the EU's foreign policy in its Southern neighbourhood.

The global financial crisis of 2008–9 saw an extraordinary expansion of the discretionary powers of central banks all over the world. Not only did this catch central bankers, keen to preserve their political independence, in the crosshairs of politicians and the public (Jones & Matthijs, 2019), the European Central Bank (ECB) especially suffered from negative public perceptions of its declining output legitimacy (Jones, 2009). In their contribution to this special issue, Bergbauer *et al.* (2020) attempt to explain how institutionally interlinked mechanisms like the euro and the ECB can exhibit divergence in terms of public opinion at the individual level. They note that while support for the euro remained relatively high over the course of Europe's sovereign debt crises, the ECB actually saw a steady hemorrhaging in public trust.

Bergbauer *et al.* argue in their paper that different levels of EMU governance correspond to different value orientations. The euro itself represents a broader reflection of enduring underlying values of economic cooperation, while the European Central Bank is directly tied to political authorities and the governance of institutions. As long as underlying values do not change radically, the euro will receive broad support by the Eurozone public, while support for the ECB is much more conditional on what it does in practice, and how well it performs in delivering growing prosperity at stable prices.

The empirical findings by Bergbauer *et al.* suggest that the value-based support for the euro was critical during the crisis in ensuring continued public support for EMU, despite widespread perceptions of the single currency's underperformance. As the ECB took on a wider range of policies (like banking supervision), it also opened itself up to a wider range of criteria for public performance evaluation. The authors' unified analytical framework is able to reconcile an increasing percentage of the EU population in support of the euro with a decreasing percentage of that same population that trusts the ECB. The authors however do show significant variation in this trend across member states and conclude by emphasising the need for a greater sense of shared community to ensure public opinion does not fracture along perceived 'winners' and 'losers' from monetary integration.

Rivera Escartin (2020) addresses the extent to which populist radical right parties in Southern and Eastern European member states have managed to shape EU foreign policy in recent years. Rivera Escartin shows how the traditional liberal orientation of EU foreign policy – particularly in the realm of human rights – has in some cases come under influence of illiberal forces and has shaped EU relations in its 'Near Abroad'. Informal coalitions of like-minded states seek to promote their positions within the EU through

'leading by doing' strategies based around anti-migration rhetoric or political pragmatism as a justification for unilateral policy initiatives. Issues such as migration have become politicised and populist leaders have acted to alter EU foreign policy stances with regards to their neighbours. The examples of Salvini in Italy and Orbán in Hungary are particularly illustrative in this regard.

Italy's proposed construction of 'disembarkation platforms' in 2018 is one striking example where Matteo Salvini, as a leading figure in the Italian government, took an initiative previously considered off-limits due to human rights concerns. Salvini proposed the processing of asylum claims in third countries and intensified cooperation with North African partners, a policy that proved highly popular in Italy. Eventually, the Europeanisation of the Italian position led to the EU recommendation of disembarkation platforms in Tunisia. The decision to endorse the Italian proposal demonstrated to Tunisian officials that the EU inconsistently prioritised stringent security measures over human rights concerns. Likewise, through informal coalitions with other member states, Orbán's Hungary was able to move EU foreign policy towards a normalisation of relations with Egypt. While Abdel Fattah el-Sisi's military coup had unsettled EU leaders, Hungary's illiberal *Realpolitik* through informal coordination with the Visegrad Four effectively spread the narrative of the need for Egypt's reintegration, bringing in other EU member states into its initiative despite Egypt's continued human rights violations. Rivera Escartin's paper has serious repercussions for the EU's continued appeal as a 'normative power' (Manners, 2002).

The rule of law in the EU

The third and last theme in this special issue concerns the EU's pioneering role in developing a far-reaching system of supranational law as well as its uneasy promotion of anti-corruption policies and commitment to the rule of law in its newer member states. Many scholars have made the case that the European Union has continued to integrate not just on the economic front, but has also done so through law (Garrett, 1995; Kelemen, 2011). The last decade has seen growing tensions between national courts and the Court of Justice of the European Union (CJEU). The most spectacular example is the ongoing legal tussle between the German Constitutional Court (GCC) and the CJEU when it comes to the legality of the European Central Bank's quantitative easing policies. Furthermore, as populists like Viktor Orbán in Hungary and Jarosław Kaczyński in Poland started to openly challenge the independence of the judiciary and rule of law in their own countries, the European Commission's commitment to basic democratic principles has been tested (Kelemen, 2020). The EU's record in fighting corruption, which is a clear criterion for membership, has also come under pressure as newer member states like Bulgaria and Romania have seen backsliding on that front since joining the EU in 2007.

In her contribution to the special issue, Hermansen (2020) seeks to establish the mechanism of the CJEU's perceived legitimacy by asking whether the president of the Court makes strategic use of its members. Whereas cases in most other legal courts are assigned through random or rotational procedures, Hermansen highlights the relative autonomy of the CJEU presidents in assigning cases. Her key claim is that the CJEU president's decisions are conscious efforts to navigate politically polarised environments and maintain the CJEU's position as systematically above politics. Using original data of 9,623 case allocations, Hermansen argues that the assignment of cases to specific judge-rapporteurs is based on the experience and ideology of the judge, history of similar cases ruled on by the CJEU, and the political divisiveness of the issue. By doing so, presidents of the CJEU make use of their position as case allocator to avoid that the court would ever be labelled as politically motivated. Whether the CJEU can continue to be successful in that regard remains an open question.

In the final contribution to this special issue, Lacatus and Sedelmeier (2020) seek to understand the relative compliance of Romania compared to Bulgaria regarding anti-corruption efforts, given the lack of EU material sanctions that could enforce said compliance. Their argument focuses on the European Union's 'Cooperation Verification Mechanism' (CVM) that publishes semi-annual reports on the judiciary, corruption, and organised crime. While critics of CVM often deride the chronic lack of enforcement powers of the mechanism, Lacatus and Sedelmeier argue that monitoring itself has social implications that can foster improvement without material sanctions. The authors rely on institution building as the explanatory variable in demonstrating Romania's relative success in anti-corruption efforts, compared to Bulgaria's relative failure. Lacatus and Sedelmeier demonstrate that the CVM not only had a direct effect on domestic institution building but also had an important indirect effect. They show that even though the anti-corruption institutions continued to remain vulnerable to governmental interference, the CVM played a key role as a social constraint on attempts by the government to curb their power, as well as a focal point for societal mobilisation against corruption.

Conclusion

After a gloomy decade rife with economic and political crises, the European Union once again finds itself at a crossroads (Matthijs & Kelemen, 2015; Matthijs, 2020). The closing months of 2019 brought new leadership in three of the Union's most important institutions, including Ursula von der Leyen at the European Commission, Charles Michel at the European Council, and Christine Lagarde at the European Central Bank. 31 January 2020 also marked the formal departure date of the United Kingdom from the European club, thereby reducing the EU's membership from 28 to 27 states. The advent of the COVID-19 pandemic so far has shown that, rather than wallow in post-

Brexit despondency, continental European elites are trying to seize the moment to forge a new 'grand bargain' for their enlightened project of integration that has made war between its members all but unthinkable.

Whether the EU of 27 member states moves in the direction of further integration, towards greater 'EU sovereignty', or whether its divisions along North–South lines or East–West lines prove too wide to bridge, what is certain is that EU scholars will have a wealth of material to study. After a decade of crises, there is an urgent need for new theories and more empirical work. Both EUSA and JEPP will continue to serve as prominent venues of academic exchange and scholarly interaction for anyone who wishes to study the past, present, and future of European integration. And our collaboration will continue into the next decade.

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No potential conflict of interest was reported by the author(s).

Notes on contributor

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