Pandemic Polity-Building:
How Covid-19 Shaped the European Union

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Table of Contents

List of Figures

List of Tables

List of Abbreviations

AME: Average Marginal Effects
APP: Asset Purchase Programme of the ECB
CEE: Central and Eastern Europe
COVID-19: Coronavirus disease 2019
CRII: Coronavirus Response Investment Initiative
EC: European Commission
ECB: European Central Bank
ECDC: European Centre for Disease Control
EEA: European Economic Area
EHU: European Health Union
EIB: European Investment Bank
EMA: European Medicines Agency
ESM: European Stability Mechanism
EU: European Union
EWRS: Early Warning and Response System of the EU
HERA: European Health Emergency Response Authority
HSC: Health Security Committee (HSC), an advisory body of the Council convening health ministries' representatives from the Member States
ICU: Intensive Care Unit
LTRO: Longer-Term Refinancing Operations
MDS: Multidimensional Scaling
MFF: Multinannual Financial Framework
MS: Member State of the EU
NGEU: Next Generation EU
NPI: Non-Pharmaceutical Interventions
PPA: Policy Process Analysis
PPE: Personal Protective Equipment
QE: Quantitative Easing
SGP: Stability and Growth Pact
SURE: Support to mitigate Unemployment Risks in an Emergency
PELTRO: Pandemic Emergency Longer-Term Refinancing Operations
PEPP: Pandemic Emergency Purchase Programme
PM: Prime Minister
RRF: Recovery and Resilience Facility
TLTRO: Longer-Term Refinancing Operations
US: United States
V4: Visegrád Group of four countries (Czechia, Hungary, Poland, Slovakia)
WHO: World Health Organization

Preface and Acknowledgments

This book tells the story of how a virus as small as 50 nanometers deeply affected a body politic of 4.2 million square kilometers. However, this story has a peculiar twist. Despite its size, the European Union (EU) played the role of David, while COVID-19 played Goliath's part. This reversal of roles stems from three reasons: first, the EU emerged conflicted and polarized from more of a decade of crises; second, it had little or limited competences in many policy domains affected by COVID-19; and third, the pandemic was the most disruptive challenge that the world had to face since World War II.

First, in early 2020, the EU was riddled with political conflicts and hangovers from previous, numerous crises. The sovereign debt and Euro Area crises were the first of a series of events that would severely strain European politicians and citizens in the wake of the Great Recession of 2008. In 2012, the Euro Area almost imploded. The years 2015-2016 were particularly testing. Greece nearly left the Euro. A refugee crisis unfolded on the heels of a social crisis that saw unemployment increase, especially among the young. To cap it all, populist forces pulled apart the EU in various directions. In the UK, the Brexit saga severely undermined bonds of trust with the continent at a moment of profound geopolitical reconfiguration with the rise of China and of a belligerent Russia. In the US, a new president challenged a seventy-year-old American commitment to the old continent. Poland joined the ranks of illiberal regimes, which, like Hungary, challenged European democratic norms and its rule of law. These crises compounded conflicts that emerged from attempts at solving complex issues. In the meantime, climate change puts more and more pressure on the ecological and social fabric of the European polity.

Second, the EU faced the pandemic with limited competences that varied according to policy fields. This situation exacerbated horizontal and vertical conflicts within the EU and between

Member States. In health care, the EU needed more supranational instruments to deal with the pandemic because health policy is primarily a national competence. In the case of borders, the EU has some competences regarding the free circulation of people, but ultimately, the governance of borders rests in the hands of Member States. In economic policy, competences are very asymmetric: while monetary policy is the preserve of the ECB, budgets and fiscal policies are national. The EU's limited and varied competences in policies most exposed to the impact of the virus suggest that it was fighting COVID-19 with its hands tied behind its back.

Third, the COVID-19 pandemic proved to be the most disruptive event since World War Two. The World Health Organization (WHO) *estimated* 768 million *confirmed* cases worldwide from the outset of the pandemic to July 2023. The Economist *estimated* cumulative excess deaths between 17 and 31 million people. By comparison, HIV claimed between 25 and 35 million people since 1981. In the EU alone, 1.24 million people died, and 184 million people were infected, according to the WHO. In economic terms, 2020 was the deepest recession since the Great Depression, beating the Global Financial Crisis of 2007-8. COVID-19 triggered a financial market crash and spurred an inflationary shock that ended the three-decade-long Great Moderation. The labor market impact of COVID-19 was equivalent to the loss of 195 million full-time workers in the first three months of the pandemic. In January 2022, the IMF calculated that the virus would cost 12.5 trillion dollars worldwide[1]: it is as if COVID-19 had erased 75% of the EU's GDP in 2022.

Therefore, when COVID-19 reached the EU's shores, few analysts predicted that the European polity would resist the onslaught of "a once in a lifetime" global pandemic that brought the world to a standstill. The microscopic virus quickly wreaked havoc with the

[1] See https://www.reuters.com/business/imf-sees-cost-covid-pandemic-rising-beyond-125-trillion-estimate-2022-01-20/

mainstays of the European polity: open borders were shut close for almost 500 million people. Calls for solidarity were rebuked by grudges about lack of preparedness. With lockdowns, governments retreated behind their ministries and citizens behind the privacy of their homes. In Brussels, a multifaceted crisis unsettled policymakers. As COVID-19 cases spread and hospitals reached capacity, trade and GDP levels dropped. Millions of workers fretted about whether they would lose their jobs.

The COVID-19 crisis was thus the least likely case for European polity building. Yet, against all odds, a polity of 27 mature states with a weak centre, low competences in crucial policy domains, and which acts as a second-order territorial space, managed to overcome powerful disincentives to coordinate its way out of the pandemic and in some policy domains, create central capacity building. We argue that this puzzling outcome is due to several crisis and polity features of the EU that will be explored in this volume. In short, the symmetric nature of the COVID-19 pandemic and the life-threatening aspect of the pandemic coupled with the deeply disruptive economic shocks revealed the potential long-term externalities of a lack of joint action at the European level. The EU coordinated a common vaccine procurement scheme and pooled its fiscal firepower. Our polity perspective shows how the EU overcame conflicts and managed to coordinate and create new capacity in its center while relying on a new geography of solidarity within the EU. The polity approach allows us to show how the EU did not take a federal path to polity formation. Instead, it moved towards a polity that serves as an imperfect but solidaristic safety net for member states. Our polity approach offers a more fine-grained argument than “more or less integration” through a triptych of concepts (*bonding*, i.e., solidarity, *binding*, i.e., capacity building and *bounding*, i.e., bordering) that capture both the supply and demand side of politics. The polity approach thus allows us to get a firm analytical grasp over the complex crisis politics unleashed on the EU’s compound polity by a microscopic virus.

Our argument on the European polity and its crisis politics was elaborated within the ERC Project “SOLID” (ERC-grant 810356 – ERC-2018-SyG), generously funded by the European Research Council. We are grateful to Eleonora Scigliano at the Feltrinelli Foundation, who manages the entire SOLID project, Maureen Lechleitner – our administrative assistant at the EUI – and Manuela Corsini – our project manager at the EUI – without whose daily support our study would not have been possible. Finally, while our ERC SOLID group has coded our “policy process analysis” (PPA) dataset in the first wave of the COVID-19 pandemic, its crucial expansion has been made possible by our coders who sifted through a gargantuan amount of newspaper articles to extract vital information: Maria Adamopoulou, Margherita Bordignon, Federico Bruno, Laura Cabeza Perez, Marco Colleoni, Elisavet Papalexopoulou, Aleksandra Polak, Bas Rensen, Milos Resimic, Maria Salazar, Paulina Salek, Llorenç Soler Buades, Adrian Steinert, Zsofia Suba, and Julian Vierlinger. We also thank Akisato Suzuki for help with data on economic growth.

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Chapter 1. Introduction: Explaining EU Polity Building during Pandemic Times

If you had told Europeans during Christmas 2019 that by next summer, in July 2020, the European Union (EU) would survive a large-scale pandemic-cum-economic crisis and thrive, many respondents would have been highly skeptical. Remember that in late 2019, the EU was still licking its wounds from deep crises and acrimonious reform debates. To name but a few: the refugees' quotas, Greek bailouts, European austerity and the exacerbated social crisis, Brexit and the transatlantic populist challenge, not to mention rising populism and democratic backsliding. EU member states were still bickering about a "budgetary instrument" and the technical details of the banking union. Short-termist bitter politics ruled the day. A consensus emerged among scholars: the EU is in the throes of a "polycrisis" (Juncker 2016; Zeitlin, Nicoli, and Laffan 2019) precluding grand bargains and deep reforms.

Yet, to the great surprise of many, this is precisely what happened. This outcome was also against all odds, given the polity structure of the EU, which gives incentives for passing the buck and "failing forward" (Jones, Kelemen, and Meunier 2016). The EU broke taboos. It raised its own debt on financial markets to back national fiscal stimulus packages. It organized EU-wide procurements for vaccines and vaccinated its population quite efficiently. The EU, however, is poorly equipped to act as a polity, given its second-order territoriality, weak centre, and low competences in crucial policy domains concerning the COVID-19 crisis.

The EU's response to the COVID-19 crisis was not perfect, far from it, and we certainly do not see the EU through rose-tinted glasses. A welter of mistakes blemished the EU's initial response: from Lagarde's remarks that "the ECB is not here to close spreads" to export controls of crucial medical equipment, and Woepke Hoekstra's famous words that Southern

states should have been more prepared, tensions ran quite high in early Spring 2020. For observers of the Euro Area and refugee crises, it was “déjà-vu all over again”.

This book focuses on the surprising response of the EU polity during the COVID-19 crisis. We start from the puzzle that against all theoretical and empirical odds, the COVID-19 crisis has led to relatively successful policy responses during the pandemic, which have arguably contributed to EU polity building. Initially, this could not have been expected, as the EU and its member states once again reacted belatedly, and once they reacted, the member states resorted to the unilateral responses that we have known so well from earlier crises. They closed their national borders, imposed travel restrictions within the national territory, and locked down their public spaces, schools, and economy. At first sight, this set of measures made the COVID-19 crisis a least likely case for EU polity building.

Despite these inauspicious beginnings and despite the intense politicization of the joint responses, the EU nevertheless got its act together in less than five months (!) in both key policy domains concerned by the crisis: the EU achieved a joint economic response (the NGEU fund), it launched a joint vaccination program, issued a joint Green Pass and laid the groundwork for a European Health Union.

This general puzzle hints at a broader question: how did the EU turn policy responses to COVID-19-induced challenges into polity building? By polity building, we mean significant institutional innovation and core capacity building through either one of the three “Bs”: bonding, binding, and bounding. By bonding, we mean solidarity building and strengthening of shared identity. By binding, we mean capacity building at the center and rules governing this new institutional layer. By bounding, we mean bordering and territorial politics (e.g., lockdowns, passes).

Indeed, from March to July 2020, the EU did not simply engage in minimal policy coordination, as is its wont. Instead, the EU opted for institutional engineering. The implication is that the European response to COVID-19 made reverting to the status quo ante not so likely. This change in the European modus operandi needs to be explained because it goes against the grain of some established theories of EU politics in crisis: for instance, the "failing forward" hypothesis (Jones, Kelemen, and Meunier 2016; Howarth and Quaglia 2021) would have expected the EU to settle on the lowest common denominator. Similarly, the "joint-decision trap" suggests that the EU is not well prepared to react decisively and fast (F. W. Scharpf 2006; Falkner 2011). Likewise, the extraordinary European solidarity underpinning polity building jars with post-functionalist accounts and identity-based theories of solidarity (K. Banting and Kymlicka 2017; Hooghe and Marks 2018): crises may activate constraining dissensus at the national level due to limited resources, uncertainty, and political cleavages. This favors national solidarity over a European one. The famous words of Dutch finance minister Woepke Hoekstra in the early phase of the pandemic, according to whom Southern Europe should have been better prepared, echo these theories.

This puzzle can be framed in terms of the three aforementioned concepts at the heart of our analytical approach – bounding, binding, and bonding. First, on bounding, the original reaction to the crisis was a member state stampede to unilateral border closures and national lockdown measures. Internal re-bordering threatened the very core of the single market – freedom of movement of persons, goods, capital, and services. This original shutdown eventually gave way to a coordinated approach to transborder movements based on a common Green Pass and backed up by a common vaccine policy. How did the EU manage to move on from chaos to action?

These questions are also related to our second key concept, binding: the capacity to make binding decisions. The initial conflicts between member states with contrasting preferences

were surmounted and they arrived at joint solutions. This question encompasses the problem of sustaining coordinated action given the joint decision trap and the heterogeneity of conditions faced by the various member states at the beginning of the crisis. We need to explain both the initial botched reactions and the subsequent policy coordination and polity building. There is nothing natural per se in such a development: as the refugee crisis showed, the EU is very much prone to conflicts that can cancel reasonable solutions (e.g., the refugee quotas), especially when it comes to national borders. But in the COVID-19 crisis the EU managed to establish complex policies that allowed citizens and goods to cross borders again after national lockdowns, thereby safeguarding the Single Market.

Third, we ask to what extent capacity building in the crisis relied on bonding or community building (solidarity, loyalty, identity). And to the extent that such community building did occur, we ask at which level bonding took place: was it confined to the elite level, or was it also extending to the voters? It is striking that in this crisis, the EU mostly opted for solidarity by choice (transparent EU solidaristic mechanisms, such as insurance mechanisms involving debt at the center) rather than for solidarity by stealth (e.g., during the Euro crisis, back door fiscal stabilization through Quantitative Easing). The EU could have opted for the latter, but decision-makers relied on explicit solidarity this time. Could they rely more on public support than in previous crises?

The three B's: our conception of the EU as a compound polity

In formulating the puzzle which this study seeks to answer, we have already introduced the three key concepts of our approach – bounding, binding and bonding. Before delving into the crisis, let us briefly elaborate on these three concepts which are derived from the polity approach (for an overview and further references, see Ferrera, Kriesi, and Schelkle 2023).

We study the EU as a compound polity (Bartolini 2005; Ferrera 2005; Hix 2006; Ferrera, Kriesi, and Schelkle 2023). A polity can be a nation-state but also a composite of nation-states, i.e., a (con-)federation or association like the EU. Like every polity, the EU has borders that define it against the outside, authority that binds its constituent parts, and bonds that create loyalty, in the EU's case, based on a thin but consequential layer of transnational rights and the social acquis. All this makes it recognizable as a distinctive community in addition to that of the (sub-) national communities of its members. The EU polity is compound since it is a decentralized, often fragmented polity with two sources of sovereignty, the member states and their citizens, which are, however, highly unequal in their capacity to shape collective decisions.

In terms of its *boundaries*, we consider the EU as a second-order territorial space, which embeds the first-order spaces of the member states. EU external boundaries have been expanding because of successive enlargements, a process that is under the exclusive control of the EU. Contrary to federal states, EU member states have the right to exit from the Union (based on Article 50 of the Lisbon Treaty). The UK exercised this right in an unprecedented move to leave the EU on January 31, 2020, but continued to participate in many EU institutions during a one-year transition period that covered the first two waves of the COVID-19 pandemic (Ferrera, Kriesi, and Schelkle 2023). Individual entries and exits to and from the EU territory are mainly controlled by the member states, which can decide how many third-country nationals to admit and under what conditions. There is, however, a central system of rules about the equal treatment of third-country nationals once they become legal residents and about their secondary movements from the state of entry to other EU states. As to internal boundaries between member states, their removal has been a selective and nonlinear process. National boundaries still filter a significant range of intra-polity exits and entries. Nonetheless, the four freedoms and the constitutional non-discrimination norm

increasingly opened them up. Unsurprisingly, the boundary configuration of the EU as regards both external and internal boundaries has been a most sensitive and contentious terrain, as is illustrated by the Brexit crisis, the refugee crisis, and the latent social crisis (e.g., the posting of workers or company relocations).

In terms of its capacity to make *binding* decisions, the EU constitutes a "loosely coupled multi-level governance structure" (Benz 2010). It combines federal-like structures in the arenas of supranational policymaking, such as competition and monetary policy, and confederal structures in the arenas of intergovernmental cooperation, such as fiscal policy and cross-border policing. In this regard, the EU is a hybrid polity, and similarities with either federal or confederal governance depend on the policy domain. Even so, the EU has proved capable of autonomous and effective political production without an autonomous state-like apparatus, i.e., making collectively binding decisions followed by compliance. This has been achieved through means other than coercive means, such as deploying legal, economic, and symbolic sanctions. The authority of the "weak centre" (Alexander-Shaw, Ganderson, and Schelkle 2023) has been sustained in particular by two mechanisms: a) the power of a supranational legal order the norms of which have been internalised by national authorities and judiciaries and led to integration by law (Augenstein 2015; Saurugger 2016; Weiler 1994), and b) the shared, multilevel exercise of authority that has allowed a novel type of political co-production, in which national executives (the addressees of EU demands, i.e., regulations or directives) participate in central policy making along with relatively weak supranational institution (Scharpf 2006; Jachtenfuchs and Kasack 2017; van Middelaar 2014; 2019; C. J. Bickerton, Hodson, and Puetter 2015).

With respect to *bonding*, the construction of the EU polity took place under the least favorable circumstances: mass democracy and the welfare state had greatly enhanced, virtually sealed, the bonds among the citizens of the nation-states and between them and their

elected territorial authorities. Against this backdrop, the fundamental question thus became how the formation of the European polity process could overcome the resistance against "system building" (Bartolini 2005: 386), i.e., against cultural standardization, the hollowing out of formal political rights at the level of the member states, and the building of enlarged and possibly shallower loyalty, identities, and social solidarity. With the end of the "permissive consensus", this kind of resistance has become increasingly politicized (Hooghe and Marks 2018), a process which has been reinforced by two developments (Kuhn 2019): the move of European integration into policy areas of core state powers (which are more salient than technical matters of market integration, and which are more closely linked to collective identity), as well as the highly stratified nature of the European citizens' participation in transnational interactions (e.g., via tourism, sports, entertainment, or work) and of their exposure to European socialization. This resistance against European integration is part and parcel of a more encompassing conflict that opposes the 'losers of globalization' or the 'left behind' to the 'winners of globalization' or 'cosmopolitan elites' (Kriesi et al. 2006), a conflict which is not only fueled by the opening up of national borders and the shifting of competences within the EU, but also by the immigration of third-country nationals into the member states.

At the EU level, the emerging conflict structure, similar to coming-together federations[2] (Stepan 1999), is dominated by the territorial dimension, which produces two types of conflict – vertical conflicts between the supranational center and the member states, and horizontal conflicts between (coalitions of) member states. In the horizontal dimension, member states form transnational coalitions based on their common preferences, which may become obstacles to joint policymaking. The vertical dimension of conflict is, however, more

[2] Stepan distinguished between "coming-together" federations where sovereign units decide to pool sovereignty and resources to reach security and economic goals, and "holding-together" federations where unitary states with minorities decide to devolve power constitutionally to avoid political conflicts.

existential because it is more likely to turn policy crises into polity crises, i.e., into an opposition against the EU polity as such. This should be typically the case when a member state feels dominated, its interests defeated by the center.

Our conceptualization of the EU polity with the 3B's (bounding, binding and bonding) and its subsequent operationalization and measurement through "policy process analysis" (see below) offers several key advantages. First, the 3B's and their combinations offer a finer-grained measure than dichotomies like "more or less integration", separately and when combined. Second, the 3B's highlight that we focus on conflicts in the EU on both the vertical and horizontal levels, and on how the tensions around crisis politics build up, are vocalized, and perceived. Third and consequently, we bring together what is all too often kept separate in the literature: the study of the EU and the comparative politics that participate in the production of crises as well as constrain and enable policy solutions. Bridging the gap through the EU polity perspective is, we argue, key to understanding both the fragility and the resilience of the European Union in testing times. Thanks to our data collection efforts, we can thus delve deeper into top-down or bottom-up interactions in the three fields that are bounding, binding, and bonding, and enriches our analytical language beyond dichotomies like "more or less integration". We can study who initiates "policy uploading" and "policy downloading" (Börzel 2002), as well as the structure of conflicts in the domestic and European arenas.

The nature of the COVID-19 crisis

Crises are moments when the underlying conflicts that characterize a polity are politicized. The way and the extent to which policymaking in a crisis is politicized crucially depends on the specific circumstances of the crisis situation. Among the many criteria that distinguish a

given crisis situation, Ferrara and Kriesi (2022) highlight two, which they expect to be particularly closely related to the politicization of the policymaking processes unleashed by a specific crisis within the EU[3]: a) the distribution of crisis pressures across the EU – symmetrical vs. asymmetrical shocks, and b) the actors who are empowered in the process of crisis resolution – EU actors vs. member state governments. To these two criteria, we should add the size of the shock exerted by the crisis – whether it posed an existential threat or not to the polity (Ferrara, Schelkle, and Truchlewski 2023). Based on these criteria, the COVID-19 crisis can be characterized by its three-fold nature: first, the COVID-19 pandemic constituted an external shock on an unprecedented scale which posed an existential threat to the EU polity. Second, the COVID-19 shock was a symmetric shock that hit all the member states, even if the consequences of the shock still varied across them. Third, the COVID-19 crisis was multifaceted and required a complex response across different levels of the EU polity with different policy-specific competences.

First, the COVID-19 crisis was unleashed by an unanticipated, existential shock of unprecedented proportions. This made COVID-19 exceptionally salient, in a class of its own: during its first wave, at least, it was one of the biggest news stories ever (The Economist, 19/12/2020). Only the two World Wars rival COVID-19's share of news coverage. It is worthwhile to state this at the outset since the exceptional prominence of the COVID-19 crisis has influenced policymaking throughout the crisis. Thus, the salience and intensity of the problem pressure initially imposed a very high pace of decision-making and required transparent political communication about policymaking.

Second, it is important that this crisis was first a public health crisis that touched upon life-threatening health concerns. Even if its incidence in terms of public health varied between

[3] Together with lock-in effects, these two features have also been highlighted as scope conditions for "failing forward" solutions in EU crisis situations (Jones, Kelemen, and Meunier 2021).

countries, all EU member states were highly concerned by the threat to public health posed by the pandemic. In this sense, it was a symmetrical crisis. Asymmetrical pressures generally constrain community building at the EU level, which is a precondition for center formation and territorial consolidation in policy domains concerning core state powers. In the case of asymmetrical pressure, the potential for agreement, coordination, and joint action at the intergovernmental level is constrained by the politicization of national identities produced by the uneven distribution of crisis pressures within the EU polity. The tension between the uneven distribution of costs and benefits of crisis resolution at the transnational level and the limited scope of community feelings at the national level will make opposition to EU policy proposals more vocal. Symmetrical pressures, by contrast, facilitate such community building: joint crisis exposure across the EU makes the activation of national identities less likely and increases the potential for consensus among member states. The common threat makes public opinion and elites more favorable to striking a "federal bargain" for the preservation of the integrity of the EU polity.

Third, it is important to keep in mind that this was a multifaceted crisis with parallel policymaking unfolding on multiple issues and sub-issues involving various policy domains. Thus, the COVID-19 crisis was also an economic crisis that led to the most severe global economic contraction since at least the 1930s (Gopinath 2020). Economic activity broke down across Europe after coronavirus lockdowns. The stock market crashed: the first quarter of 2020 was the second worst quarter, with a 21 percent fall on record. Following up on earlier severe drops on March 9 (Black Monday I) and 12 (Black Thursday), the greatest daily drop since Black Monday 1987 occurred on March 16 (Black Monday II). The crash signaled the beginning of the COVID-19 recession. It came after a decade of economic prosperity and sustained global growth after recovery from the Great Recession. This crisis, however, was not primarily a financial crisis. The pandemic triggered a supply-side shock, as

the global supply chains broke down, and production could not continue. This shock was reinforced by a demand shock, as people reduced their consumption, especially their social consumption (going out, entertainment, tourism), and it was accompanied by an oil price collapse, a historically unique combination. Service sector activity crashed across Europe in March 2020, and industrial production in the eurozone plunged by a record 17.1 percent in April, as the pandemic caused disruption to businesses across almost all manufacturing and construction sectors of the European economy (The Economist, June 13, 2020).

This multifaceted aspect of the crisis is important because EU competences vary by policy domain. In the case of the COVID-19 crisis, issues from two policy domains dominated the agenda: public health and the economic fallout from nationwide lockdown measures. The public health crisis involved, among other things, issues of border control, procurement and export bans on medical equipment, research, development, procurement and distribution of vaccines, testing, contact tracing techniques, and related issues of privacy rights. The economic crisis involved issues such as exemptions from single-market rules, especially regarding state aid to ailing sectors, monetary and fiscal policy to support the banking sector and the member states, and steps towards longer-term fiscal burden sharing culminating in the July 2020 agreement on the Recovery and Resilience Facility (RRF).

Conditional on the policy-specific allocation of competences, different types of actors are empowered in the process of crisis resolution. We can distinguish between processes in which supranational institutions play a central and autonomous role and those in which this role is retained by member state governments. Thus, while internal market rules, agriculture, and monetary policy are core competencies of the EU, public health, fiscal policy, and border control mostly fall under the competencies of the member states. Given this competence distribution, it is all the more puzzling that the EU was able to act jointly in domains that mostly fall under national responsibility (health, fiscal policy, and border control).

From domain-specific policymaking to polity building in times of COVID-19

As we have said before, the EU is poorly equipped to act as a polity, given its second-order territoriality, weak centre, and low competences in crucial policy domains concerning the crisis, not to mention the conflictual decade it emerged from. But because of previous integration steps, the interdependence between member states, sunk costs and exit costs have increased, as has the autonomy of supranational actors, in line with the path dependence argument of the neofunctionalists and historical institutionalists more generally. Spillover processes and economies of scale make joint action more likely, even in domains where the EU has little competence. However, as the post-functionalists have been pointing out, the outcome of such processes is not a foregone conclusion, as they are likely to be highly contested. We will show that the policymaking processes that led to polity building were all but smooth. Attempts at polity building brought national heterogeneous preferences forward and led to the politicization of policymaking. Such attempts varied by policy domain (economic and public health policy), and despite the common threat experience, conflictive preferences of policymakers from different member states, resistance in national publics, and initial policy failures created so many stumbling blocks for polity building. As policymaking spilled over into polity politics, the outcome in terms of polity building was highly uncertain. By "polity politics," we refer to political actions that, intentionally or unintentionally, contribute to building, maintaining, or weakening the polity. It is important to note that such actions do not need to be intentional since policymaking may not only contribute to the solution of policy-specific problems but may unintentionally contribute to polity building. For example, the lockdown measures by the member states may have reinforced the national identities of the EU citizens to the detriment of their attachments to the EU, while the introduction of the Green Pass, may not only have facilitated their free movement across the

EU, but may also have contributed to a sense of loyalty to the EU. The focus of the book is on how polity politics came about during the COVID-19 crisis.

New intergovernmentalist scholars provide evidence that national preference formation in the EU has become an inherently transnational process involving member states' governments (Kassim, Saurugger, and Puetter 2020; Fontan and Saurugger 2020; Kyriazi 2020). Under crisis situations where uncertainty and urgency prevail, national preference formation and supranational bargaining tend to become simultaneous processes, with policymakers being involved and negotiating at the national and the EU level at the same time (Crespy and Schramm 2021). At this bargaining stage at the European level, transnational coalition formation becomes a crucial part of policymaking (Wasserfallen et al. 2019; Truchlewski and Schelkle 2024). In the COVID-19 crisis, we have various transnational coalitions at work – the Corona 9, Frugal Four, the Visegrád Four, the Southern Countries, and the Franco-German couple, to name just the most obvious. We shall inquire how these transnational coalitions operated and how they shaped the outcome of the policymaking and the polity-building process.

As we have already noted, conflict may also take on a vertical dimension, turning policy crises into an opposition against the EU polity as such. Thus, in the case of the COVID-19 crisis, the policy-specific negotiations became entangled with the fall-out of the rule-of-law crisis involving, above all, Hungary and Poland, which posed a threat to the fundamental values underlying the EU polity. Additionally, the decision-making procedures at the center may create a power hierarchy among member states, which interferes with interest-based coalition building: some member states turn out to be more equal than others. Such inequality among member states is reinforced by having different vote endowments – depending on size – in the Council, including the European Council. This inequality may serve to block joint solutions, but it may also facilitate them, especially if the most powerful member states

support polity-building processes. Thus, in the COVID-19 crisis, the "embedded bilateralism" of the Franco-German couple (Krotz and Schramm 2021) played once again a particularly important role, which needs to be taken into account.

The conflict structure at the supra- and transnational level is linked to the emerging conflict between cosmopolitans and nationalists at the domestic level of the member states, with the governments typically taking an intermediate position between the two polar positions, to which they have to be responsive without losing sight of the stakeholders at the EU-level, for whom they have to be responsible partners (Mair 2009). The position of the governments in this configuration depends on many factors: their composition (their internal cohesion), their relations with the other two poles (represented by the opposition and new challengers), the issue in question and the national interests related to it, the domestic institutional constraints, as well as their own strategies in the two-level game of EU policymaking. We shall inquire whether and how governments articulated the conflict between cosmopolitans and nationalists during the COVID-19 crisis. We shall analyze whether and how this underlying conflict is related to COVID-19-specific grievances concerning restrictions imposed by the national lockdown measures and economic hardship resulting from COVID-19-related measures.

The politicization of the polity itself during the COVID-19 crisis played itself out along all three dimensions – bonding, bounding, and binding. From the point of view of polity building, bonding is the primary of the three dimensions because collective action cannot get off the ground without bonding. Accordingly, we consider "system building" to be the necessary condition to explain our puzzle. The question is, however, whether "system building" during COVID-19 has remained an elite-level process, while the citizen public did not develop new bonds of solidarity with fellow Europeans, or even reverted to the national identities that loomed so large at the time of the lockdowns. As a guiding hypothesis, we

would suggest that solidarity by choice, as it was practiced at the level of the policymakers during the COVID-19 crisis, is only possible if there is a modicum of solidarity among the national publics. Without solidarity at the level of the public, policymakers are expected to shy away from solidarity by choice and to opt for solidarity by stealth.

Binding decisions based on solidarity by choice may increase the legitimacy of the collective undertaking, but we do not exclude that solidarity by choice may also trigger a backlash among segments of the electorate. Negative feedback is particularly likely if the policy outcomes do not bring about the expected advantages.

The 3 B's suggest that the European polity is very peculiar and can, when a crisis is encompassing and symmetrical, turn its weaknesses into strengths. First, every polity is structured by functional and territorial conflicts, i.e., ideological conflicts and conflicts between subunits and between subunits and the center (Caramani 2015). The EU's weak centre deals more with territorial conflicts whilst being relatively insulated from functional ones. Consequently, the EU is relatively shielded from polarized and/or populist politics during crises, especially if those are encompassing (Alexander-Shaw, Ganderson, and Schelkle 2023). Conversely, during COVID-19, territorial and functional conflicts bogged down the United States. Second, we argue that this polity configuration of the EU "muted" the interlinkages between European and domestic conflicts, and this segmentation of transnational and national conflict structures eased the emergence of a solidaristic common response at the European level. The interplay of different levels of policymaking relieved each one and diverted the pressure in favor of collective responsibility (but not without conflicts). Third, we explain variation in capacity building in the European center by combining the concepts of time horizons and levels of externalities. In the short run and when externalities are low, there will be no capacity building at the center of the EU, as was the case of lockdowns, due to the intense political investment required for capacity building. If

politicians, however, have to deal with high externalities in the short run, coordinating national measures and/or suspending rules that limit national sovereignty is more likely. However, if time horizons are long (e.g., during COVID-19, the expected divergence between member states due to the economic fallout was perceived to last for a long time), the EU is more likely to build capacity at the center, especially when externalities are high. Vaccine procurement in the EU and the RRF are key examples.

Design of the study

We basically use three tools for the empirical analysis of the questions raised. The first one is Policy Process Analysis (PPA), an original method we developed to study policymaking in European crises (Bojar et al. 2023). PPA relies on the systematic coding of media data to capture the policymaking process from the stages of agenda-setting through to decision-making and implementation. It combines automated searches for relevant newspaper articles based on keywords with hand-coding of the articles identified by these searches. We apply this method to COVID-19 policymaking within selected member states and the EU for the period from the beginning of March 2020 to the end of December 2021. For the member states, we rely on national quality newspapers. For the EU we choose a set of English-speaking newspaper sources. We include ten member states – the Franco-German couple, three members of the Frugal Four (the Netherlands, Austria, and Sweden), and the UK (still a member during the first two waves of COVID-19), two southern European (Italy and Spain) and two eastern European countries (Poland and Romania). Our limited resources for this coding-intensive exercise pushed us to choose representative countries from the EU: policy leaders (France and Germany), countries perceived as being in general less solidaristic (the Frugals, led by the Netherlands and the UK), countries particularly hard hit by COVID-19 and which shaped the debates on a solidarity mechanism early on (Italy and Spain) and

Central European countries that are both solidaristic and recalcitrant members of the European polity. Our coding does not cover specific policy episodes but includes all policies (both in the public health and in the economic policy domain) that relate in one way or another to the pandemic.

PPA captures indicators related to the actors involved in the policy debate, the forms of action they engage in, the arena where the actions take place, the targeted actors, the issues addressed, and the frames used to address them. PPA allows for the measurement of key concepts such as politicization, conflict intensity and conflict structure both statically and over time. At the same time, PPA supplies detailed qualitative data, which allows us to illustrate the systematic quantitative results with narrative accounts of policymaking in times of COVID-19. It has the advantage that it is not focused on a specific institutional arena but covers all policy-related actions that are followed by the quality press.

PPA makes two assumptions: a) the key policymaking conflicts are, partly at least, playing out in the public sphere, and b) the public debate about these conflicts reveals key aspects of the underlying policymaking processes. We believe that, under conditions of contemporary democracies, these are reasonable assumptions, especially in the case of highly salient crises like the COVID-19 pandemic. Even if policymaking processes partly evolve backstage and are, therefore, partly hidden from the public eye, under conditions of contemporary democracies, such processes are likely to be publicly politicized and, thus, accessible to the public audience, especially in highly salient policy domains. We do not deny that there are instances of "quiet politics" (Culpepper 2011). But in a highly salient crisis situation like COVID-19, "quiet politics" are crowded out in contemporary "audience democracies" (Manin 1997), where politicians are exposed to continuous and intense public scrutiny. European policymaking has become more subject to public scrutiny, as part of the post-functionalist condition it finds itself in. To be sure, as Scharpf observes (2015: 42),

"European integration has originally been promoted in a non-political mode… in areas, which in spite of their substantive significance have been of low political salience". However, with the transition from the Community to the Union and the accompanying transition from 'rules-based' to 'event politics', 'European' and 'national' politics are increasingly hard to separate (van Middelaar 2019: 167). European policymaking has generally not only become more eventful but also more subject to public scrutiny.

Our second tool is survey data collected at various points in time during the COVID-19 pandemic and in various forms (observational and experimental). In democracies, policymaking is also constrained by public opinion and the public debate. In the EU, public opinion is still mainly a collection of national opinions, and the public debate is still mainly a national debate. But however national it may be, public opinion is a relevant factor for EU policymaking. As we have argued, bonding is key to understanding the solidarity by choice operated at the level of political decision-makers in the EU. Since PPA's supply-side focus on policymaking neglects features more specifically to the demand side of public opinion and vote intentions, we complement our PPA dataset with survey data, providing us with cross-sectional views of public opinion on various aspects of crisis policymaking and crisis politics. We rely mostly on two cross-national surveys. Covering all the main country groups in the EU, the first one was conducted in 16 member states[4] in June 2021, and the second one was conducted in a subset of eight member states in December 2021.[5]

Finally, our third tool refers to a data set documenting country characteristics on a daily/weekly or yearly basis, depending on the variable involved. These characteristics include indicators for the overall context (population, age structure, GDP, HDI, poverty rates,

[4] The Franco-German couple, the Frugals (the Netherlands, Sweden, Austria, Finland), the UK, Ireland, Central and Eastern European states (Hungary, Poland, Latvia, Romania), as well as Southern ones (Italy, Spain, Greece, Portugal).

[5] The Franco-German couple, two Frugals (the Netherlands and Sweden), two Southern countries (Italy and Spain), and two Central European ones (Hungary and Poland)

GINI), public health indicators (capacity of the health system, such as hospital beds, expenditure on health, number of doctors per 100’000 inhabitants), indicators for problem pressure (number of cases, ICU admission rates, hospital admission rates), for policy responses in public health (e.g., lockdown measures, tests, contact tracing, vaccination rates) and in economic policy (e.g., income support, debt relief, fiscal measures), as well as for policy outcomes (e.g., number of deaths, excess mortality).

Main findings and overview of the book

Our book is structured in three sections. First, the book mainly exposes our argument and concepts based on the polity perspective, using our concepts of bonding, binding and bounding (chapter 2). Then we leverage our PPA dataset to give a broad overview of how the COVID-19 pandemic unfolded in Europe (chapter 3). Chapter 4 further exploits our PPA dataset with more advanced techniques to shed light on the supply-side politics of the EU during the COVID-19 pandemic. The main takeaways from the first part of the book address some aspects of our puzzle: the EU reacted surprisingly positively after some teething problems mostly because the EU faced an intense, multifaceted, and symmetric crisis that revealed potential long-term divergences that would undermine the EU polity if they were not addressed. This very much tempered partisan competition and helped overcome transnational conflicts. These transnational conflicts mostly opposed a core coalition made up of EU actors, the Franco-German couple, and Southern member states against two smaller coalitions that exercised veto power and extracted important concessions: the Frugal 4 and the Visegrád 4.

The second part asks why the EU managed to act in some policy domains (vaccines, the single market and macroeconomic policies) but not in others (borders and lockdowns, PPE export bans and procurement) by zooming in on the concept of “binding”. Five main policies

are analyzed (borders and lockdowns, public health policy, the single market, and macroeconomic policies) in chapters 5, 6, 7, and 8, respectively. Concerning borders and lockdowns (chapter 5), in the first wave of COVID-19, short-term pressure and low externalities led national governments to decide on their own. In later waves, however, the EU managed to put together a modicum of coordination (e.g.,the Green Pass). In policy domains where balancing the level playing field for the longer term was key (e.g.,vaccine procurements and economic growth), the EU acted more decisively and more creatively with new capacities. In health policy (chapter 6), the EU created HERA (European Health Emergency Response Authority) and an EHU (European Health Union) whilst also expanding the mandates of the ECDC (European Center for Disease Control) and the EMA (European Medicines Agency). Chapter 7 shows how short-term pressures of the COVID-19 pandemic meant that national governments became "policymakers of last resort" and thus crafted policies to alleviate the effects of lockdowns (fiscal stimulus packages and bailouts). But this quickly threatened the integrity of the single market. The EU adopted a dual-track policy: on one side, it suspended some key European rules to allow for swift action (Stability and Growth Pact, state aid); on the other, it quickly created mechanisms to level the playing field as much as possible with new instruments such as SURE and CRII. Chapter 8 picks up on the problem of the level playing field and high externalities: with long-term disparities undermining the core rationale of the EU, policymakers stepped in to mobilize both monetary (the Pandemic Emergency Purchase Program – PEPP – of the European Central Bank – ECB) and fiscal (RRF and the Next Generation EU – NGEU) resources. The EU broke a taboo by pooling fiscal resources and issuing debt, while the ECB supported national budgets more transparently. However, this was more a "Milwardian" rescue of the nation-state than a "Hamiltonian" moment laying the groundwork for a federal Europe.

The book's second part's main message is that crisis politics stem from the structure of the European polity (with its mature states having the ultimate fiscal power) and the long-term externalities uncovered by a symmetric crisis like the pandemic.

The book's third part asks whether these forms of EU binding are supported by bonding: was EU policymaking supported by higher preferences for solidarity? Three chapters tackle this question from different angles. Chapter 9 steps into the shoes of EU citizens and asks how much, if at all, they were aware of the policy conflicts and solutions presented in the book's first part. Our data suggest two answers: on one hand, the level of knowledge is pretty low among respondents, but on the other, respondents who know of these conflict configurations perceive their constellations correctly (similar country preferences, allies, and opponents) at the EU level: Germany is perceived as the key player but is both credited for the EU's success and blamed for being the most favored country; the V4 countries against all other members states, and the Frugal Four countries against the solidarity coalition. Despite being relatively uninformed, a minority of citizens has improved their image of the EU during the crisis (especially among Southern and Central European respondents). Next, chapter 10 maps out a "geography of European solidarity" and shows how EU countries are more solidaristic with each other than with outside countries (Italy excepted), but with strong variation: solidarity feelings are not homogenous between EU countries. An inner circle – France, Germany, Netherlands, and Sweden – prefers to direct solidarity towards themselves and Southern states, but not Poland and Hungary, likely because of the Rule of Law debate. The upshot is that disrespect for core rules undermines solidarity in European polity. Finally, chapter 11 asks why, despite high politicization, bonding was high during the pandemic. It unpacks three key mechanisms that set COVID apart from other crises in terms of bonding: identity, satisfaction, and empathy. First, COVID started out with a higher share of individuals identifying with the EU, which set the stage for broader acceptance of solidaristic

policy for the more encompassing in-group. Second, satisfaction with EU policy, especially vaccination and economic aid, was high in all countries (apart from Germany). Thirdly, and most importantly, individuals' personal experiences in the pandemic and their views on blame attribution for its costs triggered a strong sense of empathy with other EU citizens, which heavily impacted their demand for solidaristic policy.

To summarize, part III of the book suggests that COVID-19 policies were supported by higher solidarity feelings in the EU, but these were heterogeneous and reflected conflict structures that were revealed during the policymaking process.