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What previous crises tell us about the likely impact of Covid-19 on the EU







The Covid-19 crisis and its wide-ranging consequences illustrate the importance of understanding how the EU responds to crises. Drawing on a forthcoming book, Jarle Trondal, Marianne Riddervold and Akasemi Newsome discuss the potential long-term impact of Covid-19 on the EU. They write that while the initial response to the pandemic was slow, history suggests the EU will probably muddle through this crisis just as it has in the

past.

Since organisations tend to plan from their last crisis, what do past crises suggest about likely EU actions on Covid-19? Covid-19 represents a 'perfect storm' of conditions that make this historical moment in European integration so crucial to understand. Over the last decade, the EU has faced an unprecedented number of challenges on multiple fronts – a financial crisis, migration crisis, foreign policy crisis (e.g. Crimea), disintegration (Brexit), and a legitimacy crisis (populism). Covid-19 adds to the list. Does this crisis make the EU integrate more, less, or push it towards differentiation?

Since its inception, the EU integration project has been characterised by a mix of incremental change and integration spurts that have usually followed major crises. Understanding EU crises and the EU's response is thus key to also understanding the EU more generally. Against this background, our forthcoming *Handbook on EU Crisis* comprehensively explores the EU's institutional and policy responses to crisis. Our analysis, moreover, aims to generalise empirical and conceptual knowledge on how the EU responds to crisis, and what resulting predictions can be made about the EU's future developments.



Ursula von der Leyen, President of the European Commission, with Charles Michel, President of the European Council, during a video conference between G7 leaders on 16 April 2020, Credit: <u>European Union</u>

Overall, the volume finds that the EU has been surprisingly resilient in the face of crises owing to its ability to adapt and absorb, and if necessary, change. This in turn suggests that the EU has reached a stage in its development where it seems sufficiently consolidated to adapt to and cope with multiple and simultaneous crisis situations. Although demanding, crises arguably no longer challenge the fundamental core or character of the EU. Based on these lessons, Covid-19 should be no exception in the long run.

Without a doubt, the EU has reacted slowly to Covid-19. Even in the otherwise closely networked Scandinavian region, countries diverged in their responses with Norway and Denmark locking down much more than Sweden. Coordination across the EU has been even weaker, and at different tempos. Variation seems to reflect timing, such as when the virus reached the attention of policy-makers in each country. Different governing traditions within each state, as well as weak EU-level competences and administrative capacities on pandemics also played a role. However, in the long run, our previous studies suggest that the EU will probably muddle through this crisis just as it has in the past.

Three scenarios

The first challenge that public organisations confront in the face of crisis is whether to stabilise *or* change, or to combine stability *and* change. Limits to organisational design, however, often prevent public organisations from rational responses to crises. Organisational designers are likely to face short-sightedness coupled with short time-horizons. The limits to design might moreover be greater in complex organisational orders such as the EU.

Scenario 1: Breaking down

A first scenario broadly suggests that the EU breaks apart when facing Covid-19, largely owing to member-states' unwillingness to deal collectively with major risks. One would thus expect the EU to be fragile in the face of crisis: Only to the extent that member states perceive integration or cooperation to be in their interests will they seek common solutions. They would expect member states to be more concerned with securing their own interests, borders and citizens' welfare, which would thus limit their ability to reach common policies, or to delegate authority and capacity to the EU's institutions.

Scenario 2: Heading forward

A second scenario suggests that Covid-19 is likely to trigger more integration to address common challenges, leading to policy innovations and the delegation of new capacities to the EU's institutions in new policy fields. This scenario builds on the idea that crisis may function as a 'window of opportunity' in unsettled situations and for under-institutionalised organisations.

There are several ways in which crisis may lead to such institutional and policy innovation: First, crisis may entail a fundamental questioning of pre-existing governance arrangements and 'long-cherished beliefs' in existing solutions and cause fundamental institutional soul-seeking. Second, crisis may produce critical junctures that generate 'windows of opportunity' for significant policy change and novel organisational solutions. Third, crisis may trigger institutional meltdown and create opportunity structures for the creation of new arrangements. Crisis may thus spur the emergence of entirely new policies and institutions. Recent examples include the rise of EU financial surveillance agencies, the structuring of the EU banking union, and the emergent European energy union.

Scenario 3: Muddling through

A final, and most likely, scenario suggests that the EU is likely to muddle through Covid-19 through path-dependent and incremental responses that build on pre-existing solutions: Crisis is thus likely to reinforce well-known organisational solutions and governing arrangements. We would see few profound effects on EU integration. The EU is thus seen as an experiential learner that bases future choices on past experiences. When time is scarce, decision-makers have a tendency to replicate solutions that were perceived as successes in the past.

The EU may muddle through crises through processes of path-dependency: It basically assumes that institutional change is contingent on and locked-in by pre-existing institutional formats, and thus profoundly stable and sustainable. This argument, however, also assumes that organisations facing crises might improvise in an adaptive fashion. This scenario emphasises the ability of the EU to *combine* existing institutions and new institutional innovations in a creative or improvisational way, building pragmatic compromises on the way.

Lessons learned

As an overarching observation, EU institutions have responded to previous crises mainly by *muddling through* based on familiar ways of governing and by introducing incremental changes, and yet in some cases also by heading forward with new institutional arrangements. Contrary to what one would expect if the EU was breaking down under the weight of crises, we hardly find evidence of institutional breakdowns or even of minor reductions in the role of EU institutions – either vis-à-vis other EU institutions or vis-à-vis member state institutions.

To the contrary – the EU institutions have proved to be relatively resilient and able to deal with crises by drawing on their already established tools and structures, or by developing new tools. If anything, crises tend to strengthen expert governance and 'rule by the knowers' in the EU: All executive institutions – the Commission, EU agencies and the European Central Bank – have gained more influence as a consequence of previous crises. If anything, given the role of experts, this is a development we would expect to see specifically in the EU's long-term response to Covid-19, and in its preparedness to deal with future health crises.

Overall, the EU seems functionally skilled to handle crisis. It has the requisite capacity to cope with crises, and sometimes to solve them. Rather than breaking down, the EU has to a large degree adapted to, and in some cases developed new policies. Thus, in functional terms, crises such as Covid-19 are unlikely to challenge the fundamental existence and nature of the EU. To the contrary, although we saw a weak early-response to Covid-19 from the EU, the EU has already started looking for ways to muddle through this crisis.

Yet, functional capabilities for risk prevention and crisis handling might have consequences beyond what is intended. Successful crisis response in the short term can cause problems in the longer term or across institutions and policy domains. One dilemma is apparent: Even if the EU seems capable of dealing functionally with crisis, what unintended problems might be produced? Heading forward – such as in the EU's economic integration – might have unintended consequences towards the breaking down of democratic modes of governance in the long run.

Technocratic and functional EU-level solutions to crisis – such as creating EU agencies – might for example lead to popular dissent and distrust in democracy and rule of law, as is the case with Hungarian president Viktor Orban's recent attempt to rule by decree as part of a national response to Covid-19. Solutions to crisis can thus lead both to the popular mobilisation towards heading forward *or* breaking down.

For more information, see the authors' forthcoming Handbook of European Union Crisis (Palgrave Macmillan 2020)

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Note: This article gives the views of the authors, not the position of EUROPP – European Politics and Policy or the London School of Economics.

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