

Wolfgang Wessels | Lucas Schramm | Tobias Kunstein

The European Council as a Crisis Manager

The EU's Fiscal Response to the COVID-19 Pandemic



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Preface

The idea for this book emerged when European Union (EU) leaders sealed an unprecedented financial deal in July 2020 to deal with the negative economic, social and political consequences of the Covid-19 crisis. At that time, the Centre for Turkey and EU Studies at the University of Cologne was in the final months of its TRACK project. TRACK (Teaching and Researching the European Council: Enhancing and disseminating knowledge on a key institution) offers a framework for dealing with the European Council's role in the EU's architecture as well as during the Covid-19 crisis. This book synthesises and elaborates on the project's main findings. Looking at the current implementation of the enormous amounts of grants and loans via the Recovery and Resilience Facility (RRF) and reflecting on (possible) follow-up steps, this study of the period from spring 2020 until when national plans were adopted in summer 2021 serves as a point of departure for a better understanding of the creation and the fundamental principles of the ambitious and comprehensive EU financial package.

Moreover, this book provides specific ideas for teaching and further research. It takes a multi-perspective approach for several purposes: First, it seeks to provide a thick description of the history and the fundamental features of the RRF's innovative set-up. Second, as the RRF is being implemented, this book serves to understand the ways in which EU institutions and member states work to achieve (or not) the ambitious but at times ambiguous objectives declared by the EU. Third, it aims to link these recent developments to a variety of existing theories of European integration.

To set the stage, Chapter 1 provides some background information, elucidating the topic's relevance and highlighting important current political and academic debates. It takes up the narrative of 2020, according to which the decisions of the European Council have established an innovative and far-reaching package to deal with the consequences of a historic crisis—a history-making milestone for the future of the Union itself.

Chapter 2 provides a detailed description of the 'long roads' and 'fast tracks' to and from the July 2020 summit, which brought the agreement on the RRF. Pursuing a historical approach, it describes how the European Council used its special role in the EU's institutional and political architecture to fast-track the EU's crisis response to the Covid-19 pandemic. This

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thick description also serves to identify the basic features and outcomes of the various consensus-seeking processes which demand compromises under conditions of high complexity and time pressure.

Appealing in particular to institutionalist scholars, Chapter 3 focuses on the four phases of RRF governance: preparing, making, implementing and controlling binding decisions. It deals with the key questions of how the basic decisions are put into legal provisions and what we can expect with regard to the implementation of these provisions ‘in the real world’. We will also refer to the classical dichotomy between supranational and intergovernmental theoretical and practical approaches in EU studies and policymaking.

To highlight the influence of the EU’s key institution, Chapter 4 focuses on the role(s) of the European Council in the EU’s institutional architecture, its internal dynamics, as well as its long-term impact as a transformative force.

Chapter 5 offers an overview of key theoretical explanations to better assess and put into perspective the empirical material presented in the previous chapters: Does a closer look at the roads to and the governance of the RRF agreement contribute to verifying or falsifying theoretical approaches and variations thereof? What does the creation of the RRF tell us about the broad and diverse set of European integration theories? The chapter thus assesses the RRF as a test case for various possible interpretations to shape our academic debates.

For an educated guess about potential future developments, Chapter 6 creates and elaborates on a number of scenarios to sketch the possible roads ahead. In this respect, we will discuss some hopes and concerns linked with the milestone decisions of the European Council during the Covid-19 crisis. The chapter concludes with an outlook on teaching and researching the topics covered in this book.

Chapters 1, 2 and 3 are based on Policy Briefs that were prepared and presented in the framework of the TRACK project at the Centre for Turkey and European Union Studies (CETEUS) at the University of Cologne from September 2019 to August 2021 (<https://track.uni-koeln.de>).

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List of Abbreviations

CAP	Common Agricultural Policy
CJEU	Court of Justice of the European Union
COREPER	Comité des représentants permanents
ECB	European Central Bank
EEC	European Economic Community
EFC	Economic and Financial Committee
EIB	European Investment Bank
EMU	Economic and Monetary Union
EP	European Parliament
EPPO	European Public Prosecutor's Office
ESM	European Stability Mechanism
EU	European Union
GDP	Gross domestic product
GNI	Gross national income
GNP	Gross national product
IIA	Interinstitutional Agreement
MEP	Member of the European Parliament
MPF	Multiannual Financial Framework
NGEU	Next Generation EU
OLAF	European Anti-Fraud Office
OLP	Ordinary Legislative Procedure
PEPP	Pandemic Emergency Purchase Programme
RRF	Recovery and Resilience Facility
RRP	Resilience and Reform Plan
SGP	Stability and Growth Pact
SURE	Support to mitigate unemployment risks in an emergency
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
VAT	Value-added tax

