NGEU and Vaccines Strategy in the Wake of the COVID-19 Pandemic: Outgrowing the Regulatory State

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Introduction

Our article focuses on the most significant developments after the EU’s decision-making moments on NGEU and the vaccines roll-out, contextualized with citizens’ support for the EU. The COVID-19 pandemic foremost led to renewed popularity and to strengthened centrality of national government and heads of state (Kritzinger et al., 2021). However, since the COVID-19 pandemic represented a symmetric and exogenous shock, EU leaders, although gathered in distinct coalitions, sought to devise an EU approach that would be satisfying for all citizens (de la Porte and Jensen, 2021; Schelkle, 2021), including in terms of public health (Rhodes, 2021). Public support for the EU was low in southern European countries during the first half of 2020, due to the past impact of the financial crisis with the initial impact of the COVID-19 pandemic. Yet, after the July 2020 decision on the Next Generation EU (NGEU) – an extraordinary supranational fiscal instrument to support EU countries get back on track following the economic crisis prompted the COVID-19 pandemic – public opinion became more favourable to the EU (Armingeon et al., 2022). Regarding public health, the EU devised a vaccines strategy, including measures for a speedier review of the efficacy and safety of the vaccines, and an Advance Purchase Agreement, enabling distribution throughout the EU without competition regarding pricing.

Ladi and Tsarouhas (2020) argue that policy learning from previous crises by national and supra-national actors led to profound changes, which modified the norms, policies and objectives of the EU. Schmidt (2020) argues that NGEU represents a paradigmatic shift, due to the EU’s common debt to finance the fund, and that insights from various theories help to elucidate the dynamics going on. We note that NGEU, the EU economic stimulus package – and in particular, its largest component, the Recovery and Resilience Facility (RRF) – while not representing a fiscal union, is intended to do more than mend past mistakes in a persistent EMU asymmetry (Howarth and Quaglia, 2021). This is because the NGEU, and the RRF more specifically, focuses on orienting Member States’ economies in a specific direction, delineated at the EU level. There are several characteristics of NGEU which are distinct, compared to past policy responses and instruments.

First, RRF conditionality is expansionary-oriented: Member State plans must address challenges faced by their own economies, governed by ‘carrots’ rather than ‘sticks’ (Guillén et al., 2022). Secondly, their plans must be in line with the EU’s agenda, committing at least 37 per cent of funds for green growth – for which the EU previously did not have a significant pool of funding – and 20 per cent for digitalization (Armingeon...
et al., 2022). The remaining RRF funds have to be used for policies that support growth and employment, such as upskilling and innovation, in line with Country Specific Recommendations (CSRs) in the European Semester (Vanhercke and Verdun, 2022). Prior to NGEU, there were few EU resources to support a substantial shift to social Investment policies – policies investing in the skills of individuals throughout the life-course - such as early childhood education and care (ECEC) and high-quality ALMP (de la Porte and Palier, 2022). Of course, structural and cohesion funds, distributed at regional level, provided possibilities to develop relevant labour market policies, especially to boost employment (Citi and Justesen, 2021), but they did not contribute to develop a wider social investment orientation of welfare policies at national level. In terms of vaccines, this was a core component of the EU’s public health response to the COVID-19 pandemic, including early support of collaboration for research with selected pharmaceuticals, as well as agreement on purchases at a fixed price for EU countries (Rhodes, 2021).

The remainder of this article is organized as follows. In the next section, we look at citizen trust in the EU in different economically and political vulnerable countries prior to and at different instances in time, after the NGEU decision, and after vaccines decision. This provides us with insight about how major EU decisions affect public opinion, in the short-term, and in the medium-term. Then, we provide a first overview of reform and investments in a selection of Recovery and resilience plans (RRPs), to present first trends. After that, we present the EU vaccines strategy, presenting the main components of the strategy. Finally, we summarize the main findings and tentatively characterize what these developments mean for the role and institutional nature of the EU.

I. NGEU in the Context of Economic Situation and Public Opinion in the EU

The NGEU has been decided in the context of pre-existing economic asymmetries in EMU governance (Howarth and Quaglia, 2021). The pre-existing levels of economic vulnerability, are correlated with levels of political vulnerability – trust in the EU, but also the prominence of left and right wing populist movements (see also Armingeon et al., 2022; Walter et al., 2020). When we look at public debt, as a significant indicator of economic vulnerability (Figure 1), the southern European countries and France stand out. Prior to the pandemic their debt was stable but at a high level; after the pandemic hit, the extra public expenditure to support businesses and citizens affected the countries more significantly, due to the pre-COVID-19 debt levels, and to the intensity of the lock-down periods in these countries.

When we look at public opinion in early 2020, we can see that there was pronounced scepticism about the European Union – that is, trust levels were low, especially in countries with high economic vulnerability, which had suffered from the financial crisis (see also Armingeon et al., 2016, 2022; Armingeon and Baccaro, 2012). Yet, as illustrated in Figure 2, trust in the EU was higher in the winter of 2020, for almost all countries, except Denmark and Austria (both part of the ‘Frugal Four’ coalition), and Poland (which, together with Hungary, had an on-going conflict with the EU based on tensions around the rule-of-law question) (de la Porte and Jensen, 2021). It is plausible that this shift upwards in the level of trust in numerous countries is, at least partly, due to NGEU. NGEU aims to develop activity in the public and private sectors in line with EU priorities, especially around climate mitigation and digitalization, as well as social investment, rather
than focusing on fiscal consolidation as in the financial crisis. It is notable that the intention of the RRF is that two-thirds of funding should be used for investment and business activity and one-third for reforms.

By early 2022, most Member States had submitted their RRPs, providing us with material to develop first insights into how the EU’s expansionary-oriented conditionality is

Figure 1: Public Debt as a Percentage of GDP per Year, 2000–21, Selected Countries. [Colour figure can be viewed at wileyonlinelibrary.com]

Source: Eurostat.

Figure 2: Share of Respondents Trusting the EU, Spring 2020 vs. Winter 2020.

Source: Eurobarometer Standard.
taking place in practice. When we look at the role of the European Commission in the NGEU, we can observe that it raises funds on capital markets, while ensuring that regulations governing the RRFs are respected. Moreover, it has a crucial role in terms of assessments of the Member State RRPs, and also in monitoring the disbursement of grants and loans (European Commission, 2022). In this way, the EU operates through a number of tools that go well beyond the traditional tools of the regulatory state, to target increasingly important areas like mitigation of climate change, digitalization, and to some extent, social investment policies, in particular early childhood education and care (Morgan, 2022), as well as active labour market policy.

The first country to receive RRP funding was Spain, in 2021, followed, in early spring 2022, by France, Italy, Greece and Portugal, which all had very significant increases in public debt during 2020 (see Figure 1). Presently, all countries except the Netherlands have submitted their RRPs, and all use grants, while by early 2022, it was mainly the countries in financial difficulties that integrated an application for loans in their RRPs. The number of countries using the loan component of the RRPs may increase, as Member States have until the end of 2023 to request loans. However, it is interesting to note that at the outset, it was Italy, Greece and Portugal that had decided to use this instrument (see Table 1).

If we then look at the trust in the EU in the spring of 2021, compared to the spring of 2020 (figure 3 below), the levels of trust continue to be higher than pre-NGEU and have even increased considerably for Italy. The NGEU was heavily debated and highly politicized in Italy, thus it is plausible that this was an NGEU effect (Armingeon et al., 2022). Yet, there are some countries where levels of trust have receded to the level of spring 2020 or just below, in particular, the Frugals (Denmark, Austria, The Netherlands, while in Sweden, it is slightly higher in spring 2021). For this group of countries, the NGEU has not been very significant, in monetary terms, or politically. In Poland and Hungary, the public opinion situation is relatively stable, with a slight decrease. Yet, the EU is highly contested in these two countries, as the rule-of-law issue continued to be highly controversial, even after the NGEU decision in 2020 (Maduro and Menezes Queiroz, 2020). In Germany, public trust in the EU is stable, and there is high support for the NGEU (Armingeon et al., 2022). In France, trust in the EU it is slightly higher in spring 2021 compared to spring 2020. However, in the spring 2020-spring 2021 period, France is the country with the lowest trust in the EU, alongside Greece, which is caught in-between conditionalities (Theodoropoulou, 2022). In France, this low trust is partly explained by and embedded in the two-level game in France, between EU politics, where Macron supports more EU integration, including a permanent EU fiscal component, but where Macron’s reformist ambition to live up to EU fiscal expenditure limits, to tackle high public debt, has been hindered due to domestic opposition (Clegg, 2022).

In the winter of 2021, the NGEU was no longer the newest initiative. Furthermore, the vaccines had in most countries been successfully rolled out, with high take-up rates, except in the east of Europe. At this time, Member States were preparing their RRFs, while many countries were at least partially locked down. Despite this, in the economically vulnerable southern European countries, the trust in the EU continued to rise (see Figure 4), or remained relatively high, compared to March 2020. This is in particular true for Italy.

Table 1: First Tranche of Applications for the Recovery and Resilience Fund by Member State, with Specific Components (Selected Countries).

<table>
<thead>
<tr>
<th>Component</th>
<th>Austria</th>
<th>Denmark</th>
<th>Sweden</th>
<th>Finland</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>Spain</th>
<th>Portugal</th>
<th>Greece</th>
<th>Czech Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRF loans</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>122.6 billion</td>
<td>No</td>
<td>2.7 billion</td>
<td>12.7 billion</td>
<td>No</td>
</tr>
<tr>
<td>RRF Grant</td>
<td>3.5 billion</td>
<td>1.5 billion</td>
<td>3.3 billion</td>
<td>2.1 billion</td>
<td>39.4 billion</td>
<td>25.6 billion</td>
<td>68.9 billion</td>
<td>69.5 billion</td>
<td>13.9 billion</td>
<td>17.8 billion</td>
<td>7 billion</td>
</tr>
<tr>
<td>Climate</td>
<td>59%</td>
<td>59%</td>
<td>45%</td>
<td>50%</td>
<td>46%</td>
<td>42%</td>
<td>37%</td>
<td>40%</td>
<td>38%</td>
<td>37.5%</td>
<td>42%</td>
</tr>
<tr>
<td>Energy efficiency in housing</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sustainable mobility: Electrifying public transportation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Focused investment on renewable energy</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Reducing business pollution</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Digital</td>
<td>53%</td>
<td>25%</td>
<td>21%</td>
<td>27%</td>
<td>21%</td>
<td>52%</td>
<td>25%</td>
<td>28%</td>
<td>22%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Cyber-security</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Digitalizing public sector</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rural area broadband coverage</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Digitalizing SME (businesses)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Economic &amp; social resilience</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Social Policy: Pensions</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Social Policy: ECEC</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Social Policy: Education</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Social Policy: Labour market policy</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

(shifted from significantly below Spain in spring 2020 until it reached a relatively similar level to Spain in winter 2021). Part of the reason may be due to the fact that the domestic political differences on whether or not to take the loan component of the RRF was resolved after Mario Draghi, a former ECB chair (2011–19), replaced Conte as prime minister in February 2021. He managed to gain support from the populist 5-Star Movement and the far-right Lega in the drafting of the RRF, including a significant grant component which the Lega had previously opposed. However, the Draghi-led Italian government collapsed in the summer of 2022, and the prospects for Italy suggest that
the right-wing parties would gain traction in the forthcoming election. Despite this, the Italian RRF is seen as an opportunity to modernize the country, including considerable social investments (Armingeon et al., 2022; Domorenok and Guardiancich, 2022; Guillén et al., 2022).

In Greece, trust was significantly higher than in the Spring 2020, although still relatively low overall. This, however, not surprising, considering Greece was still experiencing the conditionality from the past financial crisis (Theodoropoulou, 2022), which continued to weigh heavily on trust towards the EU. Finally, in France, the low trust in the EU can be explained by the political polarization in the country, similar to in Italy. In the first round of the recent elections, 22 per cent voted for the far left for Jean-Luc Mélenchon, while 23 per cent voted for Marine Le Pen, on the far right, and 28 per cent voted for the incumbent Emmanuel Macron. The far left and the far right in France are both – although for different reasons – sceptical towards the EU. In Germany, the situation in terms of public opinion is surprisingly stable, and thus far, Olaf Scholz, the new chancellor from December 2021, has represented high stability, rather than radical change. In the Frugals, by contrast, trust in the EU was still slightly lower than in the spring of 2020 (except Sweden), although they generally have relatively high levels of trust in the EU. Regarding eastern Europe, in Poland, trust towards the EU among public opinion in the winter of 2021 was still lower than in the spring of 2020. This, in essence, signifies that trust in the EU appears to be converging – it has been increasing in southern Europe, while in the northern European countries, including the Frugals, it has remained relatively high. This shift upwards in southern Europe is partly related to the EU’s response to the COVID-19 pandemic, in particular NGEU, but also the EU vaccines strategy.

II. NGEU: Which Kinds of Investments and Reforms among Member States?

Given the above trends on public opinion, especially in southern Europe, there is hope that the RRFs will make a substantial difference in these countries. Table 1 provides an overview of the first tranche of the RRFs (70 per cent) in terms of the amount of grants and loans applied for, as well as the relative proportion of RRF requested for Climate mitigating initiatives, digital initiatives, and initiatives related to social investment for a selection of countries. Our intention was to include some data for Hungary and Poland, but their RRFs are, at the time of writing this article in the spring of 2022, only available in their national languages, while the Commission summaries and assessments are not available on the RRF website. This could be a coincidence, but it could be related to the on-going disagreements regarding rule-of-law in Poland and Hungary, which drag on behind the scenes, even in the context of the Russian invasion of the Ukraine.

The overview presents several interesting results. First, in terms of the scale of the NGEU, beyond allocation differences following the allocation key (unemployment pre-corona, public debt and growth), there are interesting observations: the Italian RRF, almost 200 billion euros, including the grants and the loans, is indicative of a very high level of ambition in terms of reforms and investments (see also Domorenok and

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Guardiancich, 2022); the German RRF, only 25.6 billion euros, significantly lower than the initial earmarked grant amount of 41.93 billion euros (Darvas, 2020), is more modest. Secondly, if we look at the breakdown of expenditure across groups of countries, the Frugals spend a proportionally higher part of their RRFs for climate, compared to the other groups of countries. When we look at climate mitigating initiatives, energy efficiency and sustainable mobility represent by far the largest proportion of expenditure (European Commission, 2022). This signifies that the energy transition, namely towards more sustainable forms of energy production and use, does not weigh very heavily in the RRFs, and nor does de-carbonization of heavily polluting industries (see also Im et al., forthcoming, 2023). However, the NGEU provides a boost to a wide variety of initiatives to mitigate climate change.

In terms of digitalization, the two most significant types of expenditure in terms of volume, are public sector digitalization and digitalization of businesses (European Commission, 2022). There are also a range of other initiatives in this area, including cyber-security, and spreading broadband to rural areas. In contrast to the digitalization area, the trends across countries are relatively similar in terms of share of expenditure in this area, except for Germany and Austria, which have devoted 50 per cent of their RRF expenditure to this area.

Regarding the initiatives in the social policy area, there is a clear trend whereby, pensions, a classical area of EU intervention (mainly through macro-economic policy coordination through the SGP related to EMU), does not represent a large portion of RRF expenditure. The few countries that do have initiatives related to pensions, such as Spain, focus on mitigating inequalities in old-age. Spain, but also Sweden, is increasing the pension age (von Nordheim and Kvist, 2022). In other areas where the EU has been active in the past, such as social investment, substantial investments are planned. In the Frugals, there are fewer investments in these areas, as they are already well developed, while in the remaining countries, there are investments in ECEC, education and public employment services. It is, once again, in southern europe, but also in some eastern European countries, like Croatia and the Slovak Republic, where the scale of investments in these areas is impressive. Thus, the agenda-setting through voluntary policy coordination, with no sanctions in case of non-compliance (Copeland and ter Haar, 2013) now finally appear to have a substantive impact beyond domestic political agendas and limited budgets (see also Guillén et al., 2022).

III. The EU Vaccines Strategy

The first case of coronavirus in Europe was detected in France in January 2020, while the first significant wave of cases was discovered in Northern Italy in February 2020. While the COVID-19 pandemic on the one hand is symmetric, it hit southern Europe, especially Spain and Italy, very hard in the early phase of the pandemic. The response from the EU authorities was a fast-track mobilization of resources to finance early research on the new disease (January 2020), and the activation of the Civil Protection Mechanism, mostly to repatriate EU citizens from Wuhan (February–March 2020) and to distribute medical stockpile to the Member States via rescEU, a facility for disaster risk management that is part of the EU Civil Protection Mechanism. A second major investment in research for the development of a vaccine against COVID-19 was made by the European
Investment Bank in June 2020, with the provision of €100 million to BioNTech to support the clinical trials of their first vaccine BNT162.\(^3\)

The main public health initiative against the pandemic, however, was the EU vaccines strategy, developed and presented by the Commission in June 2020.\(^4\) The strategy had the general aim to support the development, manufacturing and distribution of anti-Covid vaccines, and had two main pillars. The first pillar aimed at securing a sufficient amount of vaccine doses for all the Member States at an affordable price, via a mechanism of Advanced Purchase Agreement – a special contract between the European Commission and the Vaccine manufacturers. The second pillar focused on adapting the EU regulatory framework to streamline the review of safety and effectiveness from the European Medicines Agency, in order to minimize the time to approval for the new vaccines. This was necessary because the standard procedure for review and approval from the Agency can take up to 210 days from the moment the vaccine is presented.\(^5\) This timing was deemed too long for a highly infective disease that was causing thousands of victims every day.

The main element of the strategy hinged upon an Advanced Purchase Agreement, a new procurement mechanism that allowed the Commission to enter a direct contractual agreement with vaccine producers on behalf of the Member States. With this procurement contract, the Commission accepted to support part of the upfront costs faced by the vaccine producers, in exchange for an option to buy a specific number of doses in a clearly defined timeframe. The funding provided by the Commission was considered as a down-payment on the vaccines that had to be purchased by the Member States. The Commission financed the various purchase agreements with vaccine producers with a maximum of €2.7 billion made available by the Emergency Support Instrument (ESI), a facility that operates under the EU Civil Protection Mechanism and is financed via the EU budget. While the Commission was made responsible for the overall procurement process and for negotiating the specific contracts with the vaccine producers, each Member State remained liable for acquiring the vaccines directly from the producers, at the price and at the conditions negotiated by the Commission, respecting national quotas that reflected the size of national population. Hence, no national procurement strategy or procedure was necessary to acquire the vaccines. To ensure enough vaccines for the whole EU population, the Commission signed contracts (August–November 2020) with AstraZeneca, Pfizer-BioNTech and Moderna for an initial supply of 660+ millions of doses, while in 2021 it signed contracts for the provision of additional 1.8+ billion doses.

The centralization of the procurement process for all the Member States had several advantages. First, it prevented an unhealthy price competition between Member States, which could have resulted in more vaccines delivered to the higher bidder, resulting in higher prices for all the Member States. Second, it increased the contractual power of EU Member States vis-à-vis big pharma, in negotiations where few multinationals developing the vaccine could have had the upper hand. Third, it provided a simple and


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streamlined procedure for all Member States to acquire vaccines, avoiding 27 separate procurement procedures and negotiation rounds with the vaccine providers. Fourth, it shifted the focus from a (likely ineffective) national approach to a pressing global issue, to an EU-level action focused on cooperation and solidarity between Member States. To be sure, it is not the first time that the Commission uses public procurement on behalf of the Member States to procure goods or services. However, it is the first time that the Commission negotiates an agreement of such a scale, in public health, using the Advanced Purchase Agreement as a tool for proactively supporting the development, testing and deployment of the vaccines. In other words, the Commission has taken the leadership in managing this complex trans-national issue, identifying common priorities and steering a process of coordinated policy response.

This is also visible in the second pillar of the vaccines strategy, which focused on facilitating the regulatory procedure for the review and approval of the new vaccines before mass production and deployment, in a way that safeguarded both the scientific rigour of the process and public safety. The standard procedure for the approval of new vaccines involves the European Medicine Agency (EMA) with a review process that can take up to 210 days. This timeframe was deemed too long in a pandemic situation that appeared out of control, and although Regulation (EC) No. 726/2004 allows for an accelerated assessment procedure, of maximum 150 days, the Commission decided with EMA and the EU Member States to go beyond that flexibility. Hence, EMA set up a task force to interact with vaccine producers already in the earlier phases of the vaccine development. Moreover, it organized a rolling-review of the scientific evidence from the clinical trials, which allowed EMA to assess and review the safety and efficacy of the vaccines even before the completion of the trials. Moreover, the standard procedure for approval was relaxed to allow a conditional authorization system, whereby an initial authorization could be given with less comprehensive data than usual, while the obligation to complete the provision of clinical trials data was delayed at a later stage. Finally, a few EU Directives on the sale and use of Genetically Modified Organisms (GMO) were temporarily derogated, to allow the development and sale of messenger-RNA (m-RNA) vaccines, a type of vaccines that required genetic manipulation of viral vectors.

Overall, the design and execution of the vaccines strategy – a strategy that we can consider successful for its results – showed how a joint mechanism for EU-level procurement can be as effective, or even more effective, than 27 separate procurement procedures. Moreover, the Commission’s intensive interaction with the vaccine producers and its direct support to the development and testing of the vaccines, showed the emergence of a new form of institutional involvement that mimic some forms of the ‘entrepreneurial state’.

IV. Discussion and Conclusion: Outgrowing the Regulatory State?

The COVID-19 pandemic was a significant challenge for all the EU economies and for their national healthcare systems. It required a united, trans-national policy response in areas like healthcare policy and fiscal policy, which are primary responsibility of Member States. The European Commission and the European Council took the lead throughout the

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crisis, developing a policy response that was quite unprecedented both in terms of magnitude of policy interventions, and in terms of breadth of the policy areas involved in the response. This ranged from climate and digital initiatives, through to social investment, and public health, through a large EU-driven fiscal effort.

As noted by Rhodes (2021), the EU policy response went well beyond a deterministic mechanism of ‘failing forward’ (as defined by Jones et al., 2021; Howarth and Quaglia, 2021). In fact, it provided a package of regulatory, distributive, redistributive measures that were supranational in essence, and avoided a purely intergovernmental approach that would have led to a low common denominator (LCD) type of solution. In addition, the RRF created a ‘risk-sharing facility’ for the EU economies, a solution that has previously been rejected by several key Member States in the Council, during the financial and sovereign debt crises. While the RRF – a non-permanent form of fiscal stimulus - cannot be considered a form of common fiscal policy, not even in embryonic sense, it is definitely a departure from the policy responses we have seen in the recent past. As the scatterplots of Figure 2 shows, the policy response to the COVID-19 crisis boosted the European citizens’ level of trust toward the EU institutions, particularly in those states where the level of confidence toward the EU had plummeted as a consequence of the fiscal measures triggered by the debt crisis (Armingeon et al., 2016).

Overall, we find that EU measures prompted by the COVID-19 pandemic call for a more in-depth theorization about the ‘nature’ of the EU institutions, which may have started to evolve, in a subtle, yet fundamental way. On the one hand, the definition of the EU as a ‘regulatory state’ (Levi-Faur, 2013; Majone, 1996), does not capture the sheer magnitude and breadth of policy intervention of the EU. The limits of the EU as a regulatory state has been indicated previously (Caporaso et al., 2014; Schelkle, 2009), but this has become even more apparent with the response to the COVID-19 pandemic. We find, on the other hand, that the concept of ‘catalytic state’ (Prontera and Quitzow, 2022), or ‘entrepreneurial state’ (as defined by Mazzucato, 2015) could be more promising. Whereas the regulatory structure of the EU has consolidated over the decades, and it is also present in the governance of RRF, we observe that an additional layer of distributive, redistributive and ‘entrepreneurial’ (Mazzucato, 2015) or ‘catalytic’ (Prontera and Quitzow, 2022) measures adopted by the EU during the COVID-19 crisis, indicate a common direction of economic stimulus, institutional reforms, and nudging of national government as well as of private companies. Thus, the European Green Deal and social investment policy appear to be important outputs of the NGEU plans thus far, which would not have been imaginable prior to the COVID-19 pandemic. Whether this evolution of the nature of the EU is only transitional, or permanent, will depend on the success of these initiatives on the ground, on the real impact on national economies, and on the ability of the EU institutions to maintain the level of trust from citizens they have gained during the COVID-19 pandemic. Furthermore, more work is needed to conceptualize and to theorize the role of the EU vis-à-vis Member States against the back-drop of the COVID-19 pandemic.

Acknowledgments

We would like to thank Klaus Armingeon for his precious input and suggestions to this paper, and Matias Bruun Værsnøjild for his help in collecting the data.
References


