

Young Journal of European Affairs

*The Student Journal of
European Policy*

Issue 3

YJEA



Dear reader,

It is our great pleasure to present to you the third issue of the *Young Journal of European Affairs (YJEA)*. We are proud and excited to have firmly moved from the initial founding phase of the journal in 2020 to routine business with regular yearly publications. At the same time, and quite contrary to routine business, we have implemented different side projects that have shaped the character of the YJEA but also shown us the limitations of our work. This year, more than ever, we have been thinking about new ways of overcoming these limitations. Over the years, we have not only benefitted from our own growing experience but also from the exchange with partners. For the past few months, we have been working intensely on building a platform for inter-journal cooperation – a network of junior social science journals. Hence, we would like to dedicate this editorial to our partner journals and our hopes and ideas for future academic cooperation.

Student publications come with their own sets of challenges. Raising awareness for publishing opportunities, increasing the volume of submissions, organising conferences, and publishing special issues, or finding a publisher can cause some serious headaches or exceed what individual journals can do on a voluntary, part-time basis. Having faced these challenges ourselves, we are deeply convinced that strengthened cooperation can allow us and our partners alike to implement initiatives previously thought to be out of reach. In early 2021, a group of medical students reached out to us, asking for a meeting to discuss how we started the YJEA. Following this hour-long exchange, the idea of a network as a first point of contact for students interested in publishing started festering. Later that year, we implemented our first larger cooperative project, a student conference on political representation with our partners from the Deutsche Nachwuchsgesellschaft für Politik- und Sozialwissenschaften (DNGPS). Today, we are closer than ever to establishing a platform dedicated to this kind of work. Over time, we hope this new junior journal network will become the breakthrough moment for student publishing we believe it can be.

In light of these remarks, it is our great pleasure to introduce the fruits of this year's labour of our team and our authors. It is with great excitement that we open this year's issue with insights from someone who has been in the academic publishing business for decades: Prof Dr Jeremy Richardson, founder and co-editor of the *Journal of European Public Policy (JEPP)*. In this year's interview we spoke about his views on the senior journal landscape and his experience steering one of the leading journals in EU research for three decades.

Moreover, this year's issue contains three articles by talented junior researchers. While security and defence policy has been very popular among the submissions we received in the past, this year's issue also broadens the field of our publications, including e.g., articles on European social and welfare policy. The first article is centred around the

influence of state expenditure and political ideology on inequality in EU countries. Our second contribution investigates how the introduction of the Euro as a currency has impacted welfare state generosity. Lastly, the author of our third article analyses the migration crisis through the lens of *crisisification*. We would like to express our gratitude to our authors and everyone who submitted their work this year.

As every year, it remains to us to highlight the various contributors whose work is the very reason you are reading this publication. A very special thank you goes to our peer reviewers whose expertise and commitment are essential in the development of the high-quality articles you will find in this issue. Furthermore, we would like to thank the Geschwister-Scholl-Institute of Political Science at the University of Munich for their continued financial and ideational support and the LMU's University Library team for providing us with a platform to publish the YJEA open access. Last but not least, we are extremely proud of and thankful for our team, Myriam Aichinger, Valentin Berov, Benjamin Brown, Nadia El Ghali, Eleonora Guseletova, Lilia Gwaltney, Raghda Jaja, Leonie Köhler, Angelo Krüger, Emilija Krysen, Clara Praschl, Alexandra Qvist, Jakob Rindermann, Mirjam Seiler, Mercedes Vergara and Leonard Xu, some of whom have been with us from the very beginning. Every single one of them made an invaluable contribution to the publication of this magazine.

With this, we wish you a pleasant and enriching reading experience on behalf of the YJEA team and our authors!

Lara Breitmoser and Florian Lenner

Co-Founders and Co-Editors in Chief



Table of Contents

- 4 Interview with Prof Dr Jeremy Richardson**
Co-Founder and Co-Editor of the Journal of European Public Policy (JEPP)
- 9 Ciuhandu, Eduard-Alex**
Spending, Ideology, and Redistribution - A Comparative Analysis of Inequality in the EU Countries of the 21st century
- 33 Engel, Jonas**
Regional Integration and Welfare State Generosity: A Synthetic Counterfactual Analysis of the EMU
- 62 Greiwe, Johanna**
EU Policymaking in Times of Crisis – Analysing EUNAVFOR MED Operation Sophia under the Lens of Crisisification

How do you start one of the most successful journals on European Politics, Prof Dr Jeremy Richardson?

This interview was conducted by Florian Lenner & Lara Breitmoser, Co-Founders and Co-Editors in Chief of the Young Journal of European Affairs (YJEA).



Prof Dr Jeremy Richardson is professor of International Politics at the University of Canterbury, NZ and the founder and co-editor of the Journal of European Public Policy (JEPP). He earned his master's and PhD degrees at the University of Manchester. His career saw him work at institutions around the world, including Nuffield College at the University of Oxford. Including his current role at JEPP, he has nearly 40 years of experience working with journals and observing the changes across the industry.

YJEA: Tell us a bit about the Journal of European Public Policy (JEPP). What are your core responsibilities and what do you find most rewarding in your role as editor?

Prof Dr Jeremy Richardson: My core responsibilities are shared jointly with my co-editor, Berthold Rittberger. We have a very long association as I was his Doctoral Supervisor at Nuffield College, Oxford. Having worked together for so long, I think we can read each other's minds! We jointly decide which submissions are desk rejected and which go out to reviewers. For those that go out to reviewers, we decide which of us will manage the process for that submission (deciding on reviewers and chasing reviewers etc). When the reports are in, we jointly decide what decision to make. For Special Issues, again, we jointly decide which proposal to accept, and, as for individual submissions, decide which of us has primary responsibility for managing each Special Issue, in conjunction with the Guest Editors. For each Special Issue paper, we jointly make the final, decision on whether an Special Issue paper gets accepted or rejected (but, of course, we involve the Guest Editors in this decision process). Thus, the whole editing process is a joint effort.

JEPP is rather unusual in that it operates 24hrs a day, due to the fact that Berthold works in Germany, and I work in New Zealand. I will send an email to Berthold covering stuff that has come in during my New Zealand working day and he will send me an email by way of response, plus new stuff that has come in during his German working day, ready for me to log on next day in New Zealand. Depending on the time of year, we

sometimes email 'live'. An added twist is that JEPP has two people who 'pre-digest' submissions to check that they are JEPP compliant, prior to the article being released to us. Amy is based in Oxford, and Lou is based in Manila so that I have someone overlapping my time zone. JEPP's Production Manager works in India and so also has an overlap with my time zone.

What is the most rewarding thing about my job? Dealing with authors at the final stages when an article has been accepted. This can be automated, but I prefer to send an email myself. I call it 'my handing over the keys to the new car' moment (as car salespeople do when one buys a new car).

What motivated you to found JEPP? Have you had any journal experience before?

I have always been a public policy researcher and have a strong belief that public policy is what politics is about (the who gets what, when and how questions). I felt that existing journals dealing with European politics paid insufficient attention to public policy and thought that the gap needed to be filled. I had been on the editorial board of Political Studies for a period, but that gave me little insight into what being an Editor meant. However, I was reasonably well known as a public policy scholar and had (somehow!) developed a reputation for 'managing' things, having been Head of Department at Strathclyde for nine years, and having served in a number roles at the national level. So, I guess I was experienced in the trade. I was also lucky in that the key player at the publishers decided to take a gamble on me and convinced her colleagues to invest approximately £50,000 in launching the new journal. Today, accountants have more power!

What are the main differences between founding a journal 20 years ago and founding one today? Do you have advice for young scholars starting a journal now?

In my case, it was 31 years ago. As I suggest above, times were very different then. Publishers were rather like banks at that time. One could talk to one's bank manager and he (then, it was always a man!) could make a decision unencumbered by bureaucracy and rules. As in Q2 above, I happened to be dealing with a risk taker who was also highly regarded by her colleagues.

Starting a journal now is much more difficult, for three reasons. First, publishers are more bureaucratic and risk averse. Secondly, there is an over-supply of journals. Thirdly, the demands for Open Access have created huge uncertainty for publishers. Open Access might turn out to have been a good idea which wrecked quality journal

“JEPP has always had a customer focus. Authors and reviewers are our customers. Treat customers well and they will a) come back b) tell their friends.”

publishing. So, my advice to young scholars right now is don't go there! Focus on your own research as editing a journal like JEPP is a huge job.

What was the biggest challenge you faced when starting JEPP?

I suppose it was persuading authors to submit articles to a completely new journal. However, I was again lucky. First, I was established enough to know personally most of the top researchers in the field. I had a ready-made network. Secondly, the members of my network could afford to take the risk. They had secure reputations already. Thirdly, once big names appeared in JEPP it became like a rolling snowball.

“I’m worried that Political Science is becoming more inward-looking. We should be out there contributing to better public policy, not writing for each other.”

How did the challenges change as the journal grew? What are you wrestling most with today?

First, the workload grew. We started with three issues per year and we now have twelve. Thus, we have had over 600 submissions this year. Secondly, staying at or near the top is harder today as there is so much competition. Thirdly, journal publishing is big business and so has become more bureaucratic as a result.

However, my strong impression is that JEPP is much more autonomous than most journals. ‘System’ changes can be a real pain but, once sorted, Berthold and I are trusted to get on with it.

What do you think enabled JEPP to become such a well-known and highly esteemed journal in EU politics?

Lots of things I suppose! JEPP has always had a customer focus. Authors and re-viewers are our customers. Treat customers well and they will a) come back b) tell their friends. I think that is the key to JEPP's success. However, I think JEPP has developed its own 'brand', almost as a fun (but efficient!) journal to deal with. I am not sure how this came about or how it might be measured. An odd indicator might be the fact that many authors and reviewers know the name of my dog (currently Murphy, but Harvey was world famous!).

If not through often-criticised impact factors, how can journals establish themselves in their respective fields?

Quality, quality, quality!

We recently visited the Frankfurt Book Fair. All major publisher were there, Taylor & Francis, Wiley, Sage, Cambridge Core, Oxford University Press, etc. When browsing through their exhibitions, we could not find a single journal. Do you think that the “journalisation” (by which we mean that much of today’s research in IR is published in journals rather than books) of IR is pushing the discipline out of the public eye?

I am increasingly worried that Political Science generally is becoming more inward-looking. We should be out there contributing to better public policy, not writing for each other. I am very lucky that I am in a position to be able to write for a wider audience and not worry about cites. It is quite fun really. In 2012, Sonia and I edited a book on the failings of the New Zealand policy process. It will get few cites but is on the desks of a lot of civil servants and policy advisers. One of our daughters is a poli-cy adviser and now resorts to disclaiming any responsibility for her parents’ views!

Journal editors, reviewers and authors usually only get a small compensation for their work/publications in journals, if even. Research is often publicly funded. And yet, commercial publishers charge thousands of euros for open access publications and sell journals back to the universities whose employees are the reason publishers even have something to sell. Is there a viable alternative to commercial publishing in academia? Do we need to rethink journal and academic publishing?

I have thought about this a lot and still have no clear answer. I am leaning towards the view that it is better to have the devil you know. Sure, publishers make a lot of money, but so do banks, car manufacturers etc. My fear is that all journals will get dragged down in a race to the bottom. The law of unintended consequences looms large!

Which trends and changes do you currently observe in academic publishing?

Far fewer ‘ideas’ articles get through the reviewing process. Journals are usually not what I call ‘a good read’.

“Far fewer ‘ideas’ articles get through the reviewing process. Journals are usually not what I call ‘a good read’.”

Covid has revealed a strong gender publication gap. Submission and publication rates of male colleagues went up, while for many female colleagues it went down during the pandemic. What can journals do to support those facing more obstacles in the publication process?

I am not sure editors can solve this deep-seated societal problem. We try, but I have no simple solution. That said, I think things are improving.

What would be your advice for authors, especially young academics, who want to get published?

A few years ago, I would have said a good idea will get you published. Sadly, this might not be enough now. We are too concerned with methodology and data. Too many papers are producing obvious conclusions via clever methodology and lots of new data. However, that is the fashion, and it is difficult for young researchers to go against fashion. Journal editors and reviewers are partly to blame. It is SO difficult to get an article accepted (most of mine would be rejected now!). The best advice I can give is to get as many people to read your drafts as possible BEFORE you submit your article. Also, don't be fixated by the top ranked journals. Lots of articles in top ranked journals get very few (or sometimes no) cites, whereas some articles in lower ranked journals really take off and become classics. Finally, if you are writing about a specific public policy (or specific policy area) do think about reaching out to other researchers, outside your own discipline, who are working in that policy area. For example, if you are writing about COVID policy, reach out to epidemiologists. If your article is 'a good read', they might cite it within their specialised networks and you will pick up a lot of unexpected cites.

Young Journal of European Affairs (YJEA)

2023, Issue 3, 9-32

DOI: 10.5282/yjea/65

© The Author(s) 2023

Creative Commons 4.0

Received 08.05.2023/Accepted
12.12.2023/Published 20.12.2023

Eduard-Alex Ciuhandu

Free University Berlin



Spending, Ideology, and Redistribution – A Comparative Analysis of Inequality in the EU Countries of the 21st Century

Abstract

Inequality is a buzzword in today's political debates and an interesting topic from a research perspective. Focussing on the EU member states (excluding the United Kingdom) between 2006 and 2020, this paper examines what influences states to redistribute more and reduce inequality from a comparative perspective. Based on Rational Choice and Power Resources Theory expectations, the author builds a theoretical approach and hypothesises that a larger expenditure and a left-wing governing party lead to more redistribution. Using panel data regression, the author also finds that expenditure does indeed lead to more redistribution, but political ideology does not. Other relevant variables are also tested, showing that equal access to power, coalition governments, and caretaker or technocratic governments, among other significant variables, lead to more redistribution.

Keywords: Inequality, Redistribution, Ideology, Expenditure

Cite this article: Ciuhandu, Eduard-Alex (2023): Spending, Ideology, and Redistribution – A Comparative Analysis of Inequality in the EU Countries of the 21st Century. In: Young Journal of European Affairs, Issue 3, 9-32, 10.5282/yjea/65

Corresponding author (✉):

Eduard-Alex Ciuhandu, MA Political Science, Free University Berlin, Berlin, Germany
E-Mail: eduard.ciuhandu@fu-berlin.de

Introduction – To Spend or Not To Spend

At the beginning of 2023, the German liberal finance minister Christian Lindner announced his plans to address Germany's expenditure problem in the budget for the following year (Reuters, 2023), thus clashing with the Greens and Social Democrats, the more left-wing coalition partners in the German cabinet. The controversies inside the ruling coalition continued to rise, as the Free Democrats, Lindner's party, pushed to limit public spending (Kohnert, 2023) and not expand redistributive programmes (n-tv, 2023). It is not the first time this has happened: In 2022, Lindner publicly criticised the operation of Germany's public broadcasters, claiming to see major saving potential (Schwarz, 2022). A couple of months prior to this, he rejected the renewal of the 9-Euro ticket for regional rail transport, claiming it would promote a 'gratis mentality' (Wilms, 2022). While such statements are not exclusive to Germany, this instance is the newest example of a certain stance. While it is not unexpected for a liberal politician (in Europe) to promote low-spending views, it implies a certain revival of the old question of how much money states should spend and what the intended outcome of the spending policies is. To avoid confusion, in this paper, I understand liberal political views, as they present themselves in Europe, as encompassing positions that favour business, free markets, individual liberties, and limited government intervention.

Spending, ideology, redistribution – these three buzzwords are not only present in the current German political context. As the positions of the liberal minister showed, a major focus of politics is if, how, and on what to spend public money. This larger question has two dimensions: how much to spend and how the spending should be divided. Both are highly ideological, as the answer almost always depends on the philosophical tradition and normative stance of those asked. While politics has a multitude of areas to manage, the underlying one is people's finances. With inequality rising in recent years (The Economist, 2022; U. N. News, 2020), questions concerning people's income and wealth are even more salient. The perceived role of the state differs radically across the spectrum of political views: While progressive, left-wing politicians and activists push for high government spending and redistributive politics such as progressive taxation to target the highest earners (Reich, 2021), liberal stances claim that individual responsibility and meritocracy are more desirable than achieving financial equality (Newhard, 2018). There are many nuances to these two dominating directions, such as shifting the blame for poverty (Scheffler, 2020) or unfairness (Starmans, Sheskin, & Bloom, 2017).

This theme, which has been ever-present in the political sphere, reached a new dimension with the economic crisis of 2007/2008 and the following arguments over austerity policies. This showed the more academic side of the polemic, with economists of different traditions arguing for opposite measures. While the scholarly perspective is diverse and cannot be summarised into two categories, the perspectives in the political sphere can be mainly placed into two camps: The neoliberal (known in the academia as Neo-classical or Neo-Ricardian) camp, heavily influenced by Hayek and Friedmann, argues that financial adjustment and austerity measures are the only way to allow for economic recovery by facilitating efficient private spending (Okeke, Alexiou, & Nellis,

2021, pp. 100-101). The other side, which follows in the tradition of Keynesian economics, rejects austerity as a flawed approach that would not lead to a reduction of deficit (Ibid., p.101). One of the most important exponents of the latter is Mark Blyth, whose relevant insight was his methodological approach, which was based on the assumption that political actors are deeply influenced by the theories of economic thinkers (Blyth, 2013).

On the other side, a heavily debated and pressing political issue in the 21st century is inequality (Qureshi, 2023). While it can take many forms and manifest itself in different ways, I specifically refer to income and wealth inequality, as it has grown continuously in the past years (Ibid.). Income and wealth inequality is defined as the uneven distribution of income and wealth within or between societies, social groups, or individuals. This development can take multiple forms, from rising inequality within countries to higher income and wealth differences between countries. While inequality itself is an economic measure, philosophical ideas such as on egalitarian societies and fairness, or empirical consequences like slower economic growth and its sustainability, (Dabla-Norris, Kochhar, Suphaphiphat, Ricka, & Tsounta, 2015) give the term a negative connotation. While the topic is the most visible to date, inequality plays an important role in the bigger debate surrounding globalisation and the world's economic development. Global economic integration has been accelerating continuously since the Industrial Revolution, and the developments in the fields of finance in the past decades have led to new concerns regarding inequality, the autonomy of nation-states, and the unequal power dynamics between societal groups (Berger, 2000).

The question regarding the role of states in inequality is of particular interest, as states are the institutions that can intervene the most in the economy through regulations, taxes, and transfers, but their power is threatened by free economic flows. Through mechanisms such as taxation and social spending, states are also the major political actors that have a direct influence over people's income, and implicitly, the distribution of income and wealth within societies. As such, one might wonder how the size of the government and the ideological stances influence redistribution through the state. For example, how can liberal stances of reducing social programmes (like the German example above) affect the state's redistributive effect? Does Christian Lindner's stance impact redistribution in Germany, and to what extent? What role does the size of the budget play in this whole equation?

Bringing Blyth's insight together with the evergreen spending debate in politics, the topic of rising inequality and the role of the state leads me to the following research question: To what extent do spending and the political/economic ideology of the government affect the power of the government to redistribute? In this context, I understand spending as the size of a state's expenditure, i.e., the amount of money it spends. The power to redistribute is the degree to which a government can reduce inequality – the difference in the income distribution before and after the government's policies. While the topic of inequality is usually discussed from a global economic perspective, I approach it from a comparative national viewpoint to better understand the power of the state and its determinants. As the spending debate was nowhere as

vocal as in the EU following the euro crisis, I limit this study to analysing the EU member states with the most up-to-date data available at the date of writing.

The contribution this paper brings to the existing literature is focusing on the redistributive power of the government. Isolating this variable of interest allows me to look at the impact of policies created by governments based on their ideology and the size of the expenditure affecting the actual reduction of inequality.

This paper is structured as follows: After this introduction, I review the existing literature on the topic (2) and, using different theoretical concepts, draw my hypotheses (3). Using data I gathered from the 27 European Union member states (4) I run and analyse multiple regressions and discuss the implications of the results (5).

Literature Review – Spending, Ideology, and Inequality

While redistribution itself is present in research projects, the closely related topic of inequality has been studied substantively deeper, especially in the last few years. This section first looks at the connection between ideology and both redistribution and inequality, and later turns to the link between expenditure and inequality/redistribution. To allow for a holistic view, I then approach alternative factors and also present the methodological diversity present in the literature.

When it comes to studying how income inequality is influenced, spending and government ideology are mostly kept separate, rarely, and only ever briefly, mentioned together. As the relationship between ideology and inequality is complex and multi-faceted, the literature is diverse. Most of the published articles analyse the government's views and globalisation together, showing that globalisation brought increased inequality in developing nations, but left-wing governments managed to keep the rise in inequality lower than the rest (Ha, 2012). When using a similar design for nations that are part of the OECD, the results were similar, with the exception that Anglo-Saxon nations did not experience differences based on ideology after the 1980s (Dorn & Schinke, 2018).

Inequality and economic growth have been shown to have different associations under left- and right-wing governments (Bjørnskov, 2008). One of the most interesting findings is how government ideology influences not only income inequality but the health status of the population, with the neoliberal struggle to dismantle the welfare state leading to poorer public health (Coburn, 2000). When it comes to actual redistribution and expenditure decisions, results are mixed: Left-wing governments do enact more redistributive spending policies under harsher economic conditions, while right-wing cabinets also employ such strategies, but under favourable economic conditions (Herwartz & Theilen, 2017). One interesting result concerns healthcare spending, for which ideology does not seem to play an important role at all (Reeves, McKee, Basu, & Stuckler, 2014). Lastly, the EU as a political actor is also present in

research, with support for its cohesion policy by Europeans being influenced by the quality of government (Bauhr & Charron, 2020).

As mentioned before, most of the research looks at inequality as the dependent variable. When looking at the redistributive power of the state directly, there is one article of significance that analyses the determinants of redistribution, finding that left-wing governments do redistribute significantly more (Huber & Stephens, 2014). Similar to my approach, the article also defines redistribution as the difference between inequality before and after taxes and transfers.

The relationship between expenditure and inequality has also been thoroughly studied. There are two main patterns in the literature: either in-depth qualitative research on a certain country to discover the mechanism of inequality or large-N quantitative analysis of regions or as many countries as possible to discover general causal relationships. Due to the difficulty of quantifying inequality and the problem of gathering data, most of the latter have a relatively short period of analysis. Most articles look at social/welfare spending and not at the state expenditure as a whole. The body of literature has mixed results, with a slight tendency of showing that higher spending is associated with lower inequality, but results vary according to the control variables used (Anderson, Jalles D'Orey, Duvendack, & Esposito, 2017). For example, when looking at OECD countries, social spending reduces income inequality (Ulu, 2018), but when looking at Latin America, only health and education spending and not social security played an important role (Ospina, 2010).

Rather than investigating spending alone, a significant part of the research has a multicausal perspective: Corruption and spending raise inequality in the case of embezzlement but lower it in the case of “vote-buying” in Asia and Latin America (Wong, 2017); or public spending moderates the inequality-increasing effect of globalisation (Kollmeyer, 2015). Further models in which the social expenditure itself was divided into multiple categories showed that income replacement spending is more frequent in countries with less inequality (Moene & Wallerstein, 2003). Most of the papers are in line with the argument that social spending decreases income inequality (Fournier & Johansson, 2016), but there are also a few instances that take the political side of the government into account (d'Agostino, Pieroni, & Procidano, 2016). Government ideology was taken into account more in austerity research (Schaltegger & Weder, 2014), which is highly related to this topic, as fiscal adjustment programs often consist mainly of spending cuts.

There is also the issue of methodology across these articles. One approach is using panel data, such as in the former article cited. One instance of a more complex panel model is the latter, which employed a System GMM method. Another article using this found that social spending, in general, reduces inequality (Niehues, 2010). The article most related to my research question uses a fixed effect model to look at determinants for redistribution (Huber & Stephens, 2014). There are also instances in which basic statistical methods, such as OLS, are used to analyse the years affected by the 2008 economic crisis and those afterwards (Verberi & Yaşar, 2021).

As inequality is such a complex topic and there are extensive theoretical explanations for it which translate into an increased number of variables that have to be taken into account in empirical research, it is strange that these two major explanations have been studied largely separate from each other. While most of the literature looks at spending and inequality or redistributive policies under different ideologically motivated governments, the lack of focus on the extent of the redistributive power of the state (Cf. Huber & Stephens, 2014) and its determinants represents an important gap in the literature. Consequently, considering the combined impact of expenditure and ideology on redistribution is part of this gap that needs to be addressed, as ideology and expenditure were also studied separately when researching inequality. Additionally, few articles focused on European countries so far.

Theoretical Approach - What Do Governments Do?

The study of expenditure, ideology, and inequality is deeply empirical. Most of the articles reviewed in the previous section do not have a theoretical approach at all, as the focus lies on the analysis of the available data. However, there are some theoretical mechanisms related to the topic that are worth mentioning. The size of the expenditure and its impact on inequality and productivity has been a long-debated topic in the sphere of economics. As most of these arguments are deeply technical, I approach the partisan theory and other complementary rationalist explanations to explain the role ideology plays in shaping redistributive policy decisions. As mentioned, in this context, I define redistribution as the reduction of inequality through taxes and transfers.

The aspect of government ideology and inequality can be approached using rationalist expectations of political actors and the Selectorate Theory (De Mesquita, Smith, Siverson, & Morrow, 2003). According to these, politicians and, implicitly, government ministers' first goal is to secure their power position, which translates to increasing the chances of re-election. While this can take numerous forms, the most common is political positioning and the shaping of the executive agenda to increase approval ratings.

As the European Union, with the exception of Cyprus, consists mostly of parliamentary systems and semi-presidential systems, in which the government is still elected/confirmed by the legislative, the focus of the incumbent government is on the legislative elections. The EU consists of both proportional as well as plurality voting systems, with the former usually allowing for the formation of multiple parties with a specific target audience and the latter facilitating the creation of a few, rather big tent parties with no clear target audience (Cf. Duverger's Law).

The rationalist expectation of re-election incentives as the main drivers of political decisions seems to directly contradict the importance of ideology in determining redistribution. This is where the partisan theory (Hibbs, 1977, 1992) comes into the equation, theorising that the economic position of parties is shaped by the opinions of the socioeconomic group that forms its voter basin. In regards to democracy theory, this

ensures that parties are responsive to the wishes of the electorate and elections serve as a tool to ensure that parties represent the policy positions present among the voters (Powell, 2000). The partisan theory brings ideology to the centre, as the main way to ensure re-election is to maintain and increase support by providing policy decisions that align with the positions and expectations of the socioeconomic group the party aims to represent. While in most policy areas, the classical partisan theory is outdated as it looks at class as the main cleavage point which creates opposing socioeconomic groups, when it comes to questions such as redistribution, there still is a clear left-right divide.

This means that left-wing parties have an incentive to support redistributive policies. Empirically, research using the left-right divide has shown that those who label themselves as being left-wing support redistributive measures (Jæger, 2008; Visser, Lubbers, Kraaykamp, & Jaspers, 2014). On a more theoretical note, left-wing parties arose as the political representatives of the working class, advocating for policies to support the living and working conditions, as well as the economic situation of the workers. The value of more egalitarian societies thus obligates left-wing parties to push for redistributive measures, as they are, by definition, the way to create a more equal distribution of wealth. The welfare state is also an important aspect of left-wing politics that implies social solidarity and the reduction of inequality. The political way through which the working class has traditionally mobilised to support the creation and expansion of the welfare state has been through social-democratic parties (Esping-Andersen, 1990).

Bringing all of these aspects together, the working class, or in more modern equivalents, the socioeconomic group of lower-earning, economically struggling individuals, supports redistributive policies as these favourably affect their economic position. Left-wing parties are dependent on the support of this socioeconomic group as their voter basin and, as such, support redistributive policies. Once in power, influenced by re-election incentives, left-wing parties will adopt policies that lead to redistribution to satisfy the demands of its electorate.

As both in plurality voting and parliamentary systems, left-wing parties have an ideological and a strategic reason to push for redistribution, and labour-oriented parties can be seen as a resource of the working class to push for the development of the welfare state, I expect left-wing governments to redistribute more to ameliorate income inequality.

Other than the ideology of the elected officials, there is also the question of the size of the expenditure. While traditionally, left-wing governments tend to opt for a more important role of the state in the economy, thus leading to a larger expenditure under left-wing incumbents (Cusack, 1997), research on this topic has also shown that a larger expenditure, indifferent of the ideology of the incumbent, leads to more redistribution (Herwartz & Theilen, 2017). The size of the expenditure variable is also needed to isolate the role of the ideology of the government from the role of the expenditure itself. This consideration is important, as there are possible exogenous factors that can affect the size of the expenditure which cannot be influenced by the government. As ideological actors are constrained by the availability of resources – in this case, the governing

parties are limited in their actions by the size of the possible expenditure – it is important to control the size of the expenditure to clarify whether a higher reduction in inequality is driven by the governing ideology or merely by a higher expenditure.

While expenditure itself can be determined by the political ideology of the governing party or parties, analysing this concept in addition to ideological views brings further understanding of the redistributive dynamics. Expenditure is, by definition, redistributive, as it does not distribute the resources gathered through taxation and borrowing to the population according to the structure present before taxes. As such, the question is in which direction (deepening or reducing inequality) and to what extent the expenditure itself drives redistribution. There are two aspects to consider when looking at how the expenditure is shaped, namely whether spending decisions are path-dependent and tend to remain constant and whether modern states have intrinsic elements that increase redistribution.

On the one side, the governing party aims to use the state's resources to satisfy the demands of the electorate, as theorised previously. This means enacting policies that alter the redistributive power of the expenditure. However, established policies and the welfare system demand a long process of policy modification and tend to remain constant. As such, introducing the concept of a path-dependency in spending decisions allows one to filter the role of the party, by isolating the role of short-term policy changes by a government from the long-term factors such as established policies. While a party in government can enact public policies that reduce inequality, pre-existing policies that require major spending, such as welfare, restrict the government's ability to steer redistribution. To filter this aspect, it is important to look not only at the size of the expenditure but also at any major increase or decrease that signals a break in the path-dependency of spending decisions.

Additionally, there are theoretical reasons why simply spending more leads to more redistribution. Modern states tend to have established welfare systems that are intrinsically redistributive towards the less fortunate and increasing the available resources automatically increases redistribution. Welfare systems are a spending obligation by the state, and an ideologically motivated government cannot dismantle them in the short term. As such, I argue that the nature of modern states ensures redistribution to some degree and provides at least short-term resilience against politically-motivated spending choices. When looking at the redistributive results of the state, using both the idea of path-dependency and the redistributive nature of modern states allows me to differentiate between the role of spending more and the role of spending according to the political views of the governing party.

To explicitly look at the role ideology plays in spending decisions and inequality dynamics, I purposely ignored the details of the expenditure. While most articles look at the different segments of spending in detail, I define it as a black box divided by the governing party to satisfy the needs of a segment of the electorate to ultimately assure re-election. As such, there are two dimensions: the size of the expenditure, as a government is restricted in its redistributive capabilities by the amount of money it can spend, and ideology, as left-wing parties are ideologically and strategically tied to

redistribution and right-wing parties are not. I do not look at specific spending details to allow for a holistic perspective on redistribution performance. The goal of redistribution is not tied to a specific policy area, and as such, it should be reflected in the overall spending. Accordingly, my hypotheses are:

H₁: A larger expenditure is more likely to reduce income inequality.

H₂: A left-wing government is more likely to reduce income inequality.

Data and Method – EU27 2006 – 2020

To empirically test the aforementioned hypotheses, I operationalise the variables as they are described in this section. The unit of analysis is country-year and the sample includes all 27 EU countries (excluding the United Kingdom) in the time frame 2006 – 2020.

Dependent Variable

Redistribution (GINI Coeff. Difference) is the way I measure the redistributive power of the state, calculated as the difference in inequality before and after taxation and transfers. As income inequality itself tends to be hard to use as a direct variable because of serial correlation, I use the percentual difference between the GINI Coefficient before (Eurostat, 2022b) and after transfers and taxes (Eurostat, 2022a) as the measure for this variable. Note that due to the way it is calculated, a positive number means more redistribution and less income inequality. The formula for this variable is $((GINI_{before_t} - GINI_{after_t}) / GINI_{before_t}) * 100$.

The GINI coefficient is one of the most frequently used measurements for inequality, in this case showing how unequal income is distributed within a country. The coefficient itself is calculated using the Lorenz curve of the household income distribution. A lower value represents lower inequality, with 0 being the value for which income is distributed completely equally within the country (Charles, Gherman, & Paliza, 2022; Schneider, 2021).

My measure for redistribution is a self-adjusted version of the GINI coefficient. It seeks to isolate and measure the power of the state to diminish income inequality by isolating the effect of taxes and transfers. As the only difference between the coefficient before and after taxes and transfers is, by definition, the redistributive effect of taxes and transfers, this measurement is a useful operationalisation of the dependent variable. This adjustment has also been used previously in similar research (Berg, Ostry, Tsangarides, & Yakhshilikov, 2018; Huber & Stephens, 2014).

Independent Variables

Left/Right are two different variables to measure the political ideology of the government. As there is no gold standard for measuring this, I use four different measurements to increase the accuracy of the analysis. The variable is coded as a dummy variable (Cruz, Keefer, & Scartascini, 2021), with centre governments as a reference point. I also use different measures, such as the share of left/right-wing cabinet seats, the parliamentary seats of governing left/right-wing parties as a percentage of total coalition seat shares, or the parliamentary seats of governing left/right-wing parties as a share of total parliamentary seats (Armingeon, Engler, & Leemann, 2022).

Expenditure is the second main independent variable, calculated as the general government expenditure as a percentage of GDP (Eurostat, 2022c).

Control Variables

The puzzle in the introduction has highlighted ideology and expenditure as important factors that affect inequality and, as such, they are the main variables in this paper. However, following a multicausal approach, I also control for other related variables that can be expected to influence redistribution.

Expenditure Increase/Decrease is the variable I use to filter the possible shock effects of major increases or decreases in expenditure, as was the case when austerity policies began to be implemented. I calculate this variable based on the expenditure Eurostat data as the percentual increase/decrease in comparison to the year before: $(Exp_t - Exp_{t-1})$ as % of Exp_{t-1} . For decreases, the value is transformed into a positive number.

While parties claim to represent certain people according to their ideology, this is not a must. **Power by Socioeconomic Position** comes as an alternative and looks at how power is distributed across society according to socioeconomic position. A lower value means that wealthy people have more political influence, and higher scores mean that access to power is more equally distributed and wealth does not play a determinant role (Tufis & Hudson, 2021a). This variable is taken from the Global State of Democracy Indices (Tufis & Hudson, 2021b).

All policies of the state, especially the redistributive ones, have to be implemented accordingly to work properly. **Corruption** can block this, as it both wastes state resources and provides wealthy people access to express state services, thus strengthening their power position and deepening inequality. This relationship has already been proven multiple times in the existing literature (Gupta, Davoodi, & Alonso-Terme, 2002). Data was taken from the Corruption Perception Index (Transparency International, 2020).

Access to **education** provides people with the necessary skills and knowledge to perform jobs that have a higher grade of complexity and are better paid. Taking automation into account, skills from higher education protect workers from being replaced by computers and robots. In the context of economic liberalisation, more complex jobs are less likely to be cut as a company wants to move production to less developed countries with a more competitive workforce in terms of price. The literature has shown that education has a major impact on an individual's chances of success in life (Blanden, 2020). I measure education as the percentage of the population with finished tertiary education (Eurostat, 2022d).

As unemployed people usually have some sort of protection within the welfare state, an increase in **unemployment** automatically means an increase in redistribution. The role of this variable is to differentiate between the role of the policy choices of the government based on their ideology and a possible increase or decrease in employment. As unemployment benefits are usually low, I expect this variable to have a limited impact. I measure it as the number of unemployed people in the age class 15-74 as a percentage of the population in the workforce (Eurostat, 2022g).

Similar to the unemployed people, an increase in the **dependency ratio** means an increase in redistribution. I measure it as the population under and over the working age (up to 14 years or 65 and over) divided by the working age population (Eurostat, 2022e).

The existing literature usually differentiates between less and more developed countries. To check for any particularities according to the level of development, I use **GDP per capita** as a control variable (Eurostat, 2022f). Additionally, the literature found no clear pattern regarding **trade openness** and inequality, with one recent finding showing that it increases inequality in developed countries (Dorn, Fuest, & Potrafke, 2022). As this remains a debated topic, I will include it in my design (World Bank, 2022).

Finally, there are three control variables regarding the history of the country and the nature of the government. The **Post-Communist** variable checks for any special particularities of the post-socialist countries in the EU. This holds true for all EU countries that are former members of the Eastern Bloc, USSR, or communist Yugoslavia. I additionally check for **coalition** governments, as they are more present in proportional systems and the parties have more well-established supporters. I expect a coalition to redistribute more, as it has multiple supporter groups to satisfy. The required data was taken from the Centre for Political and Diplomatic Studies (Armingeon et al., 2022). Lastly, **Caretaker/Technocratic Government** checks for the particularities of caretaker and technocratic governments, as they do not have a re-election incentive. This data is also taken from CPDS.

Methodology

Based on the aforementioned variables, I gathered data on all 27 EU member states and designed a random effects panel model. The reason for choosing 2006 – 2020 as the time frame is mainly determined by data availability: Most of the variables are taken from Eurostat, and as a significant number of countries only joined the EU at the beginning of the 2000s, there is a lot of missing data for the years before 2006. I chose the time frame to allow for the maximum number of years without creating a heavily unbalanced dataset. The panel is still unbalanced to a limited degree, with data for Romania and Bulgaria starting only in 2007 and data for Croatia beginning in 2010. All computations were done using R (R Core Team, 2021), and the table itself was created using stargazer (Hlavak, 2021). All regressions are one-way effect random effects panel models (Swamy-Arora’s transformation) and were calculated with the help of “plm” (Croissant & Millo, 2018). The only difference is in the way left and right are measured, as explained in the previous section.

Some of the variables are lagged, as I do not expect them to have an immediate impact on redistribution. This is especially true for the political ideology of the government, as there is a temporal delay between introducing political measures and the outcome due to the policy-making process. The same applies to the other lagged variables, which are expected to influence the redistributive power with a delay. The only exception applies to unemployment and dependency ratio, as they will produce direct changes based on the welfare system. Social programmes targeting these two groups are usually fixed, and the recipients thereof are entitled, meaning that a higher variable value would directly lead to more redistribution. This approach is also used in related research (Profeta, Puglisi, & Scabrosetti, 2013; Rudra & Haggard, 2005).

Table I

	Left/Right Dummy				Redistribution			
	2006	2010	2015	2020	2006	2010	2015	2020
Austria	Right	Left	Left	Right	43.78	40.91	42.86	42.18
Belgium	Right	Right	-	-	42.91	42.79	45.42	44.9
Bulgaria	-	Right	Right	Right	40.9	28.9	28.29	25.09
Croatia	NA	Center	Center	Right	-	34.43	38.33	40.04
Cyprus	Right	Left	Right	Right	23.06	29	32.67	36.58
Czechia	Left	-	Left	-	44.02	43.15	44.32	42.79
Denmark	Right	Right	Left	Left	46.29	47.56	47	44.73
Estonia	-	-	-	-	30.17	33.96	29.12	31.77
Finland	Center	Center	Right	Left	43.84	44.54	46.83	45.8
France	Right	Right	Left	Center	44.15	39.43	41.83	49.48
Germany	Left	Right	Right	Right	51.44	47.11	46.63	44.44
Greece	Right	Left	Right	Right	29.85	32.99	43.65	41.74
Hungary	Left	Left	Right	Right	40	51.11	45.24	36.65
Ireland	Center	Center	Right	Right	34.22	43.04	41.76	40.16

Italy	Right	Right	-	-	32.98	33.26	33.33	31.72
Latvia	Center	Right	-	-	29.15	29.46	27.9	26.28
Lithuania	-	-	-	-	29.92	32.84	29.42	29.23
Luxembourg	Center	Center	Center	Center	37.66	39.74	40.74	46.66
Malta	Right	Right	Left	Left	33.08	33.02	36.42	30.97
Netherlands	Right	Right	Right	Right	40.08	42.3	42.08	40.12
Poland	Right	Right	Center	Right	37.16	35.07	36.11	39.95
Portugal	Left	Right	Right	Right	26.65	32.6	43.04	42.64
Romania	NA	-	-	-	-	37.03	29.69	33.06
Slovakia	-	Left	Left	Left	37.13	40.18	41.33	45.14
Slovenia	Center	Left	-	Center	43.3	43.46	44.19	44.44
Spain	Left	Left	Right	Left	30.04	28.41	31.88	31.55
Sweden	Left	Right	Left	Left	44.44	54.46	52.91	51.96

Analysis and Discussion – How Spending Increases Redistribution

Table I provides descriptive statistics on the ideology of the government and redistribution for each of the observed countries in certain years. It only shows the left/right dummy for ideology to allow for better visual clarity. Regarding redistribution, the observed data ranges from 20.11 to 55.40 %, showing a large diversity within and among countries. Further descriptive statistics can be found in Table II, which contains the means by country for all other independent variables.

Table III shows all regressions results. As the table shows, the variables for ideology are not statistically significant, except for the dummy for right-wing governments, which shows that such governments tend to redistribute more. This is a fairly uncommon insight that contradicts the theory. The problem with this significant result is that it is not repeated when using measurements that contain more information than a dummy (models 2-4). Model 4 presents an unexpected significant result, showing a negative correlation between the number of parliamentary seats of governing left-wing parties as a share of total parliamentary seats and redistribution. However, this coefficient is only significant at 10 %, and as such, I do not interpret it as statistically significant. Taking everything into account, in the case of H_2 , I fail to reject the null hypothesis.

These findings are different to results using a similar approach (Huber & Stephens, 2014), but most importantly, in antithesis to the expectations from the Power Resource Theory. I could not find an explanation in the literature that could explain why right-wing governments would redistribute more (Model 1). It is also unexpected that the political direction of the government does not produce significant results across the models, especially as I used different measurements from different sources. These insights are puzzling but cannot be further analysed using the data for this paper. As such, they provide a puzzle for further research into the topic.

Table II: Means of all independent variables by country

Country	Expenditure	Expenditure Increase	Expenditure Decrease	Power	Corruption	Education	Unemployment	GDPPC	Trade Openness
Austria	51.15625	3.268979	0.008644	0.660446	22.75	21.8125	5.15625	36031.88	101.4089
Belgium	53.4	4.046364	0.089757	0.818001	25.6875	31.7875	7.475	33890.63	156.111
Bulgaria	37.25333	8.799888	0.9771	0.625245	59.8	21.94667	8.273333	5538.667	119.9265
Croatia	48.06364	2.367539	0.399863	0.642671	53.27273	18.97273	12.64545	11172.73	88.51417
Cyprus	40.96875	6.0465	1.873306	0.761423	39.9375	34.3	8.95	23035.63	125.7916
Czechia	42.25625	6.578083	0.516399	0.730896	NA	16.96875	5.275	15878.75	138.268
Denmark	53.175	2.982716	0.144225	0.799793	8.625	29.46875	5.875	45779.38	100.8381
Estonia	38.88125	9.377165	0.596196	0.758737	31.8125	31.38125	8.03125	12367.5	146.8503
Finland	53.275	3.557012	0	0.858194	10.0625	33.58125	7.94375	35615	76.78499
France	56.025	2.871688	0	0.691265	29.5	28.53125	9.15	31371.88	58.75801
Germany	45.5	3.158568	0.081103	0.787539	20.1875	23.53125	6.05	33218.13	82.35499
Greece	51.8625	3.953888	3.116727	0.817538	57.0625	23.29375	17.3	18734.38	62.65275
Hungary	48.98125	4.540053	0.965157	0.613555	50.5625	18.8875	7.40625	10996.88	158.4168
Ireland	36.49375	7.444205	2.274087	0.736624	25.5625	35.6875	9.1625	44656.88	194.8166
Italy	49.65	2.107753	0.018273	0.742999	53.3125	14.33125	9.50625	26846.25	54.77588
Latvia	39.325	8.608722	0.79982	0.638246	49	25.15625	10.73125	10265.63	113.4259
Lithuania	37.03125	9.300646	0.868375	0.641806	46.125	29.89375	9.5125	10906.25	136.0461
Luxembourg	41.3625	5.819364	0	0.771488	17.4375	32.2625	5.3875	83243.75	324.4512
Malta	40.1125	7.209025	0.124924	0.684771	43.125	17.7	5.6375	18098.13	286.9245
Netherlands	44.9	3.260895	0.031818	0.823578	14.8125	29.325	5.15625	39197.5	142.1221
Poland	43.4375	7.939254	0.870183	0.760658	46.5625	21.68125	8.4	10243.75	90.42374
Portugal	47.3625	3.430978	1.188196	0.706895	37.5	17.46875	10.275	16998.75	75.23193
Romania	37.13571	8.827708	1.085133	0.577198	57.64286	13.65714	6.05	7280.714	77.75109
Slovakia	41.325	8.250652	0.536068	0.636391	52.4375	17.09375	11.25	13330	170.9772
Slovenia	48.03125	5.541442	1.275769	0.781552	38.4375	23.61875	6.88125	18365.63	140.6701
Spain	43.8125	4.214726	0.584774	0.684134	37.9375	30.44375	17.225	23415.63	59.9455
Sweden	50.4875	3.494318	0.658639	0.786848	10.8125	31.425	7.40625	41185.63	85.64506

The other main variable, expenditure, is significant across all four models and positively associated with the dependent variable, meaning that a higher expenditure translates into more redistribution. This insight is extremely valuable, as, in comparison to other research, I did not divide the expenditure into multiple sections or looked only at social spending. Coupled with the insignificant results for ideology, it seems that an increase in expenditure as a whole, irrespective of the ideology of the governing party, leads to more redistribution in Europe. For H_2 , I am able to reject the null hypothesis. Looking at the short-term change in expenditure, I find no significant results, meaning that a sudden increase or decrease in spending does not seem to influence the redistribution.

The results of the two main independent variables point in the direction that the size of the expenditure is the determining factor and that political ideology does not play a significant role. Returning to the theoretical expectations, it seems that how much the state spends is more important than according to which political ideology the spending is structured.

Power by socioeconomic group is also statistically significant across all four models and has a positive impact on redistribution, as was expected. The interesting aspect is that this variable could be an alternative explanation to the failed hypothesis, as equal access to political power will lead to more redistribution since those who are not wealthy have a strategic and personal incentive to push for such policies. Left-wing parties are theoretically linked to providing less-earning, more marginalised people access to political power, but it seems that this is not the case.

Surprisingly, corruption does not produce any significant results. Education, on the other hand, sees the expected results, with a higher percentage of people with tertiary education being associated with more redistribution. However, this variable is hard to interpret, as I measure its effect on the redistribution through the state and not on income inequality per se.

The economic control variables without a lag also produce significant results, except for the dependency ratio in the first, second, and third models. As expected, a higher percentage of unemployment and a higher dependency ratio do translate into more redistribution.

GDP per capita is statistically insignificant, showing that, at least in Europe, there is no major difference in redistribution through the state concerning overall country wealth. Trade openness, on the other hand, is significant across all results and has a positive impact on redistribution. This is an insight worth discussing, as there is a large academic debate on the positive and negative sides of trade liberalism and globalisation. It is important to note that some findings in the existing literature are opposed to mine: Trade seems to create more inequality, for example, in India (Daumal, 2013). As globalisation is often seen as producing winners and losers – also between countries – it suggests that the current EU member states are on the ‘winning side’.

The last three variables concern the political sphere. While there is no significant difference in redistribution in post-communist countries, the following two variables produce interesting results: Across all models, coalition or caretaker/technocratic

governments produce more redistribution. For coalition governments, this was the expected outcome. It, thus, seems that coalitions tend to redistribute more, as multiple parties mean multiple electoral groups whose needs and interests need to be satisfied. The unexpected result is found in the last category, which shows that caretaker and technocratic governments redistribute more. As such, governments either do not have a political agenda at all or are only tasked with maintaining the status quo. Accordingly, it is unexpected that the results are significant in all models.

Finally, the regression models are themselves significant and have high explanatory power, with the R^2 at 37-38 %. The decision to run random effects models was based on the results of the Hausmann tests I ran on all the models, which indicated that random effects would be the suitable option. To ensure transparency, I report that in the case of fixed effects specifications, there are no significant results for the independent variables across all models. Additionally, I ran Variance Inflation Factor and Condition Number tests to check for collinearity, and the results showed little to no collinearity in all models.

Additionally, my design has some limitations that I have to acknowledge. First, there is the matter of missing control variables. While there are virtually unlimited variables that can be checked for, one is especially important in this case: the power of the unions. Union density is one of the major explanatory variables for inequality, and it can also influence the way states redistribute. Corporatist systems, in which the state is mostly an intermediary between the different actors, could redistribute less themselves, as it leaves the question of inequality to the unions. This supposition could have been checked by including a control variable. The reason I did not add one is due to the lack of available data. The most complete only started in 2009 and had data breaks (International Labour Organization, 2022), and as the time frame was already limited and the data unbalanced, I decided against using this additional variable.

The second issue is that of explanatory power. As the whole model only focuses on the current countries of the European Union, the explanatory power ends with them, as my models cannot take into account regional differences that might exist outside of Europe. Existing literature has shown that the same variables can have a different effect on inequality in different places, especially when looking at the level of economic development, so these results have to be interpreted only as explanations for the 27 EU countries in the 21st century, as all European countries have a comparatively high level of economic development.

Table III

	<i>Dependent variable:</i>			
	Redistribution - (GINI Coeff. Difference)			
	(1) L/R Dummy	(2) L/R Government Seat Share	(3) L/R Coalition Share	(4) L/R Parliament Seat Share
Left _{t-1}	0.523 (0.485)	-0.006 (0.006)	-0.007 (0.006)	-0.023** (0.010)
Right _{t-1}	0.949** (0.432)	0.008 (0.007)	0.010 (0.007)	0.007 (0.012)
Expenditure _{t-1}	0.201*** (0.049)	0.186*** (0.050)	0.176*** (0.049)	0.177*** (0.049)
Expenditure Increase _{t-1}	-0.026 (0.027)	-0.023 (0.027)	-0.021 (0.026)	-0.020 (0.026)
Expenditure Decrease _{t-1}	0.078 (0.055)	0.081 (0.055)	0.073 (0.054)	0.074 (0.054)
Power by socio-economic group _{t-1}	17.514*** (4.218)	19.144*** (4.294)	19.302*** (4.235)	18.874*** (4.310)
Corruption _{t-1}	-0.043 (0.031)	-0.033 (0.030)	-0.034 (0.030)	-0.033 (0.030)
Education _{t-1}	0.133*** (0.051)	0.124** (0.052)	0.120** (0.052)	0.129** (0.052)
Unemployment	0.174*** (0.060)	0.185*** (0.061)	0.197*** (0.060)	0.193*** (0.060)
Dependency Ratio	0.100 (0.064)	0.126* (0.065)	0.130** (0.065)	0.117* (0.065)
GDP Per Capita _{t-1}	-0.00002	-0.00002	-0.00002	-0.00003

	(0.0001)	(0.0001)	(0.0001)	(0.0001)
Trade Openness _{t-1}	0.035*** (0.009)	0.036*** (0.009)	0.036*** (0.009)	0.036*** (0.009)
Post-Communist	0.149 (2.110)	-0.336 (2.149)	-0.509 (2.196)	-0.682 (2.242)
Coalition _{t-1}	2.324*** (0.502)	2.048*** (0.493)	2.000*** (0.486)	2.051*** (0.486)
Caretaker/Technocratic Government _{t-1}	2.669*** (0.991)	2.289** (0.986)	2.260** (0.980)	2.051** (0.975)
Countries	27	27	27	27
Time Frame (Years)	10-15	10-15	10-15	10-15
Observations	396	396	396	396
R ²	0.372	0.376	0.388	0.389
Adjusted R ²	0.347	0.351	0.364	0.365
F Statistic	224.399***	228.032***	240.338***	240.934***

Note: †p<0.1; **p<0.05; ***p<0.01

Conclusion

Income inequality and redistribution through the state are and will remain interesting topics to be studied by economists and political scientists and to be argued about by politicians and the general public. Based on elements of the Selectorate Theory and Rational Choice expectations, I have argued that a higher expenditure and more left-wing parties are more likely to redistribute more. The empirical analysis of this paper has shown that in the case of the 27 EU countries in the time frame of 2006-2020, certain variables do influence the redistribution through the state. While it seems that political ideology does not influence redistribution, states with higher expenditures do redistribute more.

To directly answer my research question, the political ideology of the government does not appear to influence the redistributive power of the state. On the other hand, the size of the expenditure does directly impact redistribution, with higher expenditure producing more redistribution.

Equal access to political power, a higher percentage of tertiary education, greater unemployment, a bigger dependency ratio, and more trade increase the redistribution. From a political point of view, only coalition or caretaker/technocratic governments

seem to redistribute more. Sudden changes in expenditure, corruption, and GDP per capita did not produce significant results, so they seem to not have an influence on redistribution.

My research results do have some limitations. As mentioned in the discussion section, I do not check for the power of labour unions and their impact on redistribution through spending. The sample selection allows me to reach conclusions for the member states of the European Union. Even though these countries are diverse and thus allow for the needed variance, there is still the dilemma of whether my results can be generalised for all countries. EU countries are comparatively wealthy and democratic, so the reality might look different in regions with different socioeconomic and political conditions.

The discussion of the results also raised a couple of points that are relevant for further research: The insight that access to political power, and not the ideology of the governing party, has an impact on redistribution is a topic that could be studied in more detail and could provide more insight into the question of whether parties are loyal to their ideology and to their core voters once in power. The discussion raised new questions about the ways education and trade openness help redistribution, and there is a need for explanatory theories. Finally, the reason why caretaker and technocratic governments redistribute more is probably the most interesting insight that needs further theoretical, qualitative, and quantitative research.

Literature

- Anderson, C. J., & Singer, M.M. (2008). The Sensitive Left and the Impervious Right: Multilevel Models and the Politics of Inequality, Ideology, and Legitimacy in Europe. *Comparative Political Studies*, 41(4-5), 564-599.
- Anderson, E., et al. (2017). Does government spending affect income inequality? A meta-regression analysis. *Journal of Economic Surveys*, 31(4), 961-987.
- Armingeon, K., Engler, S., & Leemann, L. (2022). Comparative political data set 1960–2020.
- Bauhr, M., & Charron, N. (2020). The EU as a savior and a saint? Corruption and public support for redistribution. *Journal of European Public Policy*, 27(4), 509-527.
- Berg, A., et al. (2018). Redistribution, inequality, and growth: new evidence. *Journal of Economic Growth*, 23(3), 259-305.
- Berger, S. (2000). Globalization and Politics. *Annual Review of Political Science*, 3(1), 43-62.
- Bjørnskov, C. (2008). The growth–inequality association: Government ideology matters. *Journal of Development Economics*, 87(2), 300-308.
- Blanden, J. (2020). Chapter 10 - Education and inequality. In S. Bradley & C. Green, *The Economics of Education*. Academic Press, 119-131.
- Blyth, M. (2013). *Austerity: The history of a dangerous idea*. Oxford University Press.
- Charles, V., Gherman, T., & Paliza, J. C. (2022). The Gini Index: A Modern Measure of Inequality. In Charles, V., & Emrouznejad, A., *Modern Indices for International Economic Diplomacy*. Springer International Publishing, 55-84.
- Coburn, D. (2000). Income inequality, social cohesion and the health status of populations: the role of neo-liberalism. *Social Science & Medicine*, 51(1), 135-146.
- Croissant, Y., & Millo, G. (2018). *Panel Data Econometrics with R*.
- Cruz, C., Keefer, P., & Scartascini, C. (2021). *The Database of Political Institutions 2020*. Inter-American Development Bank. In.
- Cusack, T.R. (1997). Partisan politics and public finance: Changes in public spending in the industrialized democracies, 1955–1989. *Public Choice*, 91(3-4), 375-395.
- d'Agostino, G., Pieroni, L., & Procidano, I. (2016). Revisiting the relationship between welfare spending and income inequality in OECD countries.
- Dabla-Norris, E., et al. (2015). *Causes and Consequences of Income Inequality: A Global Perspective*. Staff Discussion Notes, 2015(013), A001.
- Daumal, M. (2013). The impact of trade openness on regional inequality: the cases of India and Brazil. *The International Trade Journal*, 27(3), 243-280.
- De Mesquita, B. B., et al. (2003). *The Logic of Political Survival*.
- Dorn, F., Fuest, C., & Potrafke, N. (2022). Trade openness and income inequality: New empirical evidence. *Economic Inquiry*, 60(1), 202-223.

- Dorn, F., & Schinke, C. (2018). Top income shares in OECD countries: The role of government ideology and globalisation. *The World Economy*, 41(9), 2491-2527.
- Esping-Andersen, G. (1990). *The three worlds of welfare capitalism*. Princeton University Press.
- Eurostat. (2022a). Gini coefficient of equivalised disposable income - EU-SILC survey.
- Eurostat. (2022b). Gini coefficient of equivalised disposable income before social transfers (pensions included in social transfers).
- Eurostat. (2022c). Government revenue, expenditure and main aggregates.
- Eurostat. (2022d). Population by educational attainment level, sex and age (%) - main indicators.
- Eurostat. (2022e). Population structure indicators at national level.
- Eurostat. (2022f). Real GDP per capita.
- Eurostat. (2022g). Unemployment by sex and age – annual data.
- Flavin, P. (2012). Income Inequality and Policy Representation in the American States. *American Politics Research*, 40(1), 29-59.
- Fournier, J.M., & Johansson, Å. (2016). The Effect of the Size and the Mix of Public Spending on Growth and Inequality.
- Garry, J., & Tilley, J. (2015). Inequality, state ownership and the European Union: How economic context and economic ideology shape support for the European Union. *European Union Politics*, 16(1), 139-154.
- Gupta, S., Davoodi, H., & Alonso-Terme, R. (2002). Does corruption affect income inequality and poverty?. *Economics of governance*, 3(1), 23-45.
- Ha, E. (2012). Globalization, government ideology, and income inequality in developing countries. *The journal of Politics*, 74(2), 541-557.
- Herwartz, H., & Theilen, B. (2017). Ideology and redistribution through public spending. *European journal of political economy*, 46, 74-90.
- Hessami, Z. (2010). The size and composition of government spending in Europe and its impact on well-being. *Kyklos*, 63(3), 346-382.
- Hibbs, D.A. (1977). Political parties and macroeconomic policy. *American political science review*, 71(4), 1467-1487.
- Hibbs, D.A. (1992). Partisan theory after fifteen years. *European journal of political economy*, 8(3), 361-373.
- Hlavak, M. (2021). *Stargazer: Well-Formatted Regression and Summary Statistics Tables*. Available at: <https://CRAN.R-project.org/package=stargazer>.
- Huber, E., & Stephens, J.D. (2014). Income inequality and redistribution in post-industrial democracies: demographic, economic and political determinants 1. *Socio-Economic Review*, 12(2), 245-267.
- International Labour Organization. (2022). *Industrial Relations Data*.

- Jæger, M.M. (2008). Does Left–Right Orientation have a Causal Effect on Support for Redistribution? Causal Analysis with Cross-sectional Data Using Instrumental Variables. *International Journal of Public Opinion Research*, 20(3), 363–374.
- Kohnert, N. (2023). Wie Christian Lindner zum Sparer wurde. *tagesschau.de*. Available at: <https://www.tagesschau.de/inland/innenpolitik/lindner-fdp-haushalt-100.html>
- Kollmeyer, C. (2015). Globalization and income inequality: How public sector spending moderates this relationship in affluent countries. *International Journal of Comparative Sociology*, 56(1), 3–28.
- Moene, K.O., & Wallerstein, M. (2003). Income inequality and welfare spending: A disaggregated analysis.
- Mulas-Granados, C. (2003). The political and economic determinants of budgetary consolidation in Europe. *European Political Economy Review*, 1(1), 015–039.
- n-tv. (2023). Keine "weitere Umverteilung": FDP kündigt Ende großer Sozialreformen an. *n-tv.de*. Available at: <https://www.n-tv.de/politik/FDP-kuendigt-Ende-grosser-Sozialreformen-an-article24361947.html>
- Newhard, J.M. (2018). Income Inequality Is a Natural and Desirable Feature of Labor Markets. *FEE Stories*. Available at: <https://fee.org/articles/income-inequality-is-a-natural-and-desirable-feature-of-labor-markets/>
- Newman, B.J., Johnston, C.D., & Lown, P. L. (2015). False consciousness or class awareness? Local income inequality, personal economic position, and belief in American meritocracy. *American Journal of Political Science*, 59(2), 326–340.
- Niehues, J. (2010). Social spending generosity and income inequality: A dynamic panel approach.
- Okeke, A., Alexiou, C., & Nellis, J. (2021). Austerity Effects on National Output and Income Inequality: A Systematic Literature Review. *Review of Economics*, 72(2), 97–148.
- Ospina, M. (2010). The effect of social spending on income inequality: An analysis for Latin American countries. Center for Research in Economics and Finance (CIEF), Working Papers (10-03).
- Potrafke, N. (2018). Government ideology and economic policy-making in the United States—a survey. *Public Choice*, 174(1), 145–207.
- Powell, G.B. (2000). *Elections as instruments of democracy: Majoritarian and proportional visions*. Yale University Press.
- Profeta, P., Puglisi, R., & Scabrosetti, S. (2013). Does democracy affect taxation and government spending? Evidence from developing countries. *Journal of Comparative Economics*, 41(3), 684–718.
- Qureshi, Z. (2023). Rising inequality: A major issue of our time. *Brookings*. Available at: <https://www.brookings.edu/articles/rising-inequality-a-major-issue-of-our-time/>
- R Core Team. (2021). *R: A language and environment for statistical computing*. Vienna, Austria: R Foundation for Statistical Computing. Available at: <https://www.R-project.org/>

- Reeskens, T., Meuleman, B., & van Oorschot, W. (2012). When Ideology Meets Interest: Explaining Support for Redistribution Across Europe in the 'Age of Austerity'.
- Reeves, A., et al. (2014). The political economy of austerity and healthcare: Cross-national analysis of expenditure changes in 27 European nations 1995–2011. *Health Policy*, 115(1), 1-8.
- Reich, R. (2021). We're Living Under the Cruellest Form of Capitalism in the World. In *These Times*. Available at: <https://inthesetimes.com/article/robert-reich-elon-musk-capitalism-inequality-wealth-tax>
- Reuters. (2023). Germany must tackle expenditure problem, says finance minister. Reuters. Available at: <https://www.reuters.com/business/finance/germany-must-tackle-expenditure-problem-says-finance-minister-2023-03-12/>
- Rudra, N., & Haggard, S. (2005). Globalization, Democracy, and Effective Welfare Spending in the Developing World. *Comparative Political Studies*, 38(9), 1015-1049.
- Schaltegger, C.A., & Weder, M. (2014). Austerity, inequality and politics. *European journal of political economy*, 35, 1-22.
- Scheffler, S. (2020). Is Economic Inequality Really a Problem? *The New York Times*. Available at: <https://www.nytimes.com/2020/07/01/opinion/economic-inequality-moral-philosophy.html>
- Schneider, M. (2021). The Discovery of the Gini Coefficient: Was the Lorenz Curve the Catalyst? *History of Political Economy*, 53(1), 115-141.
- Schwarz, F. (2022). Lindner sieht „erhebliches Einsparpotenzial“ beim Rundfunkbeitrag: Queen-Berichterstattung als Anlass. *Gießener Allgemeine*. Available at: <https://www.giessener-allgemeine.de/politik/rundfunkbeitrag-christian-lindner-berichterstattung-queen-elizabeth-gebuehren-schlesinger-rbb-kritik-zr-91799766.html>
- Starmans, C., Sheskin, M., & Bloom, P. (2017). The science of inequality: why people prefer unequal societies. *The Guardian*. Available at: <https://www.theguardian.com/inequality/2017/may/04/science-inequality-why-people-prefer-unequal-societies>
- The Economist. (2022). Global inequality is rising again. *The Economist*. Available at: <https://www.economist.com/finance-and-economics/2022/08/02/global-inequality-is-rising-again>
- Transparency International. (2020). Corruption Perception Index.
- Tufis, C.D., & Hudson, A. (2021a). The Global State of Democracy Indices Codebook, Version 5 (2021). International IDEA, Strömsborg.
- Tufis, C.D., & Hudson, A. (2021b). The Global State of Democracy Indices, Version 5.
- U. N. News. (2020). Rising inequality affecting more than two-thirds of the globe, but it's not inevitable: new UN report. *UN News*. Available at: <https://news.un.org/en/story/2020/01/1055681>

- Ulu, M.I. (2018). The effect of government social spending on income inequality in oecd: a panel data analysis. *Uluslararası Ekonomi Siyaset İnsan ve Toplum Bilimleri Dergisi*, 1(3), 184-202.
- Verberi, C., & Yaşar, S. (2021). The effects of social spending on income inequality in 30 OECD countries. *İstanbul İktisat Dergisi*, 71(1), 39-57.
- Visser, M., et al. (2014). Support for radical left ideologies in Europe. *European journal of political research*, 53(3), 541-558.
- Wilms, M. (2022). 9-Euro-Ticket: Empörung über Lindners „Gratismentalität“-Spruch. *Berliner Zeitung*. Available at: <https://www.berliner-zeitung.de/news/verkehr-9-euro-ticket-empoeerung-ueber-christian-lindners-gratismentalitaet-spruch-li.254436>
- Winkler, H. (2019). The effect of income inequality on political polarization: Evidence from European regions, 2002–2014. *Economics & Politics*, 31(2), 137-162.
- Wong, M.Y. (2017). Public spending, corruption, and income inequality: A comparative analysis of Asia and Latin America. *International Political Science Review*, 38(3), 298-315.
- World Bank. (2022). Trade (% of GDP).

Jonas Engel

University of Konstanz



Regional Integration and Welfare State Generosity: A Synthetic Counterfactual Analysis of the EMU

Abstract

The effects of the introduction of the euro have been broadly studied by scholars in several fields. Recently, research has shifted its focus to the effects of the euro on income inequality in euro-adopting countries. This research commonly argues that the introduction of the euro negatively affected welfare state generosity which in turn negatively affects the inequality of income. However, the effect of the EMU on welfare state generosity has not been studied in detail. Therefore, this paper sets out to answer the question of whether welfare state generosity in EMU countries would have been higher or lower than its current levels, had these countries not adopted the euro as their currency. Using the synthetic control method developed by Abadie and Gardeazabal (2003), I estimate what would have happened to welfare generosity, had the euro not been introduced. The synthetic control method constructs a synthetic counterfactual for each euro-adopting country from a pool of donor countries and thus provides a counterfactual answer to the question of how the adoption of the euro influenced welfare state generosity in EMU countries. Overall, I find no strong evidence supporting the expectation that the introduction of the euro lowered welfare state generosity. This result challenges a widespread assumption about the impact of the euro on welfare states.

Keywords: European Union, EMU, Welfare State Generosity, Synthetic Control Method

Cite this article: Engel, Jonas (2023): Regional Integration and Welfare State Generosity: A Synthetic Counterfactual Analysis of the EMU. In: Young Journal of European Affairs, Issue 3, 33-61, 10.5282/yjea/66

Corresponding author (✉):

Jonas Engel, MA Politics and Public Administration, University of Konstanz, Konstanz, Germany
E-Mail: jonas.engel@uni-konstanz.de

Introduction

In 1999, eleven European countries adopted the euro as their common currency, with Greece joining two years later. Not only was the euro established, but with it the Economic and Monetary Union of the EU (EMU), which was large in the European integration process in an economic and political sense. The macroeconomic effects of this integration step have been subject to many studies since then. A large amount of research focuses on the EMU's effect on income inequality (Beckfield, 2006; Bertola, 2010; Busemeyer and Tober, 2015). While these studies make assumptions on the causal mechanism connecting the EMU with inequality and argue that the EMU affects the welfare state which in turn affects inequality, the EMU's effect on the welfare state has not been thoroughly studied to date. However, this relationship is of utmost importance as welfare states, directly and indirectly, impact the economic and social well-being of individuals by structuring the extent to which income and wealth are redistributed and providing insurance against social hardship (Barr, 2020; Esping-Andersen and Myles, 2011).

To address this gap, I apply the synthetic control method (SCM) which was first proposed by Abadie and Gardeazabal (2003). By constructing a synthetic doppelgänger for each euro-adopting country, the SCM provides the opportunity to estimate the potential outcome without the adoption of the euro and to counterfactually analyse the impact of the euro on the welfare state. This provides an answer to the research question: *How has the adoption of the euro influenced welfare state generosity in EMU countries?*

Despite the *acquis communautaire* excluding social policy, the EMU may affect welfare generosity through the channels of economic and political integration. The focus on negative integration (Scharpf, 1998), the decreasing power of labour unions (Huber and Stephens, 2001), increased tax competition (Genschel, Kemmerling and Seils, 2011), strict fiscal rules, the diffusion of policy scripts, and the possibility of blame avoidance (Beckfield, 2019) are all mechanisms through which one may expect the EMU to constrain the welfare state and limit its generosity. Surprisingly however, this study finds no strong divergence of welfare state generosity between the actual trajectory and the synthetic counterparts, suggesting that the introduction of the euro did not significantly decrease welfare state generosity.

The remainder of this paper is structured as follows: First, I will discuss the ways through which the EMU is expected to affect welfare state generosity and derive a theoretical expectation. The next section will introduce the synthetic control method and discuss data and model specifications. Then, I will present the baseline results and the robustness and sensitivity checks that were run. Lastly, I will briefly highlight some possible explanations for the findings and end with some concluding remarks.

Welfare state generosity and European integration

While welfare states differ significantly across countries in their function and extent, welfare states share two common functions: First, as institutions that aim at relieving poverty and redistributing income and wealth. This first function is commonly referred to as the ‘Robin Hood’ function. Second, the ‘piggy bank’ function provides insurance against hardship and spreads income over the life cycle (Barr, 2020).

Among the many socioeconomic factors that have an impact on national welfare states, “it is European integration and [the] economic and monetary union that really count among the most heavily felt recent exogenous pressures” (Ferrera and Rhodes, 2000, p. 2). Although the *acquis communautaire* excludes social policy, several channels exist through which European integration may indirectly affect welfare states. The adoption of the euro represents a significant phase in the European integration process, significantly deepening integration and increasing influence on welfare states, and exacerbating the trilemma between economic integration, democracy, and national sovereignty (Rodrik, 2015). As many scholars have argued, this integration step has pushed euro-adopting countries towards less generous welfare states (c.f., Beckfield, 2006; Bertola, 2010; Busemeyer and Tober, 2015). This paper aims to test this argument empirically and assess counterfactually how welfare state generosity may have developed, had these countries not adopted the euro.

The following section will outline the two dimensions of European integration, economic and political integration, and highlight their potential effect on welfare systems and generosity.

Economic Integration

The first dimension refers to the deepening of economic integration which could have a significant impact on welfare states. As many scholars point out, the process of European integration focuses more on negative integration (i.e., deregulation and the removal of trade barriers) than positive integration (i.e., social regulations with the intent of correcting market dysfunctions) (c.f., Scharpf, 1998). This implies that the construction of the single market through deregulation, the removal of barriers, and limiting state intervention significantly exceeded social regulations within the European Union. Overall, the process of European economic integration has had a strong bias toward economic interests and has severely neglected the social policy dimension (Schelkle, 2017). This asymmetry between positive and negative integration has grown increasingly intense, especially with the establishment of the EMU (Ferrera, 2017), and has undermined member states’ sovereignty in the area of social policy and public spending (Herwartz and Theilen, 2014). Thus, regional economic integration puts severe constraints on welfare states as they must become competitive and facilitates competition amongst states within the single market to provide a more market-friendly environment (Ferrera and Rhodes, 2000; Herwartz and Theilen, 2014).

Economic integration within the European Union may also have an indirect impact on the welfare state through its influence on organised labour and labour unions (c.f., Huber and Stephens, 2001). Economic integration strongly increased labour competition due to the creation of an EU-wide labour pool, enhancing the substitutability of workers as firm and wage competition across borders increases. Additionally, economic integration has facilitated intra-EU cross-border trade, the flow of capital, and competition. This lowers profits for unions to capture (Tober and Busemeyer, 2022) and enhances threats of production relocation through outsourcing or off-shoring (c.f., Geishecker, 2006). As Tober (2022) points out, these dynamics cause labour unions to lose control over the supply of labour which is further exacerbated by unions' difficulties to (re-)organise at the European level (Streeck and Schmitter, 1991).

Overall, regional economic integration undermines labour organisation and decreases the bargaining power of labour vis-à-vis capital owners (Dreher and Gaston, 2008). Historically, labour unions have been one of the major forces pushing for the expansion and maintenance of the welfare state. Accordingly, weakened labour unions may result in weakened support for the welfare state (Beckfield, 2019).

Lastly, European economic integration might affect welfare generosity through its effect on tax competition within the single market. Economic integration removes barriers and reduces transaction costs and exchange rate fluctuations, thus facilitating cross-border economic interactions and tax arbitrage. The advances in economic integration have, therefore, fostered tax competition and caused tax rates to fall more quickly in the EU (Genschel, Kemmerling and Seils, 2011). This leads to the expectation that tax competition induced by economic integration poses a serious threat to the welfare state and has a constraining effect on fiscal spending (Sinn, 1997). In conclusion, the expectation arises that economic integration puts pressure on the generosity of welfare states and might lead to a reduction.

Political Integration

The following section will highlight how the second dimension of the EMU, political integration, may affect welfare generosity. By doing so, I closely follow Beckfield (2019) who posits that regional integration may constrain policy options through policy feedback, facilitate blame-avoidance and blame-shifting by national actors for unpopular measures such as welfare state retrenchment, and, lastly, that the EU diffuses policy scripts that pre-determine legitimate policy.

While European economic integration, as outlined above, has strongly favored liberalisation and deregulation over social regulation, political integration and the EMU have brought along strict regulations. In 1992, the Treaty of Maastricht introduced the convergence criteria which needed to be fulfilled by the member states before adopting the euro as a common currency. Amongst other requirements, the convergence criteria imposed strict limits on the annual government budget deficit and debt. In the next step,

the Stability and Growth Pact ensured that fiscal discipline would be maintained once the euro was adopted. Lastly and perhaps most importantly, the third stage of the EMU, the introduction of the euro, made the criteria that was agreed upon in 1992 binding and put several mechanisms in place to ensure enforcement.

These criteria emphasise the EMU's market orientation and impose severe restrictions on member states' fiscal leeway. Therefore, one can expect political integration and the EMU to affect welfare state generosity by limiting available policy choices via policy feedback (Beckfield, 2019; Kerschbaumer and Maschke, 2020). The rigid budgetary rules led to "EMU-induced austerity and spending cuts" (Ferrera, 2017, p. 4) and limited member states' ability to respond to demands for social policy (Tober and Busemeyer, 2022). While many question the European Union's ability to enforce the aforementioned criteria, Koehler and König (2015) show that debt levels amongst member states would have been higher without the EMU, underlining the EMU's constraining effect on fiscal policy and social policy-making. Additionally, because of the EMU and the establishment of the European Central Bank, the euro-adopting member states relinquished their authority to conduct independent monetary policies. This highlights how monetary and fiscal policy were affected by the EMU and how political integration and constraining macroeconomic policies may impose restrictions on welfare state generosity. Furthermore, political integration might facilitate welfare retrenchment as political actors are able to shift blame to the EU when rolling back popular welfare state programs (Beckfield, 2019; Bertola, 2010).

Another more subtle and indirect mechanism connecting European political integration to welfare state generosity is the diffusion of policy scripts (c.f., Beckfield, 2019). The EU advances policies concerned with deregulation and market orientation that "define regionally legitimate welfare policy" (Beckfield, 2019, p. 98). States may use these policy scripts that correspond with the market liberalisation agenda to justify changes and avoid blame. By adopting these "technocratic capitalist policy scripts of the EU" (Beckfield, 2019, p. 171), the member states willingly accept constraints on their welfare states and may find ways to legitimise welfare state retrenchment. Overall, regional political integration in the form of the EMU seems to strongly affect welfare state generosity by imposing tight fiscal rules, fostering blame avoidance, and diffusing policy scripts.

Summary of the theoretical argument

While the treaties leave the authority over the welfare states in the hands of the member states, the previous paragraphs have highlighted channels through which European integration, especially the EMU, may have an impact on the welfare state and its generosity. The economic space and the macroeconomic policies that were established by the EMU have encapsulated national welfare states and imposed serious constraints (Ferrera, 2017). On the economic side, deregulation, the weakening of labour unions, and tax competition might constrain welfare state generosity. On the political side, the

binding commitment to low budget deficits and debt levels imposed by the EMU, blame avoidance, and neoliberal policy scripts might constrain welfare state generosity.

Overall, this leads to the conclusion that the political and economic integration brought along by the EMU might severely constrain social policy choices and put pressure on welfare states, potentially even having an eroding effect (Rhodes, 2002). Therefore, I derive the expectation that there may be a negative association between EMU membership and welfare state generosity. In a counterfactual framework, this implies that welfare state generosity may have been higher, had the countries not adopted the euro as their currency. To examine how welfare state generosity may differ and to test whether this expectation holds, I apply the synthetic control method which will be introduced in the next section.

Methodology: Constructing the doppelganger

The synthetic control method

In a counterfactual framework, measuring the impact of the EMU on welfare state generosity in each county entails comparing the welfare state trends with the introduction of the EMU and in the absence of the EMU. This requires two variables: Y^T , denoting the realised outcome in the presence of the EMU in a country, and Y^C , the outcome in absence of the treatment in the same country. Accordingly, a gap between the two variables would allow for conclusions on whether the EMU caused a decrease (i.e., if $Y^C > Y^T$) in welfare state generosity or not. Since the counterfactual measurement (Y^C) is impossible to observe, difference-in-differences has become the standard method to assess treatment effects in observational studies. These comparative case studies select a comparison unit that is thought to closely resemble the counterfactual development of the country under study without treatment. However, there is always some ambiguity related to the selection of the comparison unit and uncertainty about how well the control group can reproduce the outcome's counterfactual trajectory in the absence of treatment. Oftentimes no unit may be a good comparison for the treated unit (Abadie, 2021; Abadie, Diamond and Hainmueller, 2010; Angrist and Pischke, 2009).

To overcome these problems, I applied the synthetic control method (Abadie, Diamond and Hainmueller, 2010, 2015; Abadie and Gardeazabal, 2003) which has been heralded as “arguably the most important innovation in the policy evaluation literature in the last 15 years” (Athey and Imbens, 2017, p. 9). The SCM is based on the premise that a combination of units does a better job of reproducing the characteristics of the treated unit and the counterfactual trajectory of the outcome in the absence of treatment than any single unit alone (Abadie, Diamond and Hainmueller, 2010, 2015). This combination of units, called the synthetic control unit, is constructed by attributing weights to each country in a donor pool so that the synthetic control unit most closely resembles the actual unit before treatment (Abadie, Diamond and Hainmueller, 2010; Abadie and Gardeazabal, 2003). Due to this resemblance, the synthetic control method assumes that any difference between the treated and synthetic control unit can be

attributed to the effect of the treatment on the outcome (Abadie, 2021). Accordingly, one can simply examine the plotted series and compare the trajectory of the dependent variable of the synthetic counterfactual unit with the actually observed trajectory of the treated unit (Abadie and Gardeazabal, 2003) which makes the synthetic control method easily interpretable (Abadie, 2021).

As highlighted above, the SCM takes a data-driven and systematic approach to constructing a suitable comparison. Thus, it has clear advantages over a difference-in-differences approach, as it employs a clear and transparent selection process to determine the counterfactual while making explicit the composition and similarity of the treated unit and its synthetic control counterpart. Compared to regression analyses that use extrapolation to guarantee a perfect fit, the weighting procedure of the synthetic control method does not require any extrapolation. Therefore, this approach is very transparent about the fit and clarity of the discrepancy between the treated and the synthetic control unit (Abadie, 2021; Abadie, Diamond and Hainmueller, 2010, 2015).

Data and model specification

Because synthetic control methods were “proposed [...] with the aim to estimate the effects of aggregate interventions, that is, interventions that are implemented at an aggregate level affecting a small number of large units [...] on some aggregate outcome of interest” (Abadie, 2021, p. 392). The SCM has been applied in previous empirical studies in the field of European integration to study a variety of relationships: The effect of the euro introduction on income inequality (Bouvet, 2021; Kerschbaumer and Maschke, 2020) and GDP growth (Gabriel and Pessoa, 2020) as well as the effect of the Stability and Growth Pact on government debt (Koehler and König, 2015). Based on the fruitful results provided by these successful implementations, the SCM appears to be a fitting way to assess the impact of the EMU on welfare state generosity. Therefore, I applied the synthetic control method to estimate the counterfactual development of welfare state generosity of the euro members in a scenario without the introduction of the euro, which is derived from the development of countries in the donor pool.

To conduct this analysis, I used annual country-level data from 1960 to 2018. The treatment is defined as the adoption of the euro (i.e., the third and last stage of the EMU) (c.f., Bouvet, 2021; Kerschbaumer and Maschke, 2020). The euro was adopted by eleven countries in 1999 while Greece joined later in 2001. Accordingly, the pre-treatment periods run until 1998 for all countries except Greece. This yields long enough pre-treatment periods, an essential requirement for constructing a synthetic control (Ferman, Pinto and Possebom, 2020). Due to data availability problems, Luxembourg was dropped from the sample. This leaves eleven treated countries to be studied.

When choosing the group of control units, it is essential to guarantee comparability of the control units that did not receive the treatment to the treated units to avoid interpolation biases and overfitting. Furthermore, the selected units must not have been subject to idiosyncratic shocks to the outcome variable during the sample period

(Abadie, 2021; Abadie, Diamond and Hainmueller, 2015). Taking these requirements and data availability into account leads to a donor pool consisting of eight countries, seven of which are OECD countries (Australia, Canada, Japan, New Zealand, Norway, Switzerland, and the United States) and the last one being the United Kingdom, a member of the European Union during the study period. Denmark was not included in the donor pool as it conducts a fixed exchange rate policy with the euro which may induce bias into the model. Sweden was not selected for the donor pool as Sweden was subject to a large idiosyncratic shock in the form of extensive reforms of its welfare state during the study period (c.f., Freeman, Swedenborg and Topel, 2010). Including Sweden in the donor pool may bias the difference between the actual and counterfactual trajectories upwards. However, due to the rather small number of countries in the donor pool, I conducted a robustness check to increase confidence in the results by including Sweden in the model, despite the concerns raised above. Furthermore, countries that adopted the euro later (e.g., Slovenia, Malta, and Croatia) as well as EU member states that have not adopted the euro (e.g., Hungary and Poland) were not included in the donor pool as there is not sufficient data regarding their welfare state generosity to include them in the model.

The synthetic control method is a prediction procedure, therefore, choosing predictors is a “fundamental part of the estimation task” (Abadie, 2021, p. 401). This set of covariates that correlate with the outcome variable are used, together with data on the outcome variable itself, to build the synthetic counterfactual unit (Abadie and Gardeazabal, 2003). Therefore, it is necessary to carefully choose a set of covariates that are predictors of the outcome variable of interest, welfare state generosity. This choice was mainly informed by Beckfield (2019).

On the economic side, I included GDP per capita from the Maddison Project (Bolt and van Zanden, 2020) and the growth of real GDP to account for the relationship between the welfare state and economic development. The openness of the economy is also included to account for retrenchment or expansion pressures stemming from globalisation, not regional integration. To address increased political demand for unemployment benefits, I added the unemployment rate as a predictor. Lastly to include covariates that may constrain welfare state generosity, I added inflation, gross general government debt as a percentage of GDP, and the long-term interest rate on government bonds to the SCM.

With regards to the political covariates, the model includes the parliamentary seat share of left- and right-wing parties in government as research shows that partisan politics influence welfare state spending (c.f., Huber and Stephens, 2001; Korpi and Palme, 2003). A measurement for constitutional structure accounts for the “expected negative relationship between veto points and welfare-state generosity” (Beckfield, 2019, p. 119). To account for demographic pressures on the welfare state (Hicks and Zorn, 2005), I included the percentage of the population over 65. All these measurements were taken from the CPDS data set (Armingeon, Engler and Leeman, 2022). Lastly, to control for unobserved confounders, the model also includes pre-treatment values of the outcome variable as suggested by Abadie (2021). Here, I follow Kaul *et al.* (2015) and do not

include all pre-intervention outcomes, but only the five years leading up to the treatment.

To measure the outcome variable, welfare state generosity, I used the well-known welfare state generosity index (TOTGEN) which was developed by Allan and Scruggs (2004) and improved by Scruggs (2014). This index combines benefit generosity scores for three social insurance programs, namely unemployment, sickness, and pensions, and provides a comprehensive overview of welfare state generosity. This output-oriented measure of generosity is preferable over an expenditure-based measurement as the latter is highly sensitive to fluctuations in its denominator. Furthermore, index indicators seem to better capture the extent of welfare state retrenchment, especially as demographic trends and unemployment drive spending upward (Beckfield, 2019; Korpi, 2003).

Overall, this provides a balanced data set including twenty countries containing eleven treatment countries and eight potential controls. Accordingly, it is possible to construct a synthetic control unit for each of the eleven countries that joined the EMU and to compare the trajectory of the counterfactual doppelganger's welfare state generosity with the observed trajectory in the post-treatment period. This was done using the 'Synth' package in R (Abadie, Diamond and Hainmueller, 2011). The results of this application will be reported in the next section.

EMU and welfare state generosity: Results

Applying the SCM to each of the eleven EMU countries in our sample allows us to create synthetic counterparts for each country. This section starts by presenting the synthetic counterfactuals created by the synthetic control method. Next, I discuss the baseline results for the impact of the EMU on welfare state generosity. Then, I will assess the significance of these results with some sensitivity tests and robustness checks.

Table 1 displays the weights of all countries included in the donor pool that constitute each synthetic counterpart of the eleven EMU countries studied in this paper. These weights are the results of an optimization problem solved by the *Synth* package in R and are "chosen such that the synthetic control unit best approximates the relevant characteristics of the treated unit during the pretreatment period" (Abadie, Diamond and Hainmueller, 2011, p. 2).

Table 1: Country weights of the synthetic controls for the 11 countries under study.

Donor pool	Aus.	Bel.	Fin.	Fra.	Ger.	Gre.	Ire.	Ita.	Neth.	Port.	Spa.
Australia	0	0	0.417	0	0	0.048	0	0	0	0	0
Canada	0.303	0.099	0	0	0.270	0.324	0.169	0.920	0.069	0.504	0

Japan	0	0	0	0.356	0.002	0.234	0.747	0	0	0	0
New Zealand	0	0	0	0	0	0	0	0	0	0	0
Norway	0.430	0.787	0.583	0.577	0.499	0	0.057	0.080	0.627	0.495	0.640
Switzerland	0	0	0	0	0.001	0	0.016	0	0.247	0	0
UK	0.186	0.114	0	0.056	0.228	0	0.011	0	0.057	0.001	0
United States	0.081	0	0	0.010	0	0.394	0	0	0	0	0.360

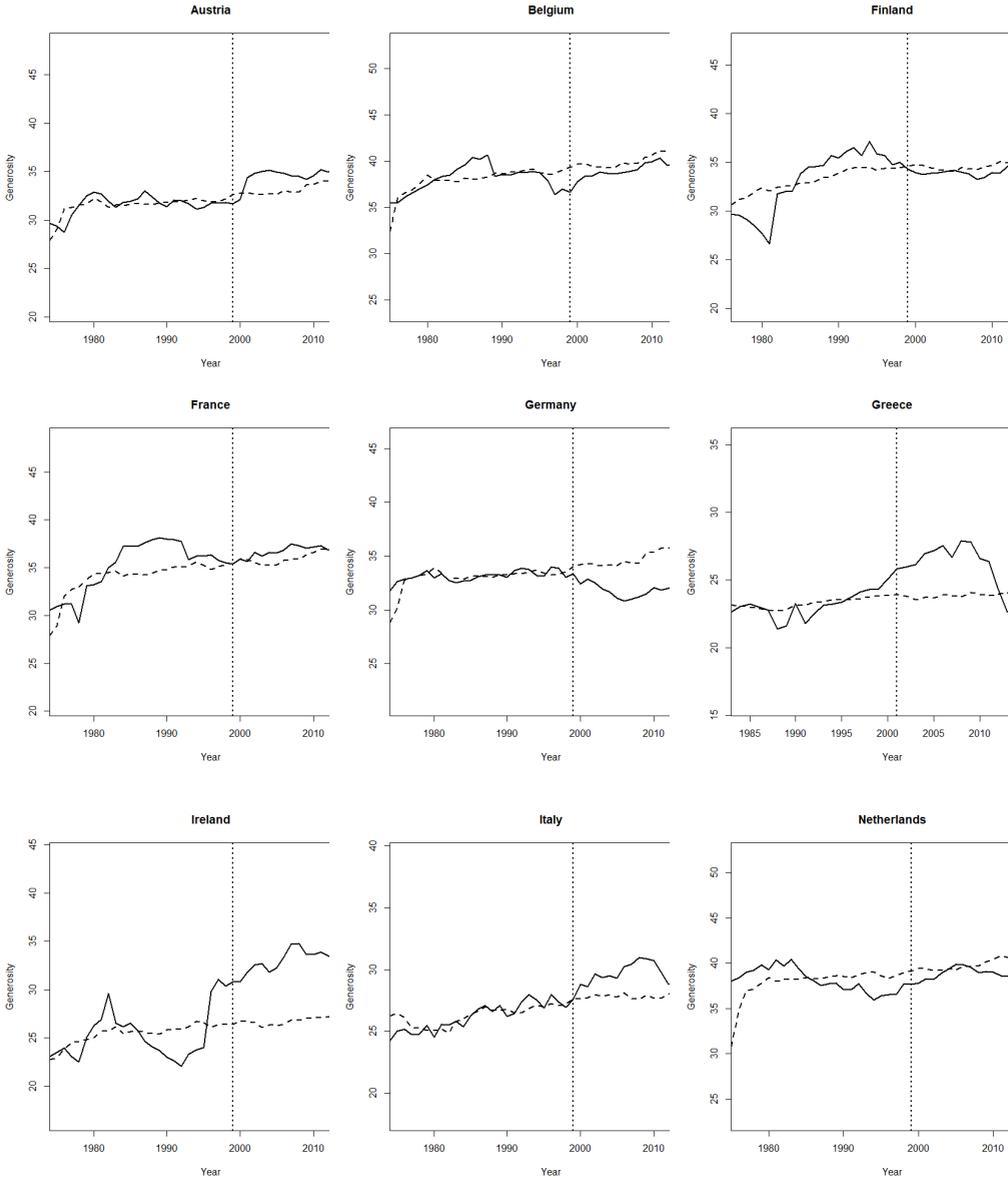
The weights show that each synthetic counterfactual country is built on a different combination of donor pool countries. For instance, the optimal weights for ‘synthetic Austria are 0.303 for Canada, 0.43 for Norway, 0.186 for the UK, and 0.081 for the US (and 0 for all other countries in the donor pool). This implies that the synthetic counterfactual for Austria was constructed by using data from Canada (30.3 percent), Norway (18.6 percent), the UK (18.6 percent), and the US (8.1 percent).

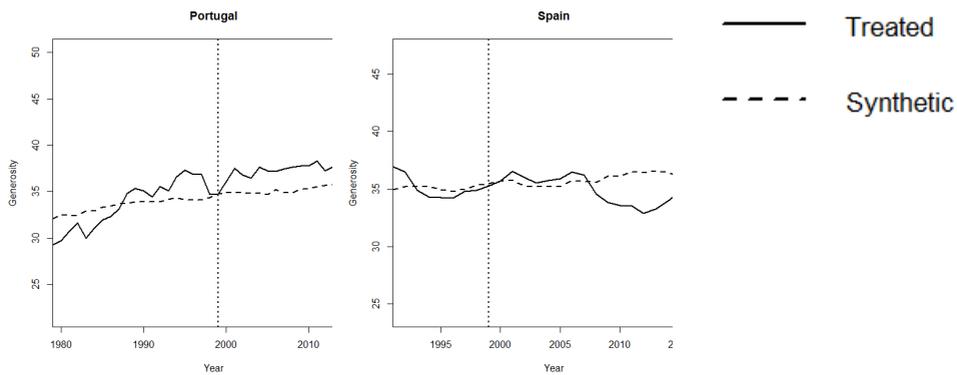
Baseline results: Assessing the EMU’s impact

Figure 1 displays the welfare state generosity trajectory for the eleven EMU countries and their synthetic doppelgangers. Two series are plotted in each subfigure: the solid line resembles the actual development of welfare state generosity for the respective country, while the dashed line shows the estimated counterfactual welfare generosity for the country without the introduction of the euro.

The estimated effect of the euro on welfare generosity for any country is captured as the difference between the actual welfare generosity and the welfare generosity for the synthetic counterfactual. A key assumption of the synthetic control method is a good pre-treatment fit which is given when the synthetic control can reproduce the trajectory of the outcome variable for the treated unit for an extended period (Abadie, 2021). When examining the subfigures in **Figure 1**, one can see that this pre-treatment fit is especially good (i.e., the paths of the countries and their doppelgangers overlap) for Austria, Germany, and Italy.

Figure 1: Trends in welfare generosity: EMU countries vs. their synthetic counterparts.





Note: Each subfigure includes two series: The continuous line shows the actual development for a given country, while the dashed line shows the estimated counterfactual welfare generosity for the same country. The vertical line represents the treatment intake.

The other countries' pre-treatment fit is worse, limiting their significance and pointing toward potential biases if treatment is correlated with unobserved confounders (Ferman and Pinto, 2021).

A comparison of the countries with their synthetic counterparts provides no convincing evidence that the introduction of the euro significantly reduced welfare state generosity. Whereas for some countries (e.g., Belgium) there appears to have been no strong effect at all. Welfare state generosity may have even been lower without the adoption of the euro for other countries such as Austria, Italy, and Portugal. Interestingly, Germany is the only country that appears to be in line with this study's expectation. The curve for the synthetic control unit lies constantly above the actual curve in the post-treatment period, thus hinting towards the fact that welfare state generosity may have been higher had Germany not adopted the euro.

Overall, the baseline results suggest that the expectation of a universal decline of welfare state generosity due to the introduction of the euro may not hold. Whereas for most countries there appears to be no impact at all, the euro may have had a positive impact on welfare generosity in others. **Figure 2** which plots the development of the gap between the treated units and their synthetic counterparts further highlights these findings. The only country that appears to meet the theoretical expectation is Germany.

Sensitivity analysis and robustness checks

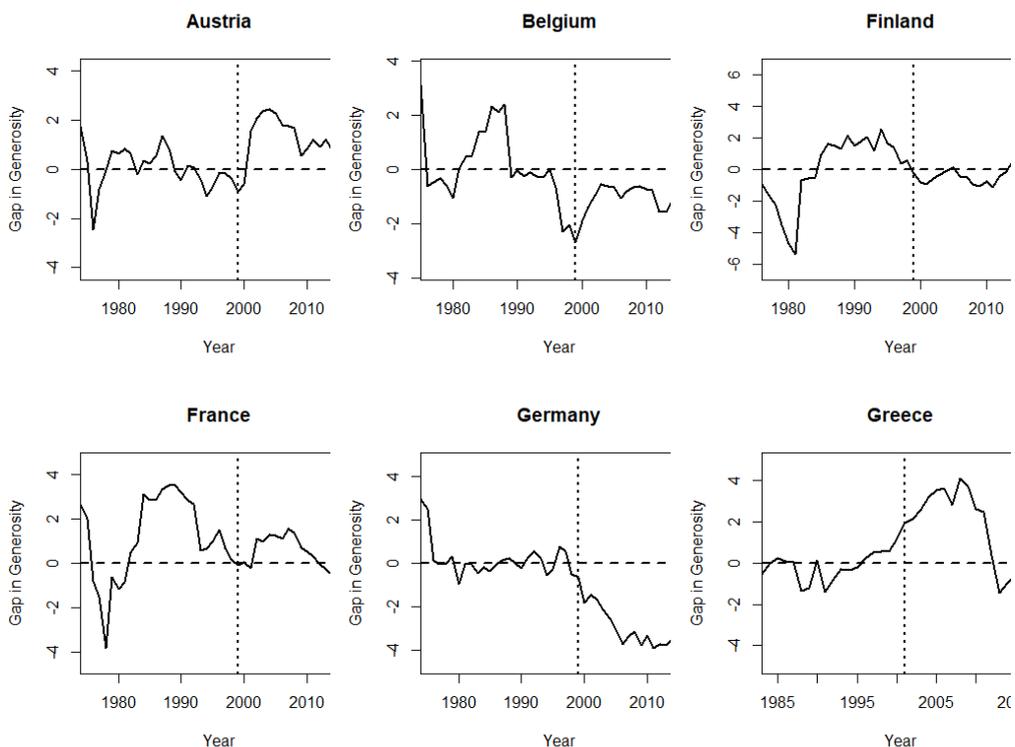
In this section, I present ways to test the robustness and statistical significance of the baseline results discussed in the previous section and test whether the requirements under which the synthetic control model provides suitable estimates are met. Therefore, I will provide some placebo experiments and robustness checks.

In-time placebo tests

First, I conducted a test to check whether the impact of the EMU was felt when the common currency was launched in 1999, or whether the effects stem from a different stage of the integration process. Therefore, I ran an in-time placebo test to “address anticipation effects on the outcome variable before an intervention occurs” (Abadie, 2021, p. 414) and check whether the synthetic control method also produces large effects at dates when the treatment did not occur (Abadie, Diamond and Hainmueller, 2015).

Anticipation effects reduce the relevance of the date of the treatment and might lead to imprecise estimates of the treatment effect. The Maastricht treaty was signed in 1993 and specified the convergence criteria, hence, providing a good date to test for an anticipation effect. Thus, I reassign the treatment to the year the Maastricht treaty was signed.

Figure 2: Development of the gap between the treated units and their synthetic counterparts.



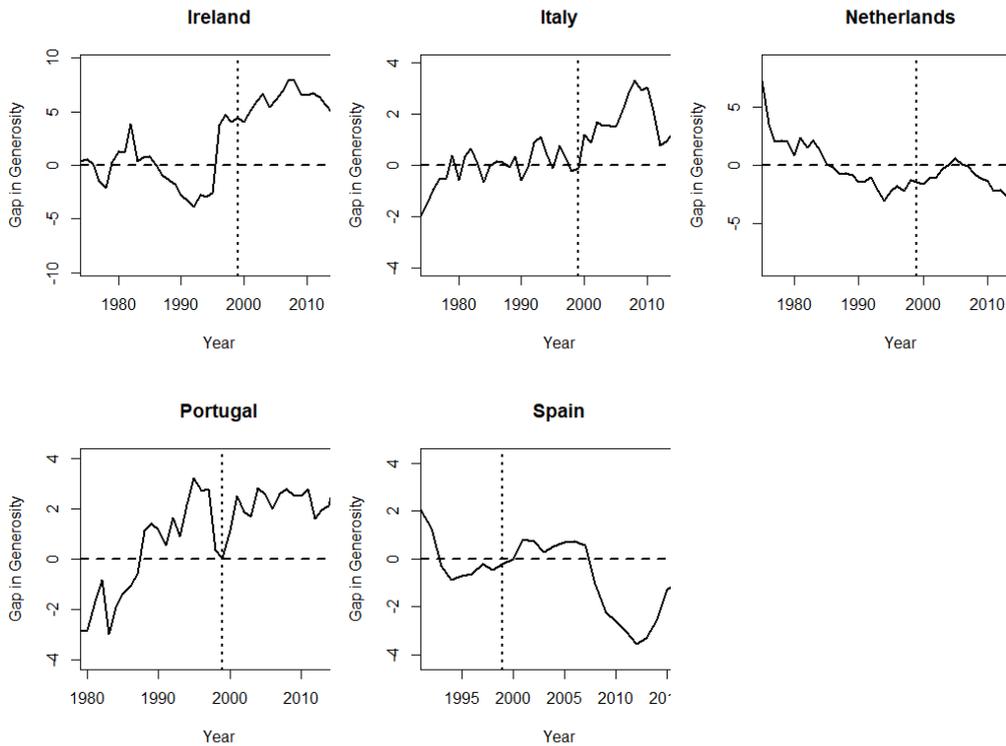


Figure A1 (in the Appendix) displays the results of this in-time placebo study. While the graphs show some anticipation effects (e.g., Greece), the main conclusions from **Figure 1** and **Figure 2** remain unchanged. There is no evidence for universal welfare state retrenchment as a result of the introduction of the euro with Germany being the sole exception.

In-space placebos

To further test the statistical reliability and significance of the results, I follow Abadie and Gardeazabal (2003) and Abadie et al. (2010, 2015) conducting an in-space placebo test. Hereby, the treatment (the adoption of the euro) is sequentially reassigned to all donor pool countries. For each country, a fictitious doppelgänger is estimated using the remaining donor pool countries and the treated unit. If the placebo studies generated effects on welfare generosity similar to those found in the EMU countries, our analysis would not provide robust evidence that the EMU had an impact on welfare generosity in EMU countries.

Figure A2 (in the Appendix) reports the results of this placebo test. Each subfigure shows the differences between the treated EMU country and its synthetic counterpart (thick black line) with the same difference for the placebo-treated countries (grey line).

One would find evidence for an impact of the EMU on welfare generosity if the placebo studies showed an unusually large gap estimated for the treated country relative to the gaps for the non-treated countries (i.e., if the black lines lay below or above most of the grey lines). If no difference was found, the actual intervention most likely would have had no effect. Thus, we compare the post- and pre-treatment behavior with the differences between the treated and fictionally treated units. Visually **Figure A2** appears to reinforce the findings presented previously as there is no strong systematic evidence pointing towards a negative treatment effect of the introduction of the euro.

Alternative specification

Furthermore, I ran a sensitivity analysis by changing the dependent variable from the welfare state generosity index (Allan and Scruggs, 2004; Scruggs, 2014) to social security transfers as a percentage of GDP taken from the Comparative Political Data Set (Armingeon, Engler and Leeman, 2022). The results of this SCM, which was run with the same model specifications as the main model, are reported in **Figure A3** (in the appendix). Due to bad pre-treatment fits and strong fluctuations, this robustness test can neither confirm nor deny the previous observations. This, however, points towards the fact that social security transfers as a percentage of GDP are driven by factors other than those included as predictors in this SCM. Future research will have to determine these factors to further our understanding of these trends.

Due to the relatively small number of countries in the donor pool, I ran a sensitivity analysis by changing the donor pool as recommended by Abadie (2021). I added Sweden to the donor pool which was initially excluded due to its extensive welfare reforms (Freeman, Swedenborg and Topel, 2010). I expect that including Sweden in the donor pool may bias the difference between the actual and counterfactual trajectories upwards. The results of this alternative specification are presented in **Figure A4** (in the appendix). As expected, the model specification that excludes Sweden from the donor pool provides a better pretreatment fit. However, adding Sweden to the donor pool lends further support to the initial finding that the introduction of the euro did not significantly decrease welfare state generosity in the euro-adopting countries. For some countries (e.g., Austria, Belgium, and the Netherlands), the treatment effect even appears to be positive, suggesting that without the introduction of the euro, welfare state generosity may have been lower in these countries.

Discussion of the results

Overall, the robustness checks confirm the baseline result derived from the main model. There appears to be no evidence that the common currency caused a universal decline of welfare state generosity, thus challenging a widely held assumption forming the basis of a lot of research on inequality within the euro area. Despite not conducting further robustness checks recommended by the literature due to data limitations such as

changing the donor pool significantly, changing the sampling period, or changing the chosen predictors (Abadie, 2021; c.f., Abadie, Diamond and Hainmueller, 2015), the finding appears robust. As this finding differs from my theoretical expectation, I will briefly explore some possible explanations for this in the following section. As in the theoretical section, I will first discuss potential explanations related to economic integration and then proceed to political reasons.

Economic Integration

On the economic level, the EMU “did nothing to prevent [...] European economies from reducing their deficits and debts while boosting spending on social and employment policy. Higher taxes, privatisation, and lower interest payments, facilitated by falling interest rates on smaller national debts all allowed welfare states to keep growing” (Rhodes, 2002, p. 44). As a consequence of the EMU, interest rates converged resulting in historically low interest rates for government bonds in many EMU countries (Koehler and König, 2015). Thus, mainly periphery countries had access to ‘cheaper’ money which promoted higher levels of government expenditure and lowered the costs of government spending (Baumgarten and Klodt, 2010). This explains the observation from **Figure 1** that developing welfare states like Italy and Portugal were able to converge upward, while the trajectory of the advanced welfare states such as France are better described as being stagnant or even declining as in the case of Germany.

Secondly according to Rhodes (2002), tax competition within the European single market did not play out as expected. He argues that investors take many other factors besides taxes into account and that the complexity of the economy makes it impossible for states to rationally calculate the gains of engaging in tax competition. Thus, one of the mechanisms expected to connect economic integration with welfare generosity seems to not play a role. Furthermore, as Koehler and König (2015) point out, some EMU member countries, especially recipient and periphery countries, ended up with higher debt levels than they would have without the EMU, thus making more money available for welfare expenditure. Lastly, while the EMU eliminated the member states’ possibility to devalue their currency in response to crises, this might have incentivised states to rely more on welfare systems to dampen the effects. Therefore, one could assume that the positive effects of economic integration outweigh the negative. Overall, these economic factors may provide reasons why the introduction of the euro appears to have no strong effect on welfare state generosity.

Political Integration

On the political level, interest groups, electoral incentives, and historical path dependencies might explain this study’s findings. Despite weakened labour unions, interest groups may still play a crucial role in maintaining the welfare state. Resistance to welfare cuts may come from benefit recipients and risk-averse citizens (Korpi, 2003; Korpi and Palme, 2003; Pierson, 1996). Alongside these “entrenched interests” (Ferrera

and Rhodes, 2000, p. 7), the compensation thesis might be at play implying that economic integration triggers insecurity which in turn increases demand for the welfare state (c.f., Burgoon, 2009). Additionally, scholars have pointed out that path dependencies created by the welfare states and historical conditionality increase welfare state resilience (Beckfield, 2019; Korpi, 2003). Lastly, “electoral incentives, institutional stickiness, and the veto points created by powerful vested interests devoted to defending transfer-heavy welfare states [...] make anything other than incremental reform very difficult” (Ferrera and Rhodes, 2000, p. 8). Welfare states represent the status quo and therefore, non-decisions favor the welfare state, especially due to the unpopularity of retrenchment (Pierson, 1996, 2002).

In conclusion, these economic and political reasons are first approaches to explain the findings of this synthetic counterfactual analysis of the EMU’s effect on welfare generosity. They highlight why the effect might differ from the initial theoretical expectation and provide indications that the convergence hypothesis might be more fruitful than the expectation of general retrenchment (c.f., Beckfield, 2019; Caminada, Goudswaard and van Vliet, 2010; Rhodes, 2002). Retrenchment, in general, may be difficult due to political reasons, especially in the more advanced and developed welfare states. Economic integration, on the other hand, may have permitted countries with less developed welfare states to increase generosity.

Conclusion

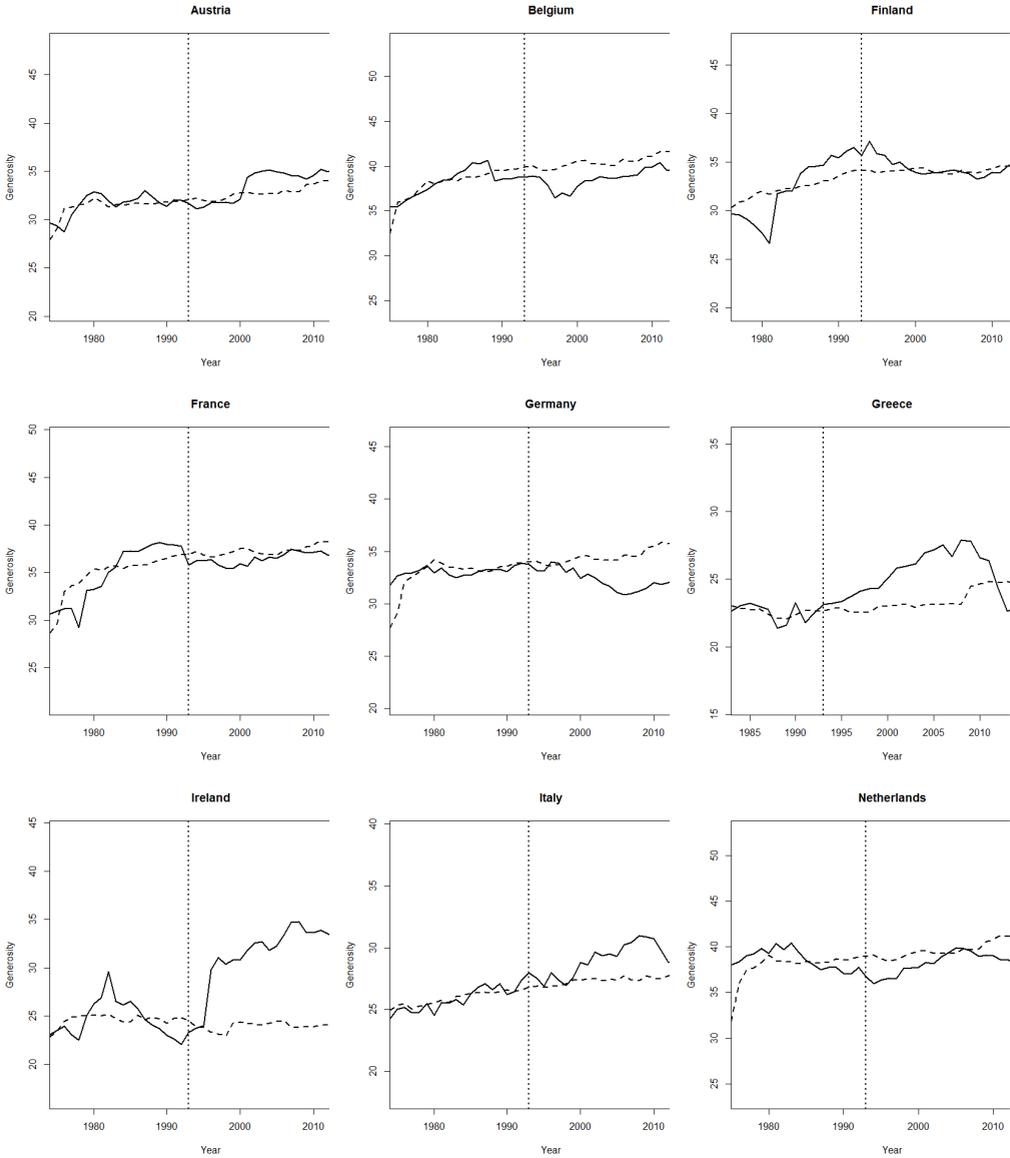
This paper attempted to answer the question of how the adoption of the euro influenced welfare state generosity in EMU countries. To further our understanding of this association, I analysed the effect of the EMU on the welfare state in a counterfactual way. By applying the synthetic control method, I estimated how welfare state generosity may have developed in the countries that adopted the euro in 1999 and 2001, had these countries not adopted the euro. I found no strong evidence that the adoption of the euro influenced welfare state generosity in EMU countries which contributes new evidence to the research on welfare generosity, European integration, and inequality. This finding is robust across placebo tests and alternative specifications. Thus, this counterfactual analysis surprisingly contradicts the commonly held assumption that the dynamics of economic and political integration negatively affected welfare state generosity. While I provide some preliminary explanations for this finding, future research will have to closely examine the individual countries and provide more context to the development of welfare state generosity. Additionally, it may be fruitful to disaggregate the dependent variable by types of benefits as they seem to follow rather different trends (Caminada, Goudswaard and van Vliet, 2010).

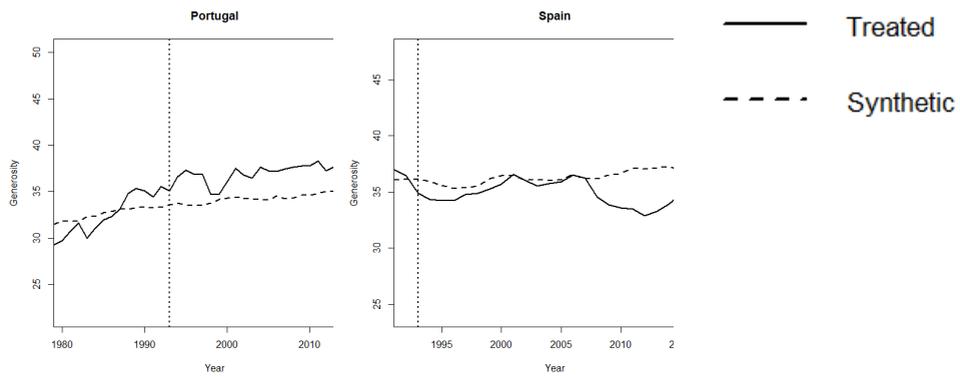
This study implies that the effect of the EMU on the welfare state may not be as grim as expected. The positive economic side effects of the EMU may outweigh the negative and an upward convergence to higher levels of welfare generosity may be possible. Despite the weakening of labour unions, strong support and electoral incentives may make retrenchment difficult. Furthermore, globalisation may be a stronger constraint on

welfare generosity than expected as the synthetic doppelgangers without the EMU did not increase their generosity and, in some cases, decreased it. All these implications provide promising pathways for future research to examine the complex association between the euro and the welfare state.

Appendix

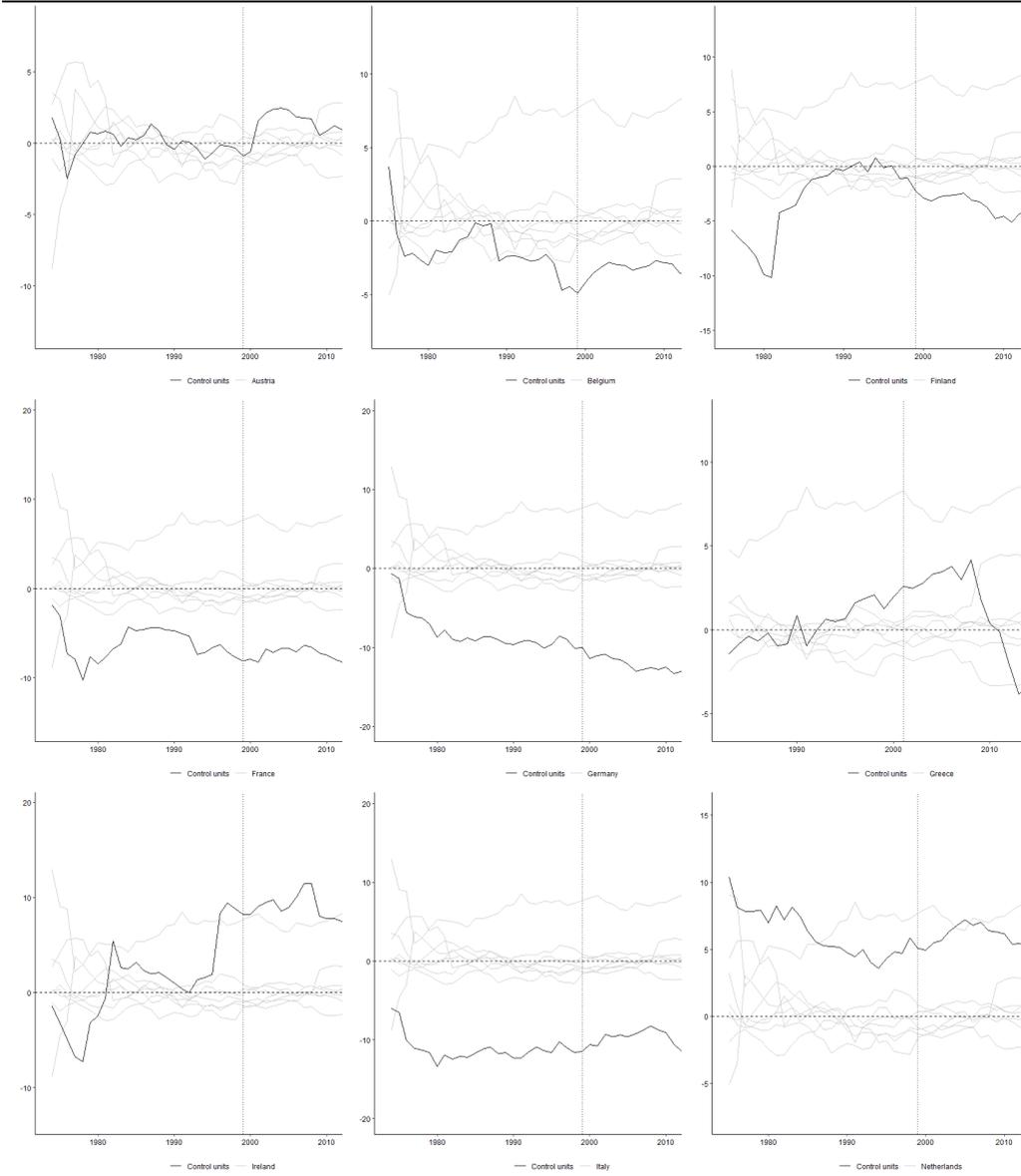
Figure A1: Trends in welfare state generosity: EMU countries vs. their synthetic counterparts with the Maastricht Treaty as treatment.

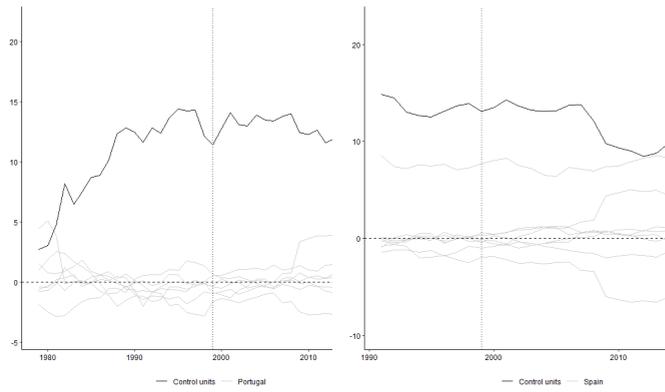




Note: Each subfigure includes two series: The continuous line shows the actual development for a given country, while the dashed line shows the estimated counterfactual welfare generosity for the same country. The vertical line represents the treatment intake.

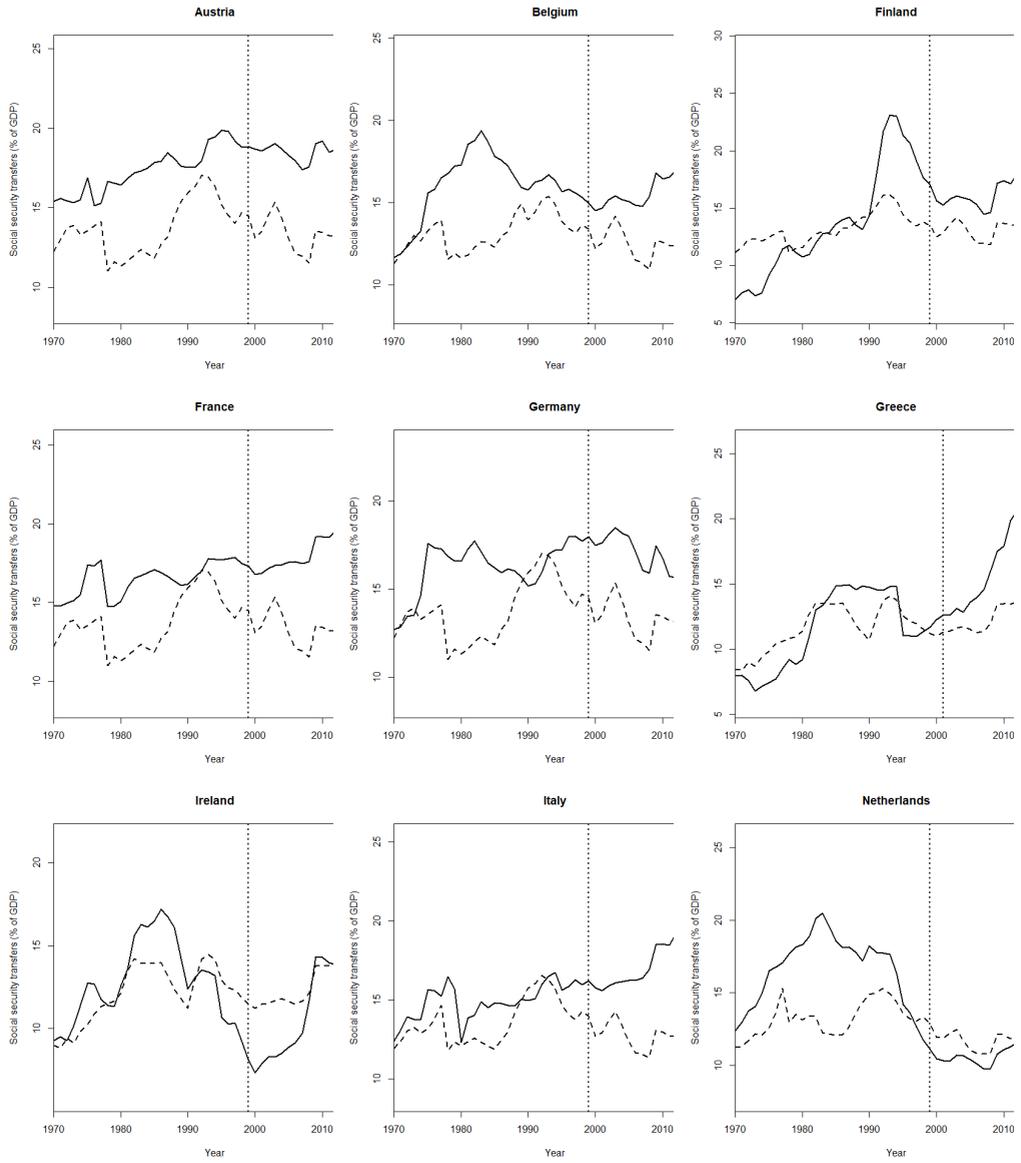
Figure A2: Treated countries vs. EMU countries for welfare generosity.

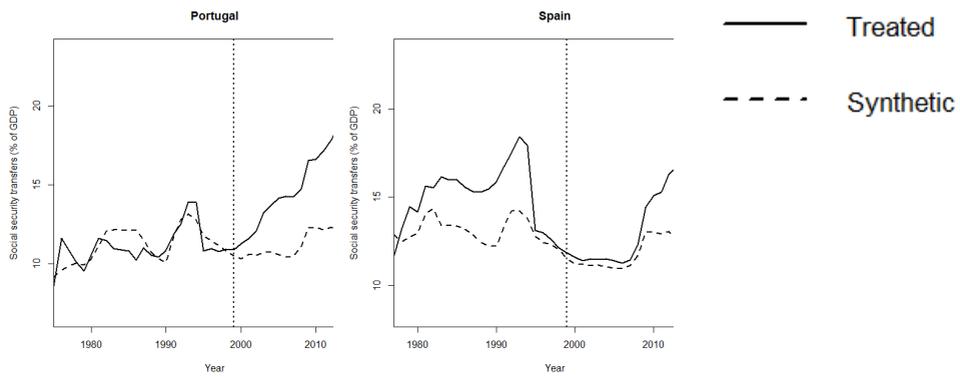




Note: The graph reports the differences, in terms of welfare generosity, between treated EMU countries and their synthetic control (thick black line), as well as the same differences for the donor countries for which I imposed a fictitious Euro adoption.

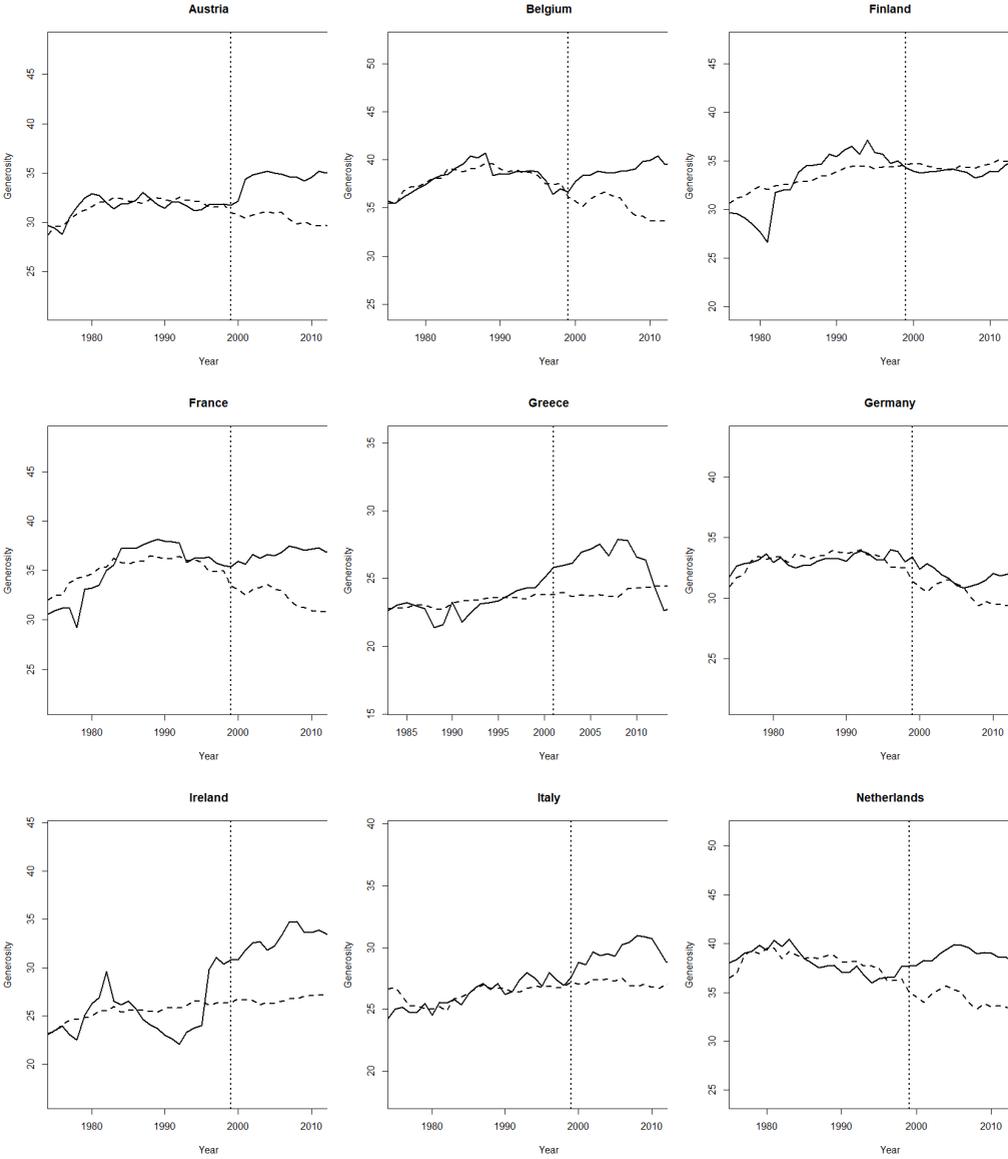
Figure A3: Trends in social security transfers: EMU countries vs. their synthetic counterparts.

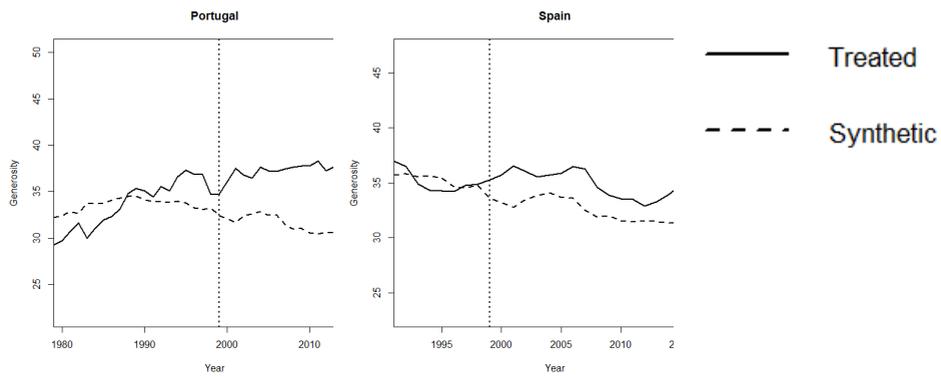




Note: Each subfigure includes two series: The continuous line shows the actual development for a given country, while the dashed line shows the estimated counterfactual welfare generosity for the same country. The vertical line represents the treatment intake.

Figure A4: Trends in welfare generosity: EMU countries vs. their synthetic counterparts including Sweden in the donor pool.





Note: Each subfigure includes two series: The continuous line shows the actual development for a given country, while the dashed line shows the estimated counterfactual welfare generosity for the same country. The vertical line represents the treatment intake.

References

- Abadie, A. (2021). Using Synthetic Controls: Feasibility, Data Requirements, and Methodological Aspects. *Journal of Economic Literature*, 59(2), 391–425.
- Abadie, A., Diamond, A., & Hainmueller, J. (2010). Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program. *Journal of the American Statistical Association*, 105(490), 493–505.
- Abadie, A., Diamond, A., & Hainmueller, J. (2011). Synth: An R Package for Synthetic Control Methods in Comparative Case Studies. *Journal of Statistical Software*, 42(13), 17.
- Abadie, A., Diamond, A., & Hainmueller, J. (2015). Comparative Politics and the Synthetic Control Method. *American Journal of Political Science*, 59(2), 495–510.
- Abadie, A., & Gardeazabal, J. (2003). The Economic Costs of Conflict: A Case Study of the Basque Country. *The American Economic Review*, 113–132.
- Allan, J.P., & Scruggs, L. (2004). Political Partisanship and Welfare State Reform in Advanced Industrial Societies. *American Journal of Political Science*, 48(3), 496–512.
- Angrist, J.D., & Pischke, J.S. (2009). *Mostly harmless econometrics: an empiricist's companion*. Princeton University Press, Princeton.
- Armingeon, K., Engler, S., & Leeman, L. (2022). *Comparative Political Data Set 1960-2020*.
- Athey, S., & Imbens, G.W. (2017). The State of Applied Econometrics: Causality and Policy Evaluation. *Journal of Economic Perspectives*, 31(2), 3–32.
- Barr, N. (2020). *Economics of the welfare state*. Oxford University Press, USA.
- Baumgarten, M., & Klodt, H. (2010). Die Schuldenmechanik in einer nicht-optimalen Währungsunion. *Wirtschaftsdienst*, 90(6), 374–379.
- Beckfield, J. (2006). European Integration and Income Inequality. *American Sociological Review*, 71(6), 964–985.
- Beckfield, J. (2019). Breaking the Mold. In Beckfield, J., *Unequal Europe*. Oxford University Press, 92–173.
- Bertola, G. (2010). Inequality, integration, and policy: issues and evidence from EMU. *The Journal of Economic Inequality*, 8(3), 345–365.
- Bolt, J., & van Zanden, J.L. (2020). Maddison Project Database, version 2020: Maddison style estimates of the evolution of the world economy. A new 2020 update.
- Bouvet, F. (2021). Regional integration and income inequality: a synthetic counterfactual analysis of the European Monetary Union. *Oxford Review of Economic Policy*, 37(1), 172–200.
- Burgoon, B. (2009). Social nation and social Europe: Support for national and supranational welfare compensation in Europe. *European Union Politics*, 10(4), 427–455.
- Busemeyer, M.R., & Tober, T. (2015). European integration and the political economy of inequality. *European Union Politics*, 16(4), 536–557.

- Caminada, K., Goudswaard, K., & van Vliet, O. (2010). Patterns of Welfare State Indicators in the EU: Is there Convergence?. *JCMS: Journal of Common Market Studies*, 48(3), 529–556.
- Dreher, A., & Gaston, N. (2008). Has Globalization Increased Inequality?. *Review of International Economics*, 16(3), 516–536.
- Esping-Andersen, G., & Myles, J. (2011). 639 Economic Inequality and the Welfare State. In Nolan, B., Salverda, W., & Smeeding, T.M., *The Oxford Handbook of Economic Inequality*. Oxford University Press.
- Ferman, B., & Pinto, C. (2021). Synthetic controls with imperfect pretreatment fit. *Quantitative Economics*, 12(4), 1197–1221.
- Ferman, B., Pinto, C., & Possebom, V. (2020). Cherry Picking with Synthetic Controls. *Journal of Policy Analysis and Management*, 39(2), 510–532.
- Ferrera, M. (2017). The Stein Rokkan Lecture 2016 Mission Impossible? Reconciling economic and social Europe after the euro crisis and Brexit. *European Journal of Political Research*, 56(1), 3–22.
- Ferrera, M., & Rhodes, M. (2000). Recasting European welfare states: An introduction. *West European Politics*, 23(2), 1–10.
- Freeman, R.B., Swedenborg, B., & Topel, R.H. (2010). *Reforming the welfare state: Recovery and beyond in Sweden*. University of Chicago Press, Chicago.
- Gabriel, R.D., & Pessoa, A.S. (2020). Adopting the Euro: A Synthetic Control Approach. *SSRN Electronic Journal*.
- Geishecker, I. (2006). Does Outsourcing to Central and Eastern Europe Really Threaten Manual Workers' Jobs in Germany?. *World Economy*, 29(5), 559–583.
- Genschel, P., Kemmerling, A., & Seils, E. (2011). Accelerating Downhill: How the EU Shapes Corporate Tax Competition in the Single Market. *JCMS: Journal of Common Market Studies*, 49(3), 585–606.
- Herwartz, H., & Theilen, B. (2014). Partisan influence on social spending under market integration, fiscal pressure and institutional change. *European Journal of Political Economy*, 34, 409–424.
- Hicks, A., & Zorn, C. (2005). Economic globalization, the macro economy, and reversals of welfare: Expansion in affluent democracies, 1978–94. *International Organization*, 59(3), 631–662.
- Huber, E., & Stephens, J.D. (2001). *Development and crisis of the welfare state: parties and policies in global markets*. University of Chicago Press, Chicago.
- Kaul, A. et al. (2015). Synthetic control methods: Never use all pre-intervention outcomes together with covariates.
- Kerschbaumer, F., & Maschke, A. (2020). European Monetary Union and Inequality: A Synthetic Control Approach. *SSRN Electronic Journal*, 35.
- Koehler, S., & König, T. (2015). Fiscal Governance in the Eurozone: How Effectively Does the

- Stability and Growth Pact Limit Governmental Debt in the Euro Countries?. *Political Science Research and Methods*, 3(2), 329–351.
- Korpi, W. (2003). Welfare-State Regress in Western Europe: Politics, Institutions, Globalization, and Europeanization. *Annual Review of Sociology*, 29(1), 589–609.
- Korpi, W., & Palme, J. (2003). New Politics and Class Politics in the Context of Austerity and Globalization: Welfare State Regress in 18 Countries, 1975–95. *American Political Science Review*, 97(03), 22.
- Pierson, P. (1996). The New Politics of the Welfare State. *World Politics*.
- Pierson, P. (2002). Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies. *Revue française de sociologie*, 43(2), 369–406.
- Rhodes, M. (2002). Globalization, EMU and Welfare State Futures. In Heywood, P., Jones, E., & Rhodes, M. *Developments in West European politics*.
- Rodrik, D. (2015). The future of European democracy. In van Middelaar, L., & van Parijs, P., *After the storm: How to save democracy in Europe*. Tielt, Lannoo.
- Scharpf, F. (1998). Negative and Positive Integration in the Political Economy of European Welfare States. In Rhodes, M., & Mény, Y., *The Future of European Welfare: A New Social Contract?* Palgrave Macmillan, London, 157–177.
- Schelkle, W. (2017). *The Political Economy of Monetary Solidarity: Understanding the Euro Experiment*. Oxford University Press.
- Scruggs, L. (2014). Social welfare generosity scores in CWED 2: A methodological genealogy.
- Sinn, H. W. (1997). The selection principle and market failure in systems competition. *Journal of Public Economics*, 66(2), 247–274.
- Streeck, W., & Schmitter, P.C. (1991). From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market. *Politics & Society*, 19(2), 133–164.
- Tober, T. (2022). European institutional integration, trade unions and income inequality. *Socio-Economic Review*, 20(1), 351–371.
- Tober, T., & Busemeyer, M.R. (2022). Breaking the link? How European integration shapes social policy demand and supply. *Journal of European Public Policy*, 29(2), 259–280.

Johanna Greiwe

University of Vienna

Young Journal of European Affairs (YJEA)

2023, Issue 3, 62-83

DOI: 10.5282/yjea/61

© The Author(s) 2023

Creative Commons 4.0

Received 29.03.2023/Accepted

04.11.2023/Published 20.12.2023



EU Policymaking in Times of Crisis – Analysing EUNAVFOR MED Operation Sophia under the Lens of Crisisification

Abstract

Against the backdrop of what former European Commission President Jean-Claude Juncker termed the EU’s “polycrisis”, an abundance of scholarly work has turned attention to EU crisis governance. This article centres the concept of crisisification introduced by Mark Rhinard (2019) in this debate. Combining insights from traditional literature on EU policymaking and Critical Security Studies, Rhinard argues that a crisis mode of governance today complements traditional modes of policymaking in the EU. This article seeks to buttress his conceptual elaborations by offering more in-depth empirical insights into crisisification in practice in the EU’s Common Security and Defence Policy. Turning to the case of the European Union Naval Force - Mediterranean (EUNAVFOR MED) Operation Sophia, it suggests that the concept can provide an improved understanding of the policymaking process leading to the operation’s launch as part of the EU’s response to the so-called ‘migration crisis’ in 2015. Concretely, the analysis sheds light on how a logic of urgency informed the policymaking process, detecting three procedural shortcuts EU actors have taken to abbreviate policy formulation and decision-making. Importantly, these findings demonstrate that even policies inherently designed as crisis management tools have been impacted by crisisification.

Keywords: EU Crisis Governance, Migration Crisis, Common Security and Defence Policy (CSDP), EUNAVFOR MED Operation Sophia

Cite this article: Greiwe, Johanna (2023): EU Policymaking in Times of Crisis – Analysing EUNAVFOR MED Operation Sophia under the Lens of Crisisification. In: Young Journal of European Affairs, Issue 3, 62-83, 10.5282/yjea/61

Corresponding author (✉):

Johanna Greiwe, MA Political Science, University of Vienna, Vienna, Austria
E-Mail: johannagreiwe@aol.com

Introduction

A sense of crisis has become omnipresent in the European Union (EU) over the recent years. Events or developments perceived as crises have increasingly occurred both internal and external to the EU, constituting what Jean-Claude Juncker called the EU's "polycrisis" (European Commission, 2016). Consequently, the notion of crisis has also attracted growing attention in academia. Scholars have tried to capture what implications this shared sense of crisis has had for EU policymaking either discussing existing theoretical approaches to European integration (see, e.g. Ferrara and Kriesi, 2022, Genschel and Jachtenfuchs, 2018) or introducing new concepts such as emergency politics (White, 2015).

In the same vein, Mark Rhinard (2019) put forward the concept of crisisification. The concept combines perspectives from both traditional literature on EU policymaking and Critical Security Studies (CSS). In doing so, it responds to Manners and Whitman's (2016) call for a more "polyphonic engagement" in EU studies (Rhinard (2019, p. 617). Its core claim is that crisis has established itself as a new mode of governance next to traditional modes in EU policymaking (ibid., pp. 616f.). Crisisification becomes manifest at the level of everyday policymaking and entails, inter alia, abbreviated decision-making procedures and new actor constellations (ibid., pp. 617f.). While Rhinard (2019) bases his argument on his own empirical analysis of EU procedures, instruments and technical systems for identifying and managing crises, this paper seeks to buttress his findings by providing additional insights from one specific EU policy area, the EU's Common Security and Defence Policy (CSDP). In doing so, it recognises the imperative of "reconsider[ing] how we view and study EU decision-making" (Rhinard, 2019, p. 625) emerging from Rhinard's elaborations. The CSDP promises to be an interesting policy area to examine under the lens of crisisification. Different from other EU policy areas, the CSDP is inherently designed as a crisis management tool (Mattelaer, 2010, p. 2). From a conceptual viewpoint, analysing policymaking in the CSDP, thus, may reveal how crisisification relates to instruments of crisis management in security and defence. Against this background, the paper asks: How has crisisification shaped policymaking in the EU's Common Security and Defence Policy?

In answering this research question, the paper turns to the case of the European Union Naval Force - Mediterranean (EUNAVFOR MED) Operation Sophia (hereinafter "Operation Sophia") launched under the CSDP in 2015. Operation Sophia posed one of the EU's policy responses to the so-called "migration crisis" after more than 700 migrants had died in a shipwreck off the shore of the Italian island of Lampedusa on 19 April 2015. To investigate how crisisification shaped policymaking in the case of Operation Sophia, this paper engages in a qualitative analysis of EU policy, procedural and strategic documents as well as press releases complemented by insights from secondary literature. The analysis centres the logic of urgency as an important dynamic of crisisification examining how it informed the processes of policy formulation and decision-making. Moreover, it sheds light on how the logic of urgency might have shifted participation patterns usually found in policymaking processes in the CSDP. In fact, the analysis' findings also confirm that crisis management tools differentiate between

ordinary procedures and procedures for urgent responses. The analysis identifies three shortcuts manifested in EU procedural provisions that were taken during policy formulation of and decision-making on Operation Sophia. In terms of participation, it reveals that there were high-level political, rather than bureaucratic actors, promoting this course of action. This assessment seems to question the centrality of the latter suggested by Rhinard (2019) and encourages a theoretical discussion on how the concept of crisisification relates to dynamics of EU crisis governance as understood by other approaches.

The paper proceeds as follows. Initially, it provides an overview of the existing literature on EU crisis governance before it continues outlining the concept of crisisification in more detail. In the following, it presents the analytical framework based on which the empirical analysis is conducted. The empirical analysis starts off with an examination of how the logic of urgency is rhetorically reflected in EU institutions' discourse on the situation in the Central Mediterranean. Building on this examination, the analysis assesses how this perceived urgency translated into abbreviated policy formulation and decision-making procedures. These assessments are then the starting point for subsequent considerations on how taking procedural short-cuts shifted participation patterns compared to ordinary CSDP procedures. The final discussion wraps up the analysis' findings and assesses its theoretical and empirical implications.

EU Policymaking in Times of Crisis

A growing body of literature within the field of EU studies is turning attention to EU policymaking in times of crisis. This is not to say that crises are a new phenomenon in EU policymaking. Quite the contrary, crises have shaped European integration from the very beginning (Boin and Rhinard, 2022, p. 1). Nonetheless, echoing in the notion of the EU's "polycrisis" (European Commission, 2016), the quality and quantity of crises seem to have changed. Crises have arisen not only in several policy areas but "shocks seem to be arriving more frequently" (Rhinard, 2019, p. 620) and threats seem to be "more complicated of late" (*ibid.*). In particular, the economic crisis, the migration crisis, the external relation crisis, the Brexit and the Covid-19 pandemic have been central to recent discussions of EU crisis governance (see, e.g., Falkner, 2016; Genschel and Jachtenfuchs, 2021; Ferrara and Kriesi, 2022).

Academic engagements with EU policymaking in times of crises have approached this trend from different angles. Many scholars have chosen not to abandon the claims of well-established European integration theories to study EU crisis responses (on the migration crisis, see, e.g., Niemann and Speyer, 2018; Zaun, 2018). Others combine insights from different integration theories to develop new approaches (see, e.g., Jones, Kelemen and Meunier, 2016; Ferrara and Kriesi, 2022). Importantly, the concept of "failing forward", introduced by Jones, Kelemen and Meunier (2016), points to crisis as an inherent feature of European integration. This notion is also explored by Genschel and Jachtenfuchs (2017), who stress that the EU's shift from market integration to the

integration of core state powers lies at the heart of understanding recent crises. Reviewing this literature, it becomes clear that, while EU policymaking is aimed at governing seemingly mounting crisis pressures, European integration plays a considerable role in first producing these crises.

Overall, these approaches tend to share a concern for the implications of crises for European integration and vice versa. According to Kreuder-Sonnen (2016, pp. 1353f.), this tendency to focus on structural outcomes potentially limits examinations of EU policymaking in times of crisis. It might neglect what he terms the “crises-related mode of politics” (ibid., p. 1351) informing these decisions. This shortcoming is the starting point for newly introduced concepts of EU crisis governance (see, Rhinard, 2019; White, 2015, 2019; Kreuder-Sonnen, 2018a). These commonly argue that the accumulation of cross-sectoral crisis tools, routines, and resources “has changed the essential character of the EU” (Boin and Rhinard, 2022, p. 14).

Nevertheless, these authors’ elaborations also centre different aspects of EU policymaking in times of crisis. Whereas the approach of emergency politics shows how exceptional measures need to be rationalised by appeals to urgency and necessity (White, 2015), crisisification grasps dynamics manifest at the level of everyday politics and administration (Rhinard, 2019, p. 620). The concept thus sheds light on an aspect of EU crisis governance often “taking place under the radar” (ibid.). However, empirical studies of crisisification have so far been exclusively focused on taking stock of the procedures, instruments and technical systems the EU has developed for identifying and managing crises (see Rhinard, 2019; Rhinard and Backman, 2018). Meanwhile, empirical investigations of crisisification in practice are still missing. This paper seeks to fill this gap by providing insights into the crisisification of policymaking in the CSDP. Rather than only identifying mechanisms of crisisification, it examines how crisisification shaped the policy formulation of and decision-making on Operation Sophia.

The Concept of Crisisification

Rhinard’s (2019) concept of crisisification claims that a crisis mode of governance has established itself in EU policymaking next to traditional modes of governance (ibid., pp. 616f.). The concept builds on distinct notions of policymaking and crisis. Rhinard (2019, p. 617) understands policymaking as constituted by different decision activities such as, referring to Peters (1987), the stages of agenda-setting, policy initiation, decision-making and implementation. Moreover, in line with Rosenthal et al. (1989), he regards crisis as an intersubjectively established threat to core values or essential societal structures accompanied by a sense of urgency and a condition of uncertainty (ibid., p. 617). Thereby, Rhinard (2019) adopts a constructivist perspective on crisis shared by many scholars discussing crisis management in general (Boin et al., 2016) and in the context of the EU specifically (see, e.g., Saurugger, 2016; Kreuder-Sonnen, 2018b). This

paper promotes a similar understanding, particularly highlighting the perception of urgency as a crucial feature of crisis.

Departing from these assumptions, crisisification becomes manifest in several ways. Crisis-oriented methods of policymaking are characterised by the early identification of the next urgent event as a possible crisis, specific actor constellations and technologies, abbreviated decision-making procedures and, finally, new narratives on the EU's 'raison d'être' (Rhinard, 2019, p. 616). As pointed out earlier, crisisification primarily affects the level of everyday politics and administrative procedures (*ibid.*, pp. 617f.). Here, Rhinard's (2019) argument crucially distinguishes itself from conceptualisations of EU crisis governance centring the political level (see White, 2015; Sahin-Mencutek et al., 2022).

Findings from Rhinard's (2019) own empirical research further illustrate how crisisification takes shape. The EU has developed tools and necessary infrastructure for the early identification of crises such as horizon-scanning systems, early warning systems and crisis rooms in different policy sectors (Rhinard, 2019, pp. 618f.). Moreover, special procedures have been introduced to abbreviate decision-making at the administrative level in crisis situations (*ibid.*, pp. 619f.). An even more comprehensive discussion of the manifestations of crisisification can be found in Backman and Rhinard (2018).

Rhinard (2019) does not explicitly address the question of when crisisification started. However, he discusses external events reaching back to the early 2000s as drivers of crisisification (*ibid.*, pp. 620f.). Hence, it can be assumed that crisisification started about two decades ago but has become more widespread over the years. As Rhinard (2019) states, "it is difficult to ignore the growth of this substantial area of EU cooperation" (*ibid.*, p. 620). Like traditional approaches, he also identifies neofunctionalist dynamics of political and cultivated spillover, policy entrepreneurship as well as the executive ambition of the European Commission and EU agencies as additional driving forces (*ibid.*, pp. 620ff.). In this regard, the concept's claims are reminiscent of other EU crisis governance approaches relying on traditional integration theories, e.g., "failing forward" (see Jones, Kelemen and Meunier, 2016). Diverging from these approaches, Rhinard (2019) then adds perspectives from CSS to his elaborations. He argues that the "obsession with making people safe" (*ibid.*, p. 622) has come to circulate in EU politics, *inter alia*, expressed in a concern for the safety of EU policy instruments and projects such as the Schengen area (*ibid.*). Similarly, the increasing availability of technology used to guarantee that safety has advanced crisisification, according to Rhinard (2019, p. 622f.).

Finally, Rhinard (2019, pp. 623-629) outlines the implications of his findings for the practice of and research on EU policymaking, particularly for agenda-setting, decision-making and legitimacy. As this paper's study chooses to focus on the dimension of decision-making, only his remarks on this aspect of policymaking are presented in the following. Rhinard (2019) divides decision-making into two separate aspects, decision modes and participation. He points out that examinations of EU decision modes need to address the question of pace. Instead of bargaining or deliberation, the crisis decision

mode is governed by a logic of urgency (ibid., p. 626). In terms of participation, Rhinard (2019, p. 627) shows that crisisification tends to entail a stronger involvement of both the Commission and the Council of the EU (hereinafter “Council”) as these institutions oversee the growing number of crisis management systems and procedures (ibid.). Moreover, it has led to the formation of networks between EU institutions and national officials outside the formal EU framework (ibid.). Reviewing existing studies on EU crisis decision-making, Rhinard (2019) assesses these shifted participation patterns as “exclusionary” (ibid., p. 627) and “restrictive” (ibid.).

Rhinard (2019) then adds perspectives from CSS to his elaborations on crisisification’s implications for both decision-making and participation. While readers are asked to turn to his article for a comprehensive discussion of these perspectives, some of his insights are highlighted here. Pointing to the CSS debate on modern security (Aradau and van Munster, 2007), Rhinard (2019, p. 626) argues that crisisification dynamics at the level of decision-making resemble decisionist structures. Decisionism is only rarely discussed in EU studies, but Rhinard (2019, p. 626) refers to Kreuder-Sonnen’s (2018a) elaborations on the EU’s “authoritarian turn” for an exception. In terms of participation, he claims, building on the work of several CSS scholars (see Amoore and De Goede, 2008; Aradau and Van Munster, 2007), that the rationale of crisis can be considered a tool which is used by different actors as a “mode of governmentality” (Rhinard, 2019, p. 628). Specifically, referring to Bigo and Tsoukala (2008), Rhinard (2019, p. 628) points out that crisisification tends to privilege bureaucratic actors with expertise and skill sets in crisis management. Overall, he thus stresses that crisisification raises several normative concerns while demonstrating that the crisis mode of governance is increasingly becoming the new normality of policymaking at the administrative level. Building on Rhinard’s (2019) remarks on the study of EU policymaking, the following section develops an analytical framework to examine crisisification in practice.

Analytical Framework

Overarchingly, this paper seeks to add evidence to the empirical insights of Rhinard’s (2019) cross-sectoral research. Specifically, it elucidates how crisisification has shaped policy formulation and decision-making in the CSDP by engaging in a case study of Operation Sophia. Operation Sophia promises to be particularly fruitful case for analysis. It was launched at the height of the migration crisis in summer 2015. As stated above, the migration crisis poses one element of the EU’s “polycrisis”. Notably, crises around migration tend to affect core achievements of European integration (White, 2019, p. 80). Hence, the migration crisis provides a context that might have favoured the use of tools that emerged from crisisification. While the EU’s response to the migration crisis, in general, was characterised by the difficulty of finding political agreement (see, e.g., Ferrara and Kriesi 2022, pp. 1361-1364), Operation Sophia stands out as one of the few measures on which EU member states were able to reach consensus (Riddervold, 2018, p. 171). The decision-making process even “unfolded at an unprecedented pace” compared to previous EU military operations (Boşilcă, Stenberg

and Riddervold, 2021, p. 224). These insights suggest that crisisification dynamics indeed might have contributed to the decision of establishing Operation Sophia.

Whereas many scholars have highlighted politicisation as a core feature of the migration crisis (see, e.g., Geddes, 2021; Maricut-Akbik, 2021), the concept of crisisification sheds light on additional aspects of crisis governance that have escaped public attention. With regard to another element of the EU's response to the migration crisis, the EU-Turkey deal of 2016, Smeets and Beach (2020) claim that existing analyses "have focused too much on the most *visible*, but not necessarily the most *revealing*, aspects of EU crisis management" (ibid., p. 130, emphasis in the original). Echoing this claim, this paper believes in the added value of analysing Operation Sophia under the lens of crisisification and reinterpreting empirical insights provided by existing analyses from a new theoretical perspective.

The analytical endeavour of this paper is directed towards providing a better understanding, but not explanation, of Operation Sophia. The analysis follows the purpose of an exploratory case study since, to the knowledge of the author, there exists no study on crisisification in the CSDP so far. On the contrary, the concept of crisisification is referred to in studies on the EU's response to the Covid-19 pandemic (Ares Castro-Conde, 2022) and EU counterterrorism policy (Kaunert and Léonard, 2021) but has not been applied as a comprehensive analytical framework yet. Against this background, this paper first needs to develop an analytical framework outlining how to investigate crisisification in practice.

Operationalisation

In light of the implications of crisisification for EU policymaking discussed by Rhinard (2019), researching crisisification in practice presents scholars with a complex task. Crisisification affects many distinct aspects of the policymaking process that need to be examined differently. The analysis departs from the assumption that crisisification is an outcome already achieved. This is not to deny that crisisification is an ongoing process, but implies that a crisis mode of governance already existed complementary to traditional modes of policymaking at the time when Operation Sophia was discussed and established as a policy instrument. The analysis concentrates on the dimension of decision-making which appears as a significant aspect of policymaking in the case of Operation Sophia considering the speed in which agreement was found. Furthermore, it sheds light on the process of policy formulation, a stage of policymaking not elaborated upon by Rhinard (2019). Findings of the analysis suggest that the same logic of urgency characterising decision-making in the crisis mode of governance also informs policy formulation. Therefore, policy formulation has been included as a distinct phase in the analysis as well. Based on the analysis' findings, the final discussion makes some theoretical considerations on how crisisification dynamics at the level of policy formulation might become manifest beyond the case of Operation Sophia.

As stated, if informed by crisisification, policy formation and decision-making both follow the logic of urgency (Rhinard, 2019, p. 626). This logic of urgency is constituted by two different aspects. Firstly, it refers to the widely shared perception of urgency among political actors, a core feature of constructivist notions of crisis (see above); and secondly, it gets inscribed into abbreviated decision-making procedures (see Rhinard, 2019, p. 616). How a crisis-induced logic of urgency informs decision-making is further illustrated in crisis management literature (see *ibid.*, p. 626). Boin et al. (2005) highlight four characteristics of crisis management, two of which are used to initially analyse the shared perception of crisis. Firstly, they show that the logic of urgency translates into quick choices not allowing for deliberation on the respective decision (*ibid.*, pp. 43f.). Moreover, policymaking in crisis situations is about making highly consequential choices that “affect core values and interests of communities” (*ibid.*, p. 43). Discourses of urgency and necessity are also an important element of the rationalisation of emergency politics highlighted by White (2015, p. 303). Different to his approach, however, this paper does not consider discursive rationalisation as a necessary legitimisation strategy vis-à-vis the European public but rather as an indicator of the intersubjectively shared perception of crisis among EU actors. By first establishing the shared perception of urgency among policymakers, the analysis also responds to scholarly assessments that the degree of urgency characterising a crisis is always dependent on processes of sensemaking among relevant actors (see Seabrooke and Tsingou, 2019; Boin, Ekengren and Rhinard, 2021).

Finally, decision-making informed by a logic of urgency also entails shifts in participation patterns. In terms of crisisification’s implications for participation, Rhinard (2019, pp. 626-628) points to several EU institutions and particularly administrative actors with crisis management expertise that tend to be empowered in decision-making processes informed by crisisification. Still, when turning to specific policy areas, as this paper does, it can be assumed that crisisification shows sector specific participation patterns not exhaustively defined by Rhinard (2019).

Methods

Turning to the methodological approach, Rhinard’s (2019) elaborations do not offer any suggestions as to what methods might be suitable to examine crisisification. His own research mainly builds on interviews (Rhinard, 2019) and open-source scanning (Backman and Rhinard, 2018). Thereby, his empirical assessments focus on the identification of EU crisis management capacities as manifestations of crisisification rather than on how crisisification shapes policymaking in practice. Against this background, this paper develops its own methodological approach which, however, is exposed to limitations. Importantly, it combines discourse analysis with the analysis of secondary literature also including a few comparative elements.

The analysis draws on a wide range of publicly available textual data: press releases, policy, strategic and procedural documents as well as secondary literature. In terms of data collection, the author first screened existing literature on the development of

Operation Sophia, notably, Johansen (2017), Nováky (2018), Riddervold (2018), Biava (2020), Boşilcă, Stenberg, and Riddervold (2021) and, on the planning of CSDP operations, Mattelaer (2010). To analyse the urgency discourse, documents considered relevant included press releases of all EU institutions covering the time span between 19 April 2015, the date of the shipwreck in the Mediterranean, and 18 May 2015, when the Council decision on establishing Operation Sophia was made. These press releases were derived from EU institutions' press corners and document registers. Following a first scanning of this data set, further relevant documents referred to were added. The analysis of the policy formulation and decision-making process strongly relied on procedural and legal documents. Identified in the screening of secondary literature, these documents were accessed at the EUR-Lex database. Beyond the regularly available documents, Nováky's (2018) study refers to a leaked Council document provided by Statewatch which was included as well. Again, further documents were added following another search process that built on references to other relevant events and statements in the first set of sources. Despite these additions, the empirical evidence drawn upon resembles that of existing studies on Operation Sophia. It still offers new insights into policymaking on Operation Sophia when interpreted from the perspective of crisisification.

The data analysis then proceeds as follows. As crisisification becomes manifest at the administrative level, the analysis focuses on this level of policymaking. However, to examine how the situation in April 2015 was made sense of and to identify the relevant administrative procedures, the analysis starts at the political level. Concretely, a discourse analysis of statements by key EU institutions is conducted with view to the sense of urgency they invoke. In a second step, the analysis examines how this perception of urgency translated into abbreviated policy formulation and decision-making procedures. It traces statements and agreements made at the political level back to the administrative level if possible. Here, existing literature provided very valuable insights to detect procedural shortcuts taken by EU actors.

Building on the identification of these procedural shortcuts, the analysis turns to the question of how crisisification shaped actors' participation in policymaking on Operation Sophia. Based on the available data, it is not possible to make strong claims on which actors acted as decisive players in the policymaking process. In particular, the data material is not sufficient to identify single actors involved at the administrative level. Given that the empowered actors are not exhaustively defined in the concept of crisisification and dependent on the policy area, the analysis exploratorily inquires which actors were able to increase their participation in the policy formulation of and decision-making on Operation Sophia compared to usual CSDP policymaking procedures. Meanwhile, it abstains from making absolute claims on which actors have played a key role in advancing the decision-making process beyond insights from existing literature on Operation Sophia which turned out to be very insightful in this regard.

These constraints imposed by the data material also point to more general limitations of this paper's analysis and, partly, any study of crisisification. As an empirical

phenomenon, crisisification often shapes policymaking “under the radar” (Rhinard, 2019, p. 620). Publicly available data can only provide information on such kind of processes to a limited extent (see also Smeets and Beach, 2020, p. 134). Consequently, this paper’s analysis needs to turn to other authors’ insights from interviews with EU policymakers. Interviews appear as a promising method to study crisisification. A similar approach is also chosen in other case studies on dynamics in the EU’s “machine room” (see Smeets and Beach, 2020).

Beyond methodological shortcomings, challenges also arise from the analytical framework. Due to the analysis’ focus on policy formulation and decision-making, it might not identify all relevant ways in which crisisification shaped policymaking on Operation Sophia. Particularly, it remains open whether the effect of crisisification at different stages of policymaking is interdependent. This question is not addressed by Rhinard (2019) either. Furthermore, one might argue that possible identified instances of crisisification are not part of the dynamics conceptualised by Rhinard (2019) since the CSDP was established and has since then evolved as a crisis management tool. However, the analysis also shows that these tools provide for procedures distinguishing between ‘normal’ and crisis situations. This finding strongly reinforces Rhinard’s (2019) overall assessment of crisisification. Nevertheless, crisisification’s added value could be questioned as Operation Sophia was developed in an environment characterised by the high salience of the 19 April mass drownings following which the Mediterranean “became the centre of the world’s attention” (Nováky, 2018, p. 197) rather than by everyday politics. Importantly, the process of CSDP military operation planning also interfered with political dynamics in the realm of migration policy. Against this background, the final discussion also considers how other concepts of EU crisis governance might relate to crisisification and, possibly, better grasp some dynamics underlying the policymaking process on Operation Sophia. Firstly, however, the analysis’ findings are presented in the subsequent sections.

Empirical Analysis: The case of EUNAVFOR MED Operation Sophia

EUNAVFOR MED Operation Sophia was deployed between 2015 and 2020. The decision-making process leading to the operation was initiated following a major shipwreck near the shores of Lampedusa in the Central Mediterranean on 19 April 2015, in which more than 700 migrants died. Two maritime operations had been deployed in territorial waters of EU member states in the Central Mediterranean before, the Italian Search and Rescue Mission Mare Nostrum in 2013 and the Frontex Operation Triton in 2014. However, only the incident of April 2015 provided a critical juncture for the policymaking process on an EU-wide naval response to the increasing number of migrants crossing the Central Mediterranean and extending to the high seas (Boşilcă, Stenberg and Riddervold, 2022, p. 223). The following analysis turns the attention to the policy formulation and decision-making process leading to the establishment of the Operation, departing from the notion that “the nature of decision-making [and policy

formulation] in the EU may be taking a new shape based on the way urgency has become a key aspect of decision situations” (Rhinard, 2019, p. 626).

The perception of urgency among EU policymakers

Initially, this section examines the perception of urgency among EU policymakers. Two aspects of policymaking in times of crisis highlighted by crisis management literature dominate their rhetoric and confirm the widespread perception of urgency: the call for quick decisions, and the emphasis on the highly consequential nature of the decisions to be made.

In the days following the mass drowning of April 19, EU institutions unequivocally called for making quick decisions at the EU level. The Commission stressed the need for “immediate actions” (European Commission, 2015a) on the same day. On the following day, then High-Representative/Vice-President (HR/VP) Federica Mogherini claimed at a joint meeting of the Foreign Affairs Council and the Council for Justice and Home Affairs: “We need to act fast and act together” (Council of the EU, 2015b). This was echoed by the heads of state and government which held a special European Council meeting on 23 April 2015. The European Council announced that the EU “will mobilise all efforts at its disposal to prevent further loss of life at sea and to tackle the root causes of the human emergency we face” (European Council, 2015b). Consequently, it tasked the HR/VP to “immediately begin preparations for a possible CSDP operation” (ibid.). In May 2015, just before the Council decision on the mandate of Operation Sophia, the Commission published the European Agenda on Migration which set out both “immediate” (European Commission, 2015c, p. 3) action and more long-term oriented measures for EU migration policies. The former mentioned the planned establishment of a CSDP operation as a “powerful demonstration of the EU’s determination to act” (ibid.). These statements reflect the time pressure and thus the need for quick decisions highlighted as an important feature of decision-making in times of crisis (see Boin et al., 2005, pp. 43f.).

Similarly, statements by the EU institutions indicate that the choices to be made were conceived as highly consequential. The European Council posited that “[o]ur immediate priority is to prevent more people from dying at sea.” (European Council, 2015b). This was reiterated by other actors. Based on the acknowledgement that “[t]he reality is stark” (European Commission, 2015a), the Commission emphasised that “actions must [...] be bold” (ibid.). The actions proposed by the Council on the following day were presented as “direct, substantial measures we will take to make an immediate difference” (Council of the EU, 2015b.). European Council President Donald Tusk clarified the price of wrong choices or inaction. He stressed the prevention of further loss of life as “the overriding priority” (European Council, 2015a) while long-term measures were postponed to the “near future” (ibid.). The perceived necessity to act, apparent in these statements, reinforces the sense of urgency detected above. As the European Agenda on Migration summarised, the CSDP operation, amongst other immediate measures to be taken, “responds to the need for swift and determined action

in response to the human tragedy in the whole of the Mediterranean” (European Commission, 2015c, p. 3).

Thus, EU policymakers broadly shared a perception of urgency which suggests that a logic of urgency shaped policy formulation and decision-making. Most blatantly, this is expressed in Mogherini’s statement: “We need to show that same collective European sense of urgency we have consistently shown in reacting in times of crisis” (Council of the EU, 2015b). In the following, the analysis examines how the perception of urgency among the EU institutions was translated into abbreviated policy formulation procedures.

The logic of urgency behind policy formulation of Operation Sophia

The EU institutions’ joint call for immediate action was addressed at a joint meeting of the Foreign Affairs Council and the Council for Justice and Home Affairs the day after the shipwreck in the Central Mediterranean had raised the EU’s attention. At this meeting, EU Commissioner for Migration, Home Affairs and Citizenship, Dimitris Avramopolous, proposed a “Ten point action plan” to tackle the crisis, which, inter alia, suggested the deployment of a military operation against smugglers. The research carried out by Nováky (2018, p. 203) reveals that the plan had been developed by a few officials within the Commission’s Directorate-General (DG) for Migration and Home affairs the day before. The European Council unanimously endorsed the plan at its special meeting on 23 April 2015 and tasked Mogherini with the preparation of the CSDP mission. The options for member states to oppose the plan were limited due to “the seriousness of the migration crisis and the fact that the death toll would likely have been lower if the EU had replaced Mare Nostrum with an equally strong operation” (Nováky, 2018, p. 203). Similarly, Johansen (2017) argues that the speed of the decision-making process concealed concerns of some member states about the operation (ibid., pp. 519f.). The policy formulation process, consequently, took less than a week. This was enabled by the option for abbreviated policy formulation procedures at the administrative level laid down in the EU’s Crisis Management Procedures (CMP).

The CMP, first developed in 2003 and then revised in 2013, delineates “the process through which the EU engages in a crisis with its CSDP instruments as part of its overall comprehensive approach” (Council of the EU, 2013). Interestingly, comparing both documents, the procedural shortcuts discussed in the following were first added in the later CMP (see Council of the EU, 2003, Council of the EU, 2013). Indeed, Rhinard (2019, p. 626) himself refers to the CMP of 2013 as one instance of the increasing trend of crisisification. According to the CMP, the first phase of the EU’s engagement in a crisis is the “[i]dentification of a crisis and development of an overall EU approach” (Council of the EU, 2013). To this end, the European External Action Service (EEAS), more specifically the EEAS Geographical Desk, develops a Political Framework for Crisis Approach (PFCA) that outlines the strategic direction and suggests a range of options for policy responses (ibid., p. 13). Concretely, the PFCA defines “what the crisis is, why the EU should act [...] and what instruments could be available, and best suited, for that

action” (ibid.). The EEAS’ Crisis Management and Planning Directorate (CMPD) is responsible for the CSDP elements in the PFCA.

However, a leaked draft of the Crisis Management Concept (CMC) underlying Operation Sophia reveals that no PFCA was developed on the issue of migration via the Central Mediterranean to which Operation Sophia was supposed to respond (Council of the EU, 2015c). Planning the CSDP operation without a PFCA was made possible by the “Option for Urgent Response” (Council of the EU, 2013) included in the CMP. It allows, based on a decision of the Political and Security Committee (PSC), to skip the first phase of the CMP and to move directly to the second phase, the development of a CMC and the decision on the establishment of a CSDP operation (ibid.). This mechanism corresponds well to the abbreviated policy formulation and decision-making procedures envisaged by the concept of crisisification.

Due to the lack of a PFCA on migration, the CMC drafted for Operation Sophia built on insights from the PFCA for Libya (Council of the EU, 2015c). Johansen (2017, p. 517), who analyses the EU’s strategic capacity in the case of Operation Sophia suggests that the “Ten point action plan” was put forward as an alternative to the PFCA. Meanwhile, Boșilcă, Stenberg and Riddervold (2021) argue that the mechanism of copying accounts for the EU’s choice of a military operation. According to them, the process of policy formulation “in record time” (ibid., p. 231) was possible due to the EU’s experience from Mare Nostrum and from the anti-piracy CSDP Operation Atalanta (ibid.). The mechanism of copying, unlike the concept of crisisification, builds on the process of learning rather than on newly developed tools or procedures for abbreviated policy formulation processes. Nevertheless, it can be considered as a mechanism operating separately from crisisification. Policy formulation of Operation Sophia was thus clearly shaped by crisisification. The next section now examines whether such dynamics can also be identified in the phase of decision-making.

The logic of urgency behind decision-making on Operation Sophia

Operation Sophia was established by a Council decision based on the proposed CMC at the next Foreign Affairs Council meeting on 18 May 2015. Following the force generation for its first implementation phase within not much more than a week (Nováky, 2018, p. 206), the operation was finally launched on 22 June 2015 by a second Council decision. The overall policymaking process only took a little over three months, thus, as “no other EU military operation had ever been launched this quickly” (Johansen, 2017, p. 519), it “unfolded at an unprecedented pace” (Bolsica, Stenberg and Riddervold, 2021, p. 224).

Administrative procedures allowing for the abbreviation of the decision-making process can be detected in both the second and the third phase of the CMP. The second phase, “Development of the CMC and Establishment of the Mission/Operation” (Council of the EU, 2013), inter alia, involves the conduction of Military Strategic Options (MSO) by the European Union Military Staff (EUMS). However, according to the CMP, this step may be skipped, and the further planning process relies only on the operational

documents developed in the third phase (see below) (ibid., p. 19). The findings by Johansen (2017, p. 519) confirm that no MSO were conducted for Operation Sophia. Hence, this proceeding poses a second example of how crisisification shaped the policymaking process.

Furthermore, the speed in decision-making was increased using a fast-track option available for the third phase of the CMP (Nováky, 2018, pp. 204f.). Next to the normal procedure, the third phase, “Operation Planning of the CSDP Mission or Operation and Decision to Launch” (Council of the EU, 2013), provides for a fast-track option which is supposed to be applied in situations in which “the need to deploy a mission/operation at very short notice may require rapid decision-making for a rapid response to a crisis, including rapid deployment” (ibid., p. 28). It fast-tracks decision-making insofar as it enables the launch of an operation shortly after the approval of the CMC (ibid.). Instead of two different, sequential operational planning documents, the Concept of Operations (CONOPS) and the Operation Plan (OPLAN), only the OPLAN is drafted following this track (ibid.). It can be prepared in parallel to the CMC (ibid.). In the case of Operation Sophia, the fast-track option reduced the time needed to little over a month between May 18 and June 22. Against this backdrop, it can be considered a third manifestation of how crisisification informed the policymaking process.

Overall, the perception of urgency among EU actors translated into a logic of urgency that guided policymaking on Operation Sophia. Concretely, it found its procedural expression in the use of one shortcut during the phase of policy formulation and two at the stage of decision-making. Arguably, the latter abbreviations affect the aspect of operational planning more than the decision-making moment itself. Still, as decision-making builds on operational planning, both procedural shortcuts can be regarded as instances of abbreviated decision-making. This finding underlines Rhinard’s (2019) assessment that the adoption of special procedures for crisis situations poses “perhaps the most intriguing trend” (ibid., p. 619) of crisisification. The concept of crisisification suggest that these shifts in policymaking dynamics also entail a divergence from usual participation patterns. Their concrete implications in the case of Operation Sophia are explored in the following.

Implications for participation in policy formulation and decision-making

As stated earlier, the subsequent considerations on shifts in participation can only be regarded as preliminary assumptions, based on the analysis’ findings. The stage of policy formulation emerges as particularly revealing in terms of participation. Considering the findings, it is the DG Migration and Home Affairs that can be considered a privileged actor here, given that it drafted the “Ten point action plan” on migration suggesting a CSDP Operation to respond to the crisis. In fact, Operation Sophia poses the first CSDP operation proposed by the Commission (Nováky, 2018, p. 203). While Rhinard (2019, p. 627) also mentions the Commission as an actor governing many of the crisis management tools, in the case of Operation Sophia, it is rather likely that the DG Migration and Home Affairs was privileged in the policy formulation

process, because compared to the EEAS drafting the PFCA, it is primarily concerned with the issue of migration. In fact, the involvement of the DG in Operation Sophia corresponds well to Hadj Abdou and Pettrachin's (2022) findings that Home Affairs actors remain central in EU migration governance despite a diversification of actors engaged in the policy area. At the same time, the shortcut taken at the stage of policy formulation implies that EEAS actors contributing to the PFCA were sidelined. These include, for example, the CMPD that usually "draw[s] together both civilian and military expertise from across the EEAS as required" (Council of the EU, 2013, p. 14). This assessment does not resonate well with Rhinard's (2019) emphasis on the increasing involvement of actors with crisis expertise and skill sets in policymaking processes.

Insights from secondary literature help to further elucidate different actors' roles in policy formulation. Johansen's (2017) analysis of the EU's strategic capacity in the case of Operation Sophia confirms that actors at the administrative level of the EEAS and in the working bodies of the Council, notably the European Union Military Committee (EUMC), played a diminished role in the policy formulation process. She assesses that "the link between the end and the mean was made at the political level" (*ibid.*, p. 517). According to her interview data, neither the EEAS nor the EUMC would have opted for a military operation if consulted (*ibid.*). This finding suggests that, although crisisification at the level of administrative procedures shaped policymaking on Operation Sophia, the logic of urgency resulted in a dominance of political actors. Conformingly, the HR/VP, in charge of preparing the CSDP operation, is highlighted as having massively contributed to the quick launch of the operation (Nováky, 2018; Biava, 2020). Nováky's (2018) and Biava's (2020) assessments further suggest that the dominance of political actors also applied to the agenda-setting stage not assessed in this paper. Meanwhile, the analysis' findings give rise to the assumption that shortcuts during the phase of operational planning do not privilege other actors, since the same administrative bodies are responsible for drafting and revising the MSO, the CONOPS and the OPLAN.

Overall, the considerations that can be made based on the analysis do not reinforce crisisification's conceptual claims on shifts in participation patterns. These insights are addressed in the following discussion which centres theoretical and empirical implications of the analysis' findings. Still, before turning to these questions, an outlook on the implementation phase is considered relevant. While Rhinard (2019) does not elaborate on how crisisification affects the implementation stage of policymaking, the bulk of literature dealing with the militarisation of the EU's external borders encourage adding some remarks on what actors might be privileged in the long-term. Authors here point to the increasing role of private military security companies in EU border control (Davitti, 2019) that have provided border protection also as part of Operation Sophia (Pacciardi and Berndtsson, 2022, p. 4016). Furthermore, by adding military operations to the policy instruments of EU migration governance, the impact of the military epistemic community as a transnational network of experts shaping EU security integration (see, e.g., Cross, 2011) is likely to extend to a new policy area.

Discussion

The analysis demonstrated how crisisification has shaped policymaking in the CSDP in situations of crisis. The CMP provides for several shortcuts which can be considered as manifestations of crisisification. Beyond the identification of these mechanisms, the analysis has illustrated how they worked in practice and resulted in the abbreviation of policy formulation and decision-making processes in the case of Operation Sophia during the migration crisis. Hence, the findings reinforce Rhinard's (2019) assessment of crisisification and reveal that it has become manifest even in policies already designed as crisis management tools.

Nevertheless, the analysis suggests that the case of Operation Sophia does not pose a prime example of how crisisification of EU policymaking has shaped decision-making in the CSDP. Rather than proceeding in the realm of everyday politics, policy formulation was characterised by considerable involvement of key political actors such as the HR/VP and Commissioner Avramopoulos. This points to some tensions inherent to the concept of crisisification. In the policymaking process, manifestations of crisisification seem to have excluded rather than empowered administrative actors with crisis expertise. Accordingly, political goals rather than crisis management as a problem-solving rationale governed decision-making. As Johansen (2017) puts it, Operation Sophia "served as a tool for political decision-makers to demonstrate political unity and action to domestic audiences in the midst of the migration crisis" (*ibid.*, p. 522). For the empirical study of the crisisification of CSDP policymaking, it would thus be interesting to investigate further military operations that were fast-tracked with view to their participation patterns. At a theoretical level, the findings imply that crisisification might offer opportunities to influence policymaking not only to bureaucratic but also to high-level political actors. Still, this paper's analysis would benefit from additional empirical data to substantiate such claims. Otherwise, the role of political actors whose actions and voices are more visible might be overestimated.

Nevertheless, this analysis suggests that crisisification might interfere with other forms of crisis governance discussed in the literature. Viewing the findings on Operation Sophia within the broader picture of EU policymaking in times of crisis, they resonate well with existing studies on EU crisis governance. For example, they support claims by scholars highlighting dynamics of crisis exploitation, i.e., that crises provide opportunities for policymakers to advance their interests (see Kreuder-Sonnen, 2018b; Boin, Hart and McConnell, 2009). Moreover, crisisification could be considered as working hand in hand with emergency politics. Adopting this perspective, taking procedural shortcuts could be regarded as an "action [] departing from conventional practice" (White, 2015, p. 300.). If this action is supported by high-level political rather than bureaucratic actors, they might need to rhetorically justify their way of acting "as [a] necessary response [] to exceptional and urgent threats" (*ibid.*). However, merging the two concepts might weaken the distinct claims of the concept of crisisification explicitly centring the administrative level of policymaking not exposed to public scrutiny.

Moreover, the findings also emphasise the added value of distinguishing between the stages of policy formulation and decision-making in the analysis of crisisification. They suggest that crisisification of policy formulation might look similar to crisisification of decision-making in providing for abbreviated procedures. Next to mechanisms such as copying (see Boşilcă, Stenberg and Riddervold, 2021), crisisification points to the development of more strongly institutionalised shortcuts at the procedural level to shape policy formulation in urgent situations. Nonetheless, it is subject to further empirical research to establish these features as more general characteristics of crisisification at the stage of policy formulation.

Empirically, the findings point to crisisification's profound consequences for the EU's response to the migration crisis. By allowing for skipping the PCFA, crisisification led to the exclusion of potentially relevant expertise of EEAS actors from the policy formulation process (see Council of the EU, 2013, p. 14). Indeed, Johansen (2017) demonstrates that the mandate of Operation Sophia exposed a "disconnect between ends, means and ways" (ibid., p. 521). According to her assessments, the Operation posed an inadequate response to pursue the stated goals of disrupting and dismantling smuggling networks (ibid.). Thus, from a strategic perspective, dynamics of crisisification contributed to an ill-suited EU response to the increasing number of people crossing the Mediterranean, not to mention to any moral obligations. Still, political actors played a decisive role in activating the mechanisms of crisisification. More in depth-accounts of political actors' motivations in promoting Operation Sophia can be found in scholarly engagements focused on the nexus between humanitarianism, militarisation and securitisation characterising Operation Sophia and, more generally, the EU's migration and border policies (see, e.g., Riddervold, 2018; Moreno-Lax, 2018; Garelli and Tazzioli, 2018).

Conclusion

Concludingly, crisisification of EU policymaking has shaped policymaking in the CSDP by providing the procedural framework for abbreviating policy formulation and decision-making processes as well as shifting participation patterns. Consequently, in the case of Operation Sophia, three procedural shortcuts were taken. The increased speed in policymaking resulted in a privileged role for political actors, especially dominating the stage of policy formulation. Hence, the analysis reveals that even tools inherently designed for crisis management provide for abbreviated procedures in case of urgency. Operation Sophia was launched so quickly because "a lot of the normal crisis management procedures were skipped" (Johansen, 2017, p. 519). Nevertheless, the emphasis on high-level political actors shaping the policymaking process (Johansen, 2017; but see also Nováky, 2018 and Biava, 2020) does not correspond well to the emphasis on everyday policymaking and administrative procedures as the domain of crisisification (Rhinard, 2019, p. 618). These dynamics might be better grasped by concepts such as emergency politics (White, 2015; White, 2019; Kreuder-Sonnen and

White, 2021) or the crisis mode of governance as conceptualised by Sahin-Mencutek et al. (2022).

This paper's findings have important theoretical implications. First, they highlight the added value of developing a more differentiated conceptualisation of crisisification at different stages of the policymaking process. Specifically, the findings suggest policy formulation and implementation as relevant dimensions for further investigation. Beyond that, the findings imply that theorising the interdependence between crisisification at different levels of the policymaking process poses a useful addition to the concept. Such considerations could also create conceptual links to other mechanisms of EU crisis governance, notably, emergency politics (White, 2015; White, 2019; Kreuder-Sonnen and White, 2021). Findings concerning the aspect of participation also encourage a closer look at how crisisification might facilitate crisis exploitation (see Kreuder-Sonnen, 2018b; Boin, 't Hart and McConnell, 2009). Finally, developing a consistent analytical and methodological framework of how to examine crisisification "in action" would turn crisisification into a more comprehensible concept for empirical research. Avenues for future research are hence numerous.

Bibliography

- Amoore, L., & De Goede, M. (2008). *Risk and the War on Terror*. Routledge, London.
- Aradau, C., & Van Munster, R. (2007). Governing Terrorism Through Risk: Taking Precautions, (Un) Knowing the Future. *European Journal of International Relations*, 13(1), 89–115.
- Backman, S., & Rhinard, M. (2018). The European Union's capacities for managing crises. *Journal of Contingencies and Crisis Management*, 26(2), 261–271.
- Bergmann, J., & Müller, P. (2021). Failing forward in the EU's common security and defense policy: the integration of EU crisis management. *Journal of European Public Policy*, 28(10), 1669-1687.
- Biava, A. (2020). The Role of the EU HR in the Launch of the CSDP Operation Sophia: An Agenda-Setting Perspective. *European Foreign Affairs Review*, 25(1), 79-98.
- Boin, A., et al. (2005). *The Politics of Crisis Management*. Cambridge University Press, Cambridge.
- Boin, A., Hart, P., & McConnell, A. (2009). Crisis exploitation: political and policy impacts of framing contests. *Journal of European Public Policy*, 16(1), 81-106.
- Boin, A., et al. (2016). *The Politics of Crisis Management: Public Leadership under Pressure*. Cambridge University Press, Cambridge.
- Boin, A., Ekengren, M., & Rhinard, M. (2021). Understanding and Acting Upon a Creeping Crisis. In Boin, A., Ekengren, M. and Rhinard, M., *Understanding the Creeping Crisis*. Macmillan, 1-19.
- Boin, A., & Rhinard, M. (2022). Crisis management performance and the European Union: the case of COVID-19. *Journal of European Public Policy*, 1-21.
- Boşilcă, R.L., Stenberg, M., & Riddervold, M. (2021). Copying in EU security and defence policies: the case of EUNAVFOR MED Operation Sophia. *European Security*, 30(2), 218-236.
- Castro-Conde, C.A. (2022). The common response to Covid-19; the EU on the road toward de-crisisification. In Chattopadhyay, R., et al., *Federalism and the Response to COVID-19. A Comparative Analysis*. Routledge, 250-161.
- Cross, M.K.D. (2011). *Security Integration in Europe: How Knowledge-based networks are Transforming the European Union*. University of Michigan Press, Ann Arbor.
- Davitti, D. (2019). The Rise of Private Military and Security Companies in European Union Migration Policies: Implications under the UNGPs. *Business and Human Rights Journal*, 4(1), 33-53.
- Falkner, G. (2016). The EU's current crisis and its policy effects: research design and comparative findings. *Journal of European Integration*, 38(3), 219-235.
- Ferrara, F.M., & Kriesi, H. (2022). Crisis pressures and European integration. *Journal of European Public Policy*, 29(9), 1351-1373.
- Garelli, G., & Tazzioli, M. (2018). The biopolitical warfare on migrants: EU Naval Force and

- NATO operations of migration government in the Mediterranean. *Critical Military Studies*, 4(2), 181-200.
- Geddes, A. (2021). *Governing migration beyond the State: Europe, North America, South America, and Southeast Asia in a Global Context*. Oxford University Press, Oxford.
- Genschel, P., & Jachtenfuchs, M. (2018). From Market Integration to Core State Powers: The Eurozone Crisis, the Refugee Crisis and Integration Theory. *Journal of Common Market Studies*, 56(1), 178-196.
- Hadj Abdou, L., & Pettrachin, A. (2022). Exploring the EU's status quo tendency in the migration policy field: a network-centred perspective. *Journal of European Public Policy*.
- Hutter, S., & Kriesi, H. (2019). Politicizing Europe in times of crisis. *Journal of European Public Policy*, 26(7), 996-1017.
- Johansen, A.I. (2017). Assessing the European Union's strategic capacity: the case of EUNAVFOR MED Operation Sophia. *European Security*, 26(4), 507-526.
- Jones, E., Kelemen, D., & Meunier, S. (2016). Failing Forward? The Euro Crisis and the Incomplete Nature of European Integration. *Comparative Political Studies*, 49(7), 1010-1034.
- Kaunert, C., & Léonard, S. (2021). Collective securitization and crisification of EU policy change: two decades of EU counterterrorism policy. *Global Affairs*, 7(5), 687-693.
- Kreuder-Sonnen, C. (2016). Beyond Integration Theory: The (Anti-)Constitutional Dimension of European Crisis Governance. *Journal of Common Market Studies*, 54(6), 1350-1366.
- Kreuder-Sonnen, C. (2018). An authoritarian turn in Europe and European Studies?. *Journal of European Public Policy*, 25(3), 452-464.
- Kreuder-Sonnen, C. (2018). Political secrecy in Europe: crisis management and crisis exploitation. *West European Politics* 41(4), 958-980.
- Kreuder-Sonnen, C., & White, J. (2021). Europe and the transnational politics of emergency. *Journal of European Public Policy*, 1-13.
- Manners, I., & Whitman, R. (2016). Another Theory is Possible: Dissident Voices in Theorising Europe. *Journal of Common Market Studies*, 54(1), 3-18.
- Maricut-Akbik, A. (2021). Speaking on Europe's behalf: EU discourses of representation during the refugee crisis. *Journal of European Integration*, 43(7), 781-798.
- Mattelaer, A. (2010). The CSDP Mission Planning Process of the European Union: Innovations and Shortfalls. *European Integration online Papers (EIoP)*, 14(9), 1-18.
- Moreno-Lax, V. (2018). The EU Humanitarian Border and the Securitization of Human Rights: The 'Rescue-Through-Interdiction/Rescue-Without-Protection' Paradigm. *Journal of Common Market Studies*, 56(1), 119-140.
- Niemann, A., & Speyer, J. (2018). A Neofunctionalist Perspective on the 'European Refugee Crisis': The Case of the European Border and Coast Guard. *Journal of Common Market Studies*, 56(1), 23-43.

- Nováky, N. (2018). The road to Sophia: Explaining the EU's naval operation in the Mediterranean. *European View*, 17(2), 197-209.
- Pacciardi, A., & Berntsson, J. (2022). EU border externalisation and security outsourcing: exploring the migration industry in Libya. *Journal of Ethnic and Migration Studies*, 48(17), 4010-4028.
- Peters, B.G. (1987). Politicians and Bureaucrats in the Politics of Policymaking. In Lane, J.E., *Bureaucracy and Public Choice*. Sage, London, 256-82.
- Rhinard, M. (2019). The Crisisification of Policy-making in the European Union. *Journal of Common Market Studies*, 57(3), 616- 633.
- Riddervold, M. (2018). A humanitarian mission in line with human rights? Assessing Sophia, the EU's naval response to the migration crisis. *European Security*, 27(2), 158-174.
- Rosenthal, U., Charles, Michael T., & Hart, P. (1989). *Coping with Crises: The Management of Disasters, Riots and Terrorism*. Charles C. Thomas, Springfield.
- Sahin-Mencutek, Z., Barthoma, S., Gökalp-Aras, N.E., & Triandafyllidou, A. (2022). A crisis mode in migration governance: comparative and analytical insights. *Comparative Migration Studies*, 10(12), 1-19.
- Saurugger, S. (2016). Sociological approaches to the European Union in times of turmoil. *Journal of Common Market Studies*, 54(1), 70-86.
- Seabrooke, L., & Tsingou, E. (2019). Europe's fast- and slow-burning crises. *Journal of European Public Policy*, 26(3), 468-481.
- Smeets, S., & Beach, D. (2020). When success is an orphan: informal institutional governance and the EU-Turkey deal. *West European Politics*, 43(1), 129-158.
- White, J. (2015). Emergency Europe. *Political Studies*, 63(2), 300-318.
- White, J. (2019). *Politics of Last Resort: Governing by Emergency in the European Union*. Oxford University Press, Oxford.
- Zaun, N. (2018). States as Gatekeepers in EU Asylum Politics: Explaining the Non-Adoption of a Refugee Quota System. *Journal of Common Market Studies*, 56(1), 44-62.

Data References

- Council of the EU. (2003). Suggestions for procedures for coherent, comprehensive EU crisis management. Brussels, 23. July 2003, 11127/03. Available at: <https://register.consilium.europa.eu/pdf/en/03/st11/st11127.en03.pdf>, last accessed 13.10.2023.
- Council of the EU. (2013). Suggestions for crisis management procedures for CSDP crisis management operations. Brussels, 18 June 2013, 7660/2/13 REV 2. Available at: <https://data.consilium.europa.eu/doc/document/ST-7660-2013-REV-2/en/pdf>, last accessed 12.02.2023.
- Council of the EU. (2015a). COUNCIL DECISION (CFSP) 2015/778 of 18 May 2015 on a

European Union military operation in the Southern Central Mediterranean (EUNAVFOR MED), 19 May 2015. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D0778&from=EN>, last accessed 12.02.2023.

Council of the EU. (2015b). Foreign Affairs Council, 20 April 2015. Available at: <https://www.consilium.europa.eu/en/meetings/fac/2015/04/20>, last accessed 12.02.2023.

Council of the EU. (2015c). Draft Crisis Management Concept, 30 April 2015. Available at: <https://www.statewatch.org/news/2015/may/eu-med-military-op.pdf>, last accessed 12.02.2023.

European Commission. (2015a). European Commission Statement on developments in the Mediterranean, 19 April 2015. Available at: https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_15_4800, last accessed 12.02.2023.

European Commission. (2015b). Joint Foreign and Home Affairs Council: Ten point action plan on migration, 20 April 2015. Available at: https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_15_4813/IP_15_4813_EN.pdf, last accessed 12.02.2023.

European Commission. (2015c). A European Agenda on Migration, 13 May 2015, COM (2015) 240 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0240>, last accessed 29.09.2023.

European Commission. (2016). Speech by President Jean-Claude Juncker at the Annual General Meeting of the Hellenic Federation of Enterprises (SEV), 21 June 2016. Available at: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_16_2293, last accessed 12.02.2023.

European Council. (2015a). Invitation letter by President Donald Tusk to the Special European Council meeting, 22 April 2015. Available at: <https://www.consilium.europa.eu/en/press/press-releases/2015/04/22/tusk-invitation-letter-special-european-council>, last accessed 12.02.2023.

European Council. (2015b). Special meeting of the European Council (23 April 2015), EUCO 28/15, 23 April 2015. Available at: <https://data.consilium.europa.eu/doc/document/ST-18-2015-INIT/en/pdf>, last accessed 09.10.2023.

Imprint

Publisher

Young Journal of European Affairs (YJEA)
ISSN: 2750-0780

Editors in Chief

Lara Breitmoser, M.A.
Florian Lenner, M.Sc., M.Sc.

Managing Editors

Angelo Krüger, M.A.
Mirjam Seiler, M.Sc.

Editorial Board

Valentin Berov
Benjamin Brown, M.Sc.
Nadia El Ghali, B.A.
Eleonora Guseletova, B.A.
Lilia Gwaltney
Mercedes Vergara, B.Sc.
Jakob Rindermann
Leonhard Xu, B.A.

Project Management

Myriam Aichinger, B.A.
Leonie Köhler, B.A.
Alixandra Quist

Social Media Operator

Raghda Jaja, B.A.
Emilija Krysen
Clara Praschl, B.A.

Layout

Florian Lenner

Published by

University Library Munich
Contact: Volker Schallehn

Printed by

oeding print GmbH
Erzberg 45
83126 Braunschweig

Mode of Publication

Yearly Issue

Contact Details

Homepage: yjea.org
Email: board@yjea.org

Request Print Version

If you want to acquire a printed version of the Young Journal of European Affairs (YJEA), don't hesitate to get in touch with us at board@yjea.org. A limited number of printed copies is available for purposes of advertisement.

Information for Libraries

We appreciate being included in your library's online database. Please feel free to inform us in case you do so. More information can be found here: <https://yjea.ub.uni-muenchen.de/yjea/index>.

Issue 3, Dezember 2023
© Creative Commons 4.0

Photo Credits

Table of Contents (a) @aditus foundation, Flickr, CC BY-NC 2.0 DEED, no changes made

Table of Contents (b) @Marco Milon, CC BY-NC-ND 2.0 DEED, no changes made

Table of Contents (c) @EUNAVFOR, CC BY-NC-ND 2.0 DEED, no changes made

YJEA