

POLITICS AND POLICIES IN THE EU

A virtual lecture series of the Fulda Centre for Transnational Governance and the Jean Monet Chair, Winter term 2021/2022

16 December, 9:50-11:20:

Lecture and Discussion

Prof. Dr. Klaus Armingeon, University of Zurich

Voices from the Past: Economic and Political Vulnerabilities in the Making of Next Generation EU

In this article, we show that Next Generation EU (NGEU) is mainly a response to the economic and political imbalances left over from the Eurozone crisis. It is a pre-emptive intervention, especially targeted at structurally weak economies with rising Euroscepticism, to avoid costly ex-post bailouts as in the Great Recession. We demonstrate, using quantitative analysis, that pre-existing vulnerabilities, rather than the impact of the pandemic, drove the allocation of NGEU resources: per capita grants largely correspond to past economic vulnerabilities, as well as to political ones. Countries most vulnerable to another adjustment by austerity after the Covid-19 economic crisis receive most resources. Also, countries with strong anti-EU sentiments are entitled to larger NGEU grants per capita. In contrast, grants are not correlated with the severity of the health crisis. Then we show the domestic relevance of economic and political vulnerabilities through qualitative case studies of national political debates and domestic positions on NGEU in Italy, Germany and the Netherlands. Despite its innovative traits, NGEU is a politically constrained solution to address the mess from the previous decade, and as such, it is a Janus solution: promising a fresh start, but haunted by the past.

Please register via:

zhylien.kaja@sk.hs-fulda.de