



Europeanisation in the aftermath of COVID-19: the organisational adaptation of the central governance of the National Recovery and Resilience Plan in Italy

Edoardo Bressanelli¹ · David Natali¹

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Abstract

While much of the recent literature on the impact of COVID-19 has focussed on governance at the EU level and specific policy areas, the changing political institutional arrangements within the EU Member States themselves have received significantly less attention. This article aims to contribute filling this gap by asking: how, and to what extent, has the core executive in Italy changed to manage and implement the National Recovery and Resilience Plan (NRRP)? Italy has been heavily hit by the COVID-19 pandemic and has subsequently been allocated the largest proportion of the Next Generation EU (NGEU) funds: it is therefore a ‘most likely’ case of organisational adaptation. We argue that the implementation of the NRRP triggers centralisation of power in the core executive. Such concentration of power, however, takes different forms depending on the composition of the executive. We also find that ‘coordinative’ Europeanisation occurs through the continuous interaction and exchange between the executive actors (political and administrative) based in Rome and the European Commission in Brussels. Such interaction showcases the attempt to manage both further integration and politicisation of the EU. The collaboration between the European Commission and the national executive is based both on the recognition of the value of the political ownership of the NRRP and the importance of the EU support for post-pandemic recovery.

Keywords Coordinative Europeanisation · Core executive · Multi-level governance · Italy · National recovery and resilience plan

✉ Edoardo Bressanelli
e.bressanelli@santannapisa.it

David Natali
d.natali@santannapisa.it

¹ Institute of Law, Politics and Development (DIRPOLIS), Sant’Anna School of Advanced Studies, Piazza Martiri Della Libert  33, 56127 Pisa, Italy



Introduction

The Next Generation EU (NGEU), agreed by the European Council in July 2020, provides an unprecedented quantity of financial resources for post-pandemic recovery. The centrepiece of NGEU is the Recovery and Resilience Facility (RRF)—an instrument that offers grants and loans to support reforms and investments in the EU Member States for a total of 672.5 billion euros (at constant prices of 2018). Loans and grants requested by the Member States are disbursed on the bases of National Recovery and Resilience Plans (NRRPs) detailing key domestic targets, reforms and investments. The European Commission is in charge of assessing the NRRPs—eventually approved by the Council of the EU—and monitoring their implementation. Payments are made in successive instalments and are conditional on the positive assessment, by the European Commission, of the progress made by the Member State submitting the payment request. NGEU has been designed as a temporary instrument: the implementation of the NRRPs should take place until the end of 2026.

Among the Member States, Italy is one of the largest beneficiaries of NGEU. It has been allocated €191.6 billion, with €68.9 billion in grants and €122.6 billion in loans. As for the amount of grants, Italy is the prime beneficiary in absolute terms of NGEU resources: one third of the entire budget is dedicated to the country. The financial resources attached to the NGEU—targeting a wide set of policies—and the need for a timely implementation of the NRRP—otherwise, EU funds are not disbursed by the Commission—are likely to trigger a (further) centralisation of power in the core executive.

On specific policy areas, the EU provides ideas, templates and benchmarks, towards which the Member States are expected to converge. For instance, the NGEU explicitly asks Member States to commit a minimum share of their EU funds towards the green and the digital transition (37 and 20 percent, respectively). In such policy areas, Europeanisation—defined as “the reorientation or reshaping of politics in the domestic arena in ways that reflect policies, practices and preferences through the EU system of governance” (Bache and Jordan 2006, 30)—should be clearly observable. The NGEU is, instead, not as explicit and demanding on the governance structure that the Member States should adopt to implement it. Yet, at closer inspection, the NGEU is also as likely to trigger important institutional changes in the organisational structures asked to manage it.

Scholars have already assessed the Europeanisation of public policies following the NGEU (e.g. see, on Spain, Arregui et al. 2022; on Italy, Polverari and Piattoni 2022). The literature has, instead, largely overlooked the impact of NGEU on the institutions of government (for an exception, see Lupo 2022). This is rather surprising, given that one of the main findings of the more ‘classic’ Europeanisation literature is about the empowerment of executive actors to respond to EU demands (in general: e.g. Burch and Bulmer 2009; on Italy: e.g. Fabbrini and Donà 2003; Calise 2005). In this article, we aim to contribute filling this gap, placing the analytical focus on the institutions of government and their adaptation



to NGEU. By doing so, we restrict our empirical focus to the national level and the horizontal relationships between different units of government, leaving out the sub-national level and the vertical relationship between central government and the sub-national authorities (cf. Viesti 2022).

By analysing the case of Italy, the article compares how the central governance of the NRRP has been designed and implemented by three different governments: the Conte-II government, which drafted the first NRRP (December 2020); the Draghi government, which was responsible for the NRRP submitted (April 2021) and later approved by the European Commission and its early implementation; the Meloni government which, since September 2022, has been in charge of ensuring the implementation of the NRRP. The case of Italy serves to illustrate more generally the multi-level dynamics between the EU and its Member States in the context of post-pandemic recovery, although Italy—together with those Member countries receiving more financial aid—is likely to be most affected by Europeanisation pressures.

In terms of data, the paper is based on a wealth of primary sources (e.g. official documents, statements by key actors) and original interviews with key informants both in Rome and in Brussels (e.g. directors and heads of unit, collaborators, and advisers of ministers).

The paper is structured as follows. "NGEU and its new governance dynamics" section presents the new governance dynamics resulting from NGEU. "Implementing the RRF: which Europeanisation?" section discusses the concept of Europeanisation and proposes two research hypotheses. "Research design" section describes the research strategy. "The Italian core executive between centralisation and party politics" section analyses empirically the governance of the Italian NRRP. "Conclusions" section concludes indicating some directions for future research.

NGEU and its new governance dynamics

NGEU, and particularly the RRF, are innovative in at least four main respects (de Witte 2021). Firstly, they are largely consistent with the direct management of the financial resources. The European Commission is directly responsible for the design of the programme and all steps in its implementation: launching the calls; evaluating submitted proposals; monitoring and assessing results; making payments. This is new in that, in the past, around 70% of EU programmes (e.g. cohesion funds) were run through shared management procedures. In the latter case, both the European Commission and national authorities in the Member States are in charge of running a programme (with a key role of regional and sub-national authorities). In terms of financial power, NGEU is about three quarters of the Multi Annual Financial Framework 2021–27.

Second, the management of the RRF is informed by the so-called performance-based approach. Fulfilment of agreed milestones and targets towards achieving the reforms and investments in the plans will unlock regular payment. While cohesion policy is often oriented towards the mere respect of administrative rules for using the resources, here the focus is on outputs and outcomes. The timeframe for its implementation is very tight, as all reforms and investments to be completed by the end



of August 2026. In addition, every semester each Member country has to reach the agreed milestones and targets, as the payments, made in successive instalments by the Commission, are conditional on satisfactory progress. This aspect has important implications for the national public administrations and the institutional capacities demanded by the spending procedures (Corti and Nunez-Ferrer 2021), particularly for those countries whose administrative capacity has often been called into question (Capano 2020; Polverari and Piattoni 2022).

Third, the RRF implementation follows specific procedures with a key role of the political executives (both at EU and national level). Funds will be disbursed directly to the Member States based on the progress in the implementation of NRRPs. Member States are the only beneficiaries of the programme. What is more, the plans should effectively address challenges identified in the European Semester, particularly the Country Specific Recommendations (CSRs) adopted by the Council. The plans should also include measures to address the challenges and reap the benefits of the green and digital transitions. For the disbursement of the financial contributions, the Commission assesses the satisfactory fulfilment of the relevant milestones and targets, again followed by a Council implementing decision. The Commission must also consider the opinion of the Economic and Financial Committee, an EU advisory body (Schramm et al. 2022: 4). On top of that, if one or more governments raise concerns about another country's fulfilment of the milestones and targets, it can request the President of the European Council to place the matter on the agenda of the European Council, pausing the further disbursement of financial contributions 'until the next European Council has exhaustively discussed the matter' (Regulation 2021/241, Recital 52 quoted in Corti and Nunez-Ferrer 2021).

This process calls for a stricter coordination between executive actors at the EU and the domestic levels and, as the NRRPs are effectively designed and 'owned' by the Member countries, it should take place in a less 'top-down' fashion if compared to the process characterising the period following the financial and economic crisis of the early 2010s. To this end, in August 2020 the Commission established, within its Secretariat General, a dedicated task force—RECOVER—to support Member States, providing advice and technical support together with the Directorate General for Economic and Financial Affairs (DG ECFIN), to ensure that implementation targets are met.

Fourth, NGEU and the RRF significantly increase the EU fiscal capacity with important effects on the logic of EU integration. As stressed by Pochet (2022), during the pandemic, the need to react via fiscal expansion was acknowledged since the start. NGEU has complemented the measures agreed upon by the Eurogroup in support of healthcare, addressing unemployment and short-time work, and offering support to firms (Buti 2020).

These innovations can in fact alter national policy-making processes. As stressed above, the application of the direct management rules is expected to lead to the simplification of the governance of the EU recovery strategy (compared with the complex governance of structural and investment funds). Moreover, the increased fiscal stance at the EU level—together with the application of the general escape clause to the Stability and Growth Pact—has contributed to revise the economic governance towards a mix of coordination and financial support instruments. The key role of



the Commission at the EU level marks the implementation of the programmes. All Member states—albeit varying in the involvement of the Ministry of Finance, the use of already established vs. new structures of governance and the responsibility to manage other EU funds next to the RRF—have centralised their governance structures in the hands of the core executive (Dias 2021, 2–3).

Implementing the RRF: which Europeanisation?

The literature on the concept of Europeanisation—which had peaked in the early 2000s, but recently found a revival (cf. Graziano and Tosun 2022)—has traditionally understood it in two main ways. On the one hand, it captures the impact of the EU on the institutions, actors and policies of its Member States. This is usually referred to as ‘top-down’ Europeanisation. On the other hand, it is about how Member States themselves upload their preferences to the EU level, in what is usually called ‘bottom-up’ Europeanisation. A third understanding of Europeanisation refers, instead, to the ‘horizontal’ cross-loading of practices and norms across the EU Member states.

While the concept of ‘top-down’ Europeanisation may appear as the most useful to understand the impact of NGEU on the Italian executive, we contend instead that it is weakly equipped to understand the multi-level dynamics at play between the EU and the Member States in the context of post-pandemic recovery. Such multi-level dynamics—illustrated in "NGEU and its new governance dynamics" section — do not allow one to neatly separate the ‘downloading’ of EU preferences from the ‘uploading’ of those of Member States. The interactions across levels take place through repeated exchanges both formalised in specific institutional channels of communication and informal networks. Also, the interactions across levels take place from the early stages of the policy cycle, with the formulation of EU policies and their design, to continue through the policy-making phase and the domestic implementation.

In this regard, the concept of ‘coordinative’ Europeanisation (see Ladi and Polverari 2024; Ladi and Wolff 2021), focussing on the interactions between the Commission and the Member States to ‘coordinate’ actions and processes, promises to be a very useful analytical devise. It has been argued that RRF ‘conditionality’—i.e., non-compliance with EU policy priorities in the NRRPs leading to non-disbursement of financial aid—is an “exemplar case of coordinative Europeanisation”, informed by a “more horizontal relationship between EU institutions and member states, and facilitated by a joint interest in successful policy implementation and national ownership of the reform agenda” (Ladi et al. 2024, 6). In the social domain, for instance, there is strong evidence of the “coordinative and collaborative approach between the European Commission and the national government” (Corti and Vesan 2023, 524).¹ Neither NGEU nor its main instrument, the RRF, provide

¹ Incidentally, Italy is among the six cases analysed in Corti and Vesan 2023.



detailed instructions on how Member States should organise to spend the EU funds and implement the NRRP.² Yet, the requirement to reach the NRRP milestones and targets, and to do so under tight and rigid deadlines, requires a careful consideration of what institutional structures and mechanisms will be in charge of managing the NRRP and ensuring its smooth and timely delivery. Governance arrangements are presented in the NRRP, assessed by the Commission, and spelt out in the operational arrangements between member States and the Commission.

Building on the literature on the Europeanisation of national executives (i.e. Burch and Bulmer 2009), which has traditionally observed the empowerment of the ‘core executive’, or the area of government covering the most senior ministers and civil servants (i.e. Smith 1999), we endeavour to map change along two dimensions: first, changes in the *governance structure*, such as the formal structure of departments, units and key positions, including the distribution of formal authority, financial resources and staff; second, changes in *policy-making processes*, or the ways through which policy is handled, information distributed and decision determined.³

A relevant reference to our approach to Europeanisation, both in terms of interdependence of supranational and national levels and of policy and institutional dimensions of change, are the works on the so-called *vincolo esterno* (‘external constraint’, see Dyson and Featherstone 1996). The latter consists of a constructive constraint in domestic politics: by linking the country to EU institutions and programmes, domestic policy-makers identify an external anchor that they can use to make national reforms more consistent with the EU common views. In line with a two-level game—where domestic and foreign priorities are framed in parallel—national elites (what Dyson and Featherstone also call the ‘core executive’) use the EU as an external constraint to alter the domestic balance of power. Both partisan and bureaucratic policy-makers make their priorities heard in the domestic debate, while increasing their power resources and capacity to shape reforms (de la Porte and Natali 2014). Much of the literature on Europeanisation has thus stressed the progressive centralisation of governance in the hands of the executive in the Member States (Di Mascio et al 2020). Even if the domestic executives maintain significant margins of manoeuvre in the preparation of the plans and the selection of the projects to fund, the RRF can be interpreted as an ‘external constraint’ with the potential to shape domestic governance in the long-term. In the countries where the investments and reform programmes are extremely ambitious—such as Italy—we expect observing significant changes. In this sense, even a case study could provide evidence of consistent governance trends: i.e. centralisation of power in the hands of core executive actors.

² The RRF regulation in its Annex V specifies only that in the NRRPs “a structure is tasked within the Member State with: (1) the implementation of the recovery and resilience plan; (2) the monitoring of progress on milestones and targets; and (3) the reporting”; moreover, it indicates that “the overall arrangements proposed by the Member States in terms of organisation (including provision to ensure sufficient staff allocation) of the implementation of the reforms and investments” should be “credible”.

³ Another, and deeper type of change is *cultural*, but it can only be observed and tracked down when a long-term, historical perspective is embraced.



Table 1 Implementing the RRF: which Europeanisation?

	Type of government	
	<i>Technocratic</i>	<i>Partisan</i>
<i>Governance structure (H1)</i>	Centralisation: PM office and technocratic bodies	Centralisation: PM office and key party allies
<i>Policymaking process (H2)</i>	Coordinative Europeanisation: more cooperative	Coordinative Europeanisation: more conflictual

We argue that different types of governments—i.e. technocratic or party political—are likely to face different institutional and political incentives with regards to the RRF, leading to different types of centralisation. When technocratic governments are in power, they are generally empowered with a specific mandate very much in line with the EU (or international) agendas. The parties supporting it in parliament are likely to find it difficult to reward their constituencies by pulling policies in their preferred direction. The direct interlocations between the EU and the technocrats in power should leave limited space to party-political games. In such circumstances, technocratic bodies should have a more important and autonomous role.

Contrariwise, party governments should be more sensitive to the political returns of managing and distributing EU financial resources. Yet, coalitions of different parties should balance different and not necessarily compatible demands. In this sense, it is reasonable to expect that the key decision-making powers of control and coordination over the implementation of the plan and the interlocation with the EU should be directly controlled by the PM and her/his key allies in the party to limit the discretion of junior coalition partners and technocratic bodies. Centralisation is here functional to provide (party) political control and ownership over the plan.

To summarise, while we expect centralisation in the ‘core executive’ in both cases, its configuration and boundaries are instead likely to be different. When technocrats are in a prominent position, they tend reinforcing administrative bodies; when party-political decision makers are in prominent position, they tend to concentrate power in their hands (H1).

We expect not only the governance structure, but also the processes of policy-making to be altered. As previously argued, the implementation of the RRF should feature a frequent and regular exchange of information between the national executive and the EU and, particularly, the Commission (through coordinative Europeanisation). However, while coordination across levels could be expected to increase no matter the type of government in charge, such coordination processes should be smoother when technocratic governments are in power and occasionally be more antagonistic with party-political governments. In this latter case, it is important to stress that the position of the national executive towards the EU may further complicate the relationships—with Eurosceptic and populist governments raising the level of conflict—but party government *per se* should lead to more antagonistic



relationships, as party-political preferences on the NRRP may collide with those of the EU (H2). Table 1 summarises our hypotheses.

Research design

The paper focuses on a ‘critical case’, Italy, which is a most likely case of Europeanisation. Italy has often been a very interesting case for EU scholars because of the combination of huge EU constraints and weak domestic reception. While we are aware of the limitations of a case study—even more here, as Italy received a particularly high amount of financial resources, making the NRRP so central for any political development in the country, unlike in many other EU Member countries—the analysis of Italy sheds light on the use of a specific funding instrument which could be replicated in the future (and hence offering other opportunities for comparisons) and illuminates the multi-level dynamics between the EU and its Member States in the context of post-pandemic recovery.

Our empirical focus is placed on the Prime Minister’s office (*Presidenza del Consiglio dei Ministri*—PdCM)—generally considered as the core executive in Italy—and their closest collaborators, such as the Ministry of European Affairs and the Department of European policies, also located in the PdCM; the Ministry of Economic Affairs (*Ministero dell’Economia e della Finanza*, MEF) and its accounting department (*Ragioneria Generale dello Stato*). We observe their organisation and evolving relationships up to June 2023, during three different governments. The Conte-II government, a coalition led by the centre-left Democratic Party and the left-wing populist Five Star Movement, negotiated the NGEU and prepared the early design of the NRRP. The super-grand coalition led by the technocrat Mario Draghi designed the governance structure and ensured the early implementation of the NRRP. From September 2022, the right-wing government headed by Giorgia Meloni was responsible for the implementation of the plan.

The empirical analysis is based on a wealth of primary sources, such as official documents, statements by key players and secondary sources like newspaper articles. In addition, we also rely on nine extensive interviews (each about one hour long) with civil servants and senior administrators both at the national level (Rome) and at the EU level (Brussels). The field work was conducted between April and June 2023.

To prepare the questionnaire we conducted three preliminary interviews with a former head of department of European Policies in the PdCM; a head of unit in an Agency of the PdCM and a senior civil servant in the MEF in February 2023. Such interviews were unrecorded and were structured as broad explorations of the topic under investigation. The final questionnaire focussed on governance structures at both the EU and at the national level, and on their interrelations (see the Appendix for details). We adapted it based on the interviewees’ roles and competences. Most interviews were recorded and transcribed. To more openly discuss ongoing and often politically sensitive matters, neither the names nor the organisation of the interviewees are explicitly mentioned. The latter, together with the dates of the interviews, are listed in the Appendix, but cannot be attributed to specific quotes.



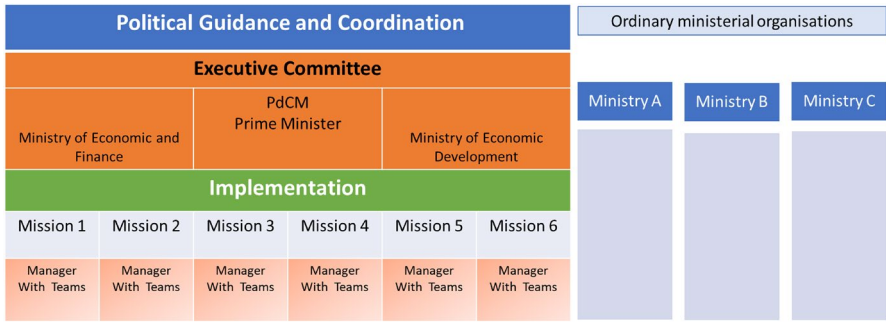


Fig. 1 Governance of the Italian NRPP under the Conte-II government (2020)

The Italian core executive between centralisation and party politics

The discussion on the governance of the NRRP has been important for the three executives which dealt with its design and/or implementation. In what follows, we focus on specific dimensions of the NRRP governance. First, to assess our H1, we focus on the internal organisation (*governance structure*) of government, identifying the central administrations in charge of strategic guidance, coordination and monitoring activities and mapping changes across the three executives dealing (at different stages) with the NRRP. Second, based on our H2, we assess how the *policy-making processes* vary depending on technocratic or party-political executives.

The governance structures for implementing the NRRP were first devised although, for obvious reasons, never implemented by the Conte-II government. It proposed a centralised or pyramidal model, centred on the Presidency of the Council of Ministers and directly implementing and managing the projects (see Fig. 1 below). The Prime Minister would have been part of the Executive Committee of the RRP together with the Minister of the Economy and Finance (guided by the *Partito Democratico*) and the Minister of the Economic Development (led by the Five Stars Movement). This new institutional structure would have been led by six managers—as many as the ‘missions’ of the NRRP—accountable to the PM and in turn overseeing about 300 experts and civil servants (D’Arrigo and David 2021, 282). In practice, the NRRP would have been managed by entirely new and ad hoc administrative bodies that would bypass the ordinary ministerial organisations.

This structure concentrated steering, coordination and control mechanisms in the core executive, with the Prime Minister within the executive committee playing the leading role. The latter was composed of elected (partisan) policymakers—representative of the key central administrations competent for the NRPP as well as the major political parties of the ruling coalition.

This proposal—which remained on paper—attracted several criticisms from within the governing coalition, and the governance structure of the NRRP was officially one of the reasons (if not the key reason) for the fall of the CONTE-II executive. As Matteo Renzi, the former PM and leader of the junior coalition partner *Italia Viva* (IV) warned in December 2020: “if Conte wants to take full control [...], I



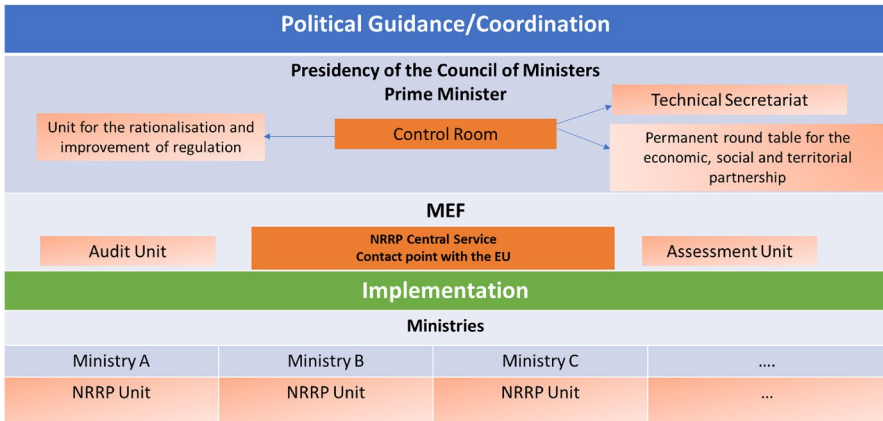


Fig. 2 Governance of the Italian NRPP under the Draghi government (2021–2023)

will not support him” (ANSA, 11 Dec 2020). The criticism centred on the creation of an executive committee substituting the Council of Ministers for key decisions on the allocation of about 200 billion euros. The executive committee was a less collegial body than the Council of Ministers, from which junior coalition partners like IV were excluded. Conte’s decision not to make a step back led to the resignation of the Ministers of IV in January 2021, as they did not support the proposed NRRP in the Council of Ministers.

As for the *policy-making process* of the first draft of the NRRP, in July 2020, Conte involved the Interministerial Committee for European Affairs (at the relevant ministry) to formulate the first NRRP, with an initial meeting open to representatives of ministries and territorial authorities, and then commissioned two working groups made up, respectively, of civil servants from the PdCM, and the Ministries of the Economy and European Affairs. Early December 2020, the draft Plan was submitted to Parliament. The Plan was then revised by a technical committee headed by the Prime Minister’s Office and the Ministries of the Economy and Finance, Development, and European Affairs (Volpi 2021). In parallel, exchanges between the Commission and the countries progressively intensified the closer the deadline to present the plans approached (see Bockhorst and Corti 2023). The whole procedure had a stop in January 2021 due to the political crisis mentioned above.

The new executive led by Mario Draghi, which became Prime Minister on 13 February 2021, was supported by a grand coalition of parties, which gave him essentially the mandate to rollout the vaccination plan and (as stated by Draghi himself before the confidence vote in the Senate) “deepen and bring to completion” the NRRP. In the very same speech, Draghi already announced that “the governance of the NRRP will be centred on the Ministry of Economic and Finance, with the very close collaboration of the competent Ministries defining the sectoral policies and projects” (Draghi, 17.02.2021). The new institutional arrangements were defined with Law-Decree 31 May 2021, n. 77 (then approved on 28 July 2021) and are summarised in Fig. 2.



The ‘control room’ (*cabina di regia*) still is in the PdCM. It is headed by the PM and attended by the competent ministries and undersecretaries, depending on its policy agendas. It oversees the implementation of the NRRP, provides leadership and issues recommendations for future actions. Next to the control room, the law-decree introduces a technical secretariat (*segreteria tecnica*) to assist it, a dedicated unit for the rationalisation and improvement of regulation (*unità per la razionalizzazione ed il miglioramento della regolazione*) and an institutional venue to meet socio-economic and territorial stakeholders (*tavolo permanente per il partenariato economico*).

Overseeing the NRRP, the PM could move problematic issues with implementation to the CdM and decide on the nomination of an ad hoc commissioner—substituting the standard authorities—for their resolution. In addition, an ‘accelerated procedure’ is set up to overcome dissensus and avoid, once more, delays in implementation. Next to the PdCM, a very important role is also attributed to the Ministry of Economic and Finance (MEF). The Central Service for the NRRP (*Servizio centrale per il PNRR*) is responsible for keeping track of financial flows and the account books up to date. All other departments coordinate with the MEF, which provides them with technical support. The General Accounting Office (*Ragioneria Generale dello Stato*—RGS) is responsible for anti-corruption monitoring and auditing.

The *governance structure* designed by the Draghi government centralises control and coordination of the NRRP in both the PdCM and the MEF. The close connection between the two was also guaranteed by very close personal connections: the Minister of Economics, Daniele Franco, was a former director of the Bank of Italy, who had been chosen in the role by Draghi himself. During Draghi’s tenure, both the PM and the Minister of Economy and Finance were technocratic figures with loose (if any) connection with political parties and typical profiles of expertise cultivated at the crossroad of domestic and EU-level policy-making. Their legitimation derived from both the parliamentary support of a large coalition as well as the support of the EU institutions.

Comparing such organisational structures with those proposed by the Conte-II executive, the main difference is, therefore, the key role attributed to the MEF—where the Central Service for NRPP, responsible for its coordination and monitoring, is located—changing the boundaries of the core executive. It is the MEF, not by chance, the contact point with the Commission.

Also, the Draghi government set up specific technocratic structures—the technical secretariat and the unit for the rationalisation and improvement of regulation—that, although temporary, would survive until the end of the implementation of NRRP in 2026. Similarly, the NRRP units set up in each department would be led by personnel protected by law by the traditional ‘spoils system’ and, therefore, not affected (in theory) by subsequent changes of government. Finally, the implementation of the NRRP was mainly based on the existing departments, rather than managed by ad hoc structures such as the 6 dedicated missions devised by Conte.

In actual practice, the ‘control room’ established in the PdCM has only “episodically met” (Lupo 2022, 12)—once on 7 October 2021, a second time on 22 December 2021 to approve the first implementation report of the NRRP and a third time on 5 October 2022. Interviewees confirmed that the ‘control room’ was



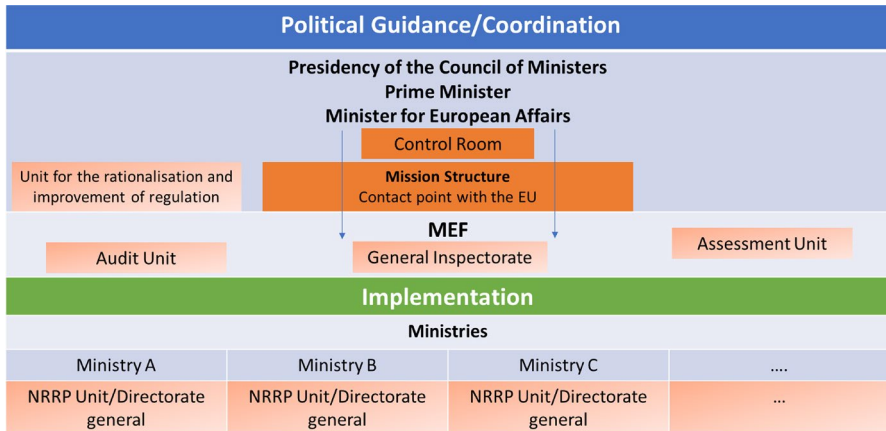


Fig. 3 Governance of the Italian NRPP under the Meloni government (2023–...)

not really in control, due to its unwieldy composition (changing depending on the policy agenda of the meetings) and, most importantly, the very close connection between the PM and its staff and the MEF, making the control room somewhat redundant.

The *policy-making process* was characterised by the key role of high-level civil servants with political and administrative functions. Interviews confirmed that the Undersecretary and the General Secretary of the Prime Minister represented a vital point to connect the European Commission and the competent administrations for the implementation of relevant targets and milestones. The same roles were weakened in the aftermath of the Meloni government formation.

As the operational arrangements between the Commission and Italy (2021) spelt out, “regular meetings” between the EU and the national authorities should take place (art. 1.1). As it was also the case in other Member States (e.g. on Spain: cf. Fernández-Pasarín and Lanaia 2022) there should be at least “quarterly exchanges” between the Coordinator and the Commission (art. 1.4). As a matter of fact, interviewees described them as almost constant, a sort of ‘permanent table’, where Commission administrators and the Italian personnel in charge of the NRRP met on a daily basis, online or in person, covering a broad spectrum of policies. The density of the meetings has been described as ‘unprecedented’, crossing the boundaries between the EU and the national level and stepping coordination significantly up (as confirmed by the more recent comparative analysis, Zeitlin et al. 2023).

The Meloni government, which took office in September 2022 after the grand coalition supporting Draghi fell apart, placed the reform of the *governance structure* of the NRRP immediately under its radar. The emerging difficulties at guaranteeing the timely realisation of the NRRP milestones and targets were partly imputed to the ineffective governance structure. Its reform turned out to be a bigger challenge than expected and the law-decree was postponed several times. Eventually, it was approved by the Council of Ministers on 16 February 2023, converted into law on 21 April 2023, and significantly reformed the governance of the NRRP (Fig. 3).



The control room was reformed and headed by Minister Raffaele Fitto, with the portfolio for European Affairs, Cohesion Policies and the NRRP within the PdCM. It met much more frequently: at least seven times between November 2022 and April 2023 with the aim of making it a place of “continuous exchange” (Menegus 2023, 219–220). The reform toned down the two technical structures created by the previous executive: the technical secretariat and the unit for the rationalisation and improvement of legislation. It abolished the *tavolo permanente* with stakeholders. It strengthened control by the PdCM, setting up a Mission Structure (here the point of contact with the EU) with a coordinator, four new general directorates and 50 additional administrators. As stressed by Di Mascio et al (2024), the new Mission structure put the control and coordination of EU funds under a single responsibility to help the synergy of the NRRP with the programming of the European Structural Funds 2021–27, thus proving the longer-lasting effect of the NRRP on the domestic governance structure beyond the 2026 endpoint currently foreseen by the RRF.⁴

Most fundamentally, the new organisation reconsidered the role of the MEF, which was no longer the main point of contact for the European Commission and whose functions were limited to financial management and oversight in support of the Mission Structure. This change did not come as a surprise, as the subordinate role of the MEF vis-à-vis the political role of the Ministry of European Affairs and the PdCM more generally had already been officially affirmed in earlier occasions (cf. CdM 11 November 2022).

This change of contact point with the EU—moving from the MEF to the PdCM—is very significant, indicating the willingness of the PM and her closest party allies to directly oversee the exchange with the Commission. At the same time, however, our interviewees have stressed the substantial continuity from Draghi to Meloni: the exchange of views has remained very intense, with regular meetings at the technical level and across several dossiers. Some stressed how media reports about conflicts were exaggerated, even if they also acknowledged that the new role of the PdCM and Minister Fitto could have both beneficial (in terms of stronger political guidance) and negative (with diverging preferences from the EU) effects on the NRRP. Players at both levels have been careful not to politicise the NRRP, downplaying latent conflicts and stressing the fruitful dialogue and ongoing cooperation. This can be interpreted as a by-product of coordinative Europeanisation, keeping the communication channel always open and ready to discuss potentially divisive issues.

The reconsideration of the role of the MEF was also a reflection of the power relationships between the largest party in the governing coalition, Brothers of Italy, and its junior coalition partner, the League, heading the MEF with its Minister Giorgetti. While it would not be correct to simply describe the reform of the governance in terms of weakening the MEF—as our interviewees confirmed, the Central Service of the Accounting Office (renamed General Inspectorate) has actually been strengthened—the reform has more neatly separated the functions of strategic control by the

⁴ The Agency for Territorial Cohesion was also abolished, and its competences moved to the new Mission Structure in the PdCM.



PdCM and those of more technical nature by the MEF, thus strengthening the grip of the PM and her party over the NRRP vis-à-vis the League.

All in all, while centralisation appears to be a feature of all *governance structures*, with a strategic role of coordination, monitoring and control attributed to a ‘core executive’, its boundaries and structure change with the different governments. While the functional need to (further) centralise control—ensuring the implementation of the NRRP—has not changed since Conte-II, the organisational modes have reflected the preferences of the different PMs and their basis of support. In line with our H1, the technocratic executive led by Draghi has given more prominence to technocratic structures (existing ones, in the MEF, or new ones supporting the PdCM). Contrariwise, party governments—both the left-leaning Conte-II and the right-leaning Meloni—centralised functions of control and strategic direction in the PdCM and in the majority party in the coalition government.

The second element worth emphasising is that the structure responsible for communication with the EU and, specifically, the Commission has changed, moving from PdCM (under the Conte-II Government) to the MEF (under the Draghi Government) and then back to the PdCM and the Ministry of the NRRP (under the Meloni Government). Despite such changes, the *policy-making process* has been characterised by the constant interactions between Rome and Brussels. This exchange has displayed ‘continuity’ throughout the period here analysed—as confirmed by several interviewees in both capitals—with very limited open conflict with the Commission. Rather than with the EU, conflicts have emerged within the governing coalition, as evidenced by the open conflict between PM Conte and the leader of the junior coalition party Renzi, and in a more subterranean manner by the tensions between PM Meloni and her Minister Giorgetti, representing the League.

Occasional skirmishes with the Commission occurred during the Meloni government, but in a context of close working relationships. Interviewees confirmed that both the European Commission and the Italian Government were keen to cooperate. Throughout the process, the Commission (particularly its RECOVER Task Force) was constantly involved in national policy-making; national policy-makers in turn needed the Commission’s guidance to ensure effective implementation. The former institution considers the national ownership of the NRRP as decisive to deliver investments and reforms; while, the latter regards the EU as the source of decisive financial resources for post-pandemic recovery. The same resources are seen as the source of political legitimisation and credit, rather than blame. At the time of writing, there is—at best—weak support for H2 but, as the implementation process keeps moving on, further assessments will be required.

Conclusions

The evidence collected in the article sheds light on the changing governance of the RRP in Italy and the Europeanisation process. The RRF—in the context of the broader NGEU—represents a massive injection of financial resources to support reforms and investments in the country, which triggered governance innovations.



Beyond the limitations of a case study, Italy represents a source of evidence of significant importance.

The article has tested two hypotheses. First, the evidence confirms H1 on the centralisation of power in the hands of the executive. All the different governance designs have been consistent with the leading role of the government and, specifically, of a changing ‘core executive’. This confirms general trends across the EU member states about how they have designed the governance of the NRRPs. While some could think of a short-term effect of a temporary programme (NGEU and RRF), the Italian case—in particular, the Meloni organisational reforms—shows evidence of longer-term effects on the governance of EU funds. In line with the concept of Europeanisation, the reshaping of domestic politics in ways that reflect policies, practices and preferences through the EU system of governance, we see the progressive centralisation of governance both at the EU (new traits of the RRF governance) and national levels (NRRP governance).

We also observed a clear difference between technocratic and party governments, with the latter giving a stronger role to the Prime Ministers and their key party allies, and the former giving more space to technocratic bodies. Centralisation of coordination and control in the majority party and its leader bears however implications for the management of the governing coalition, leading to internal conflicts, which can have serious consequences for the government (i.e. PM Conte did not survive them). One could wonder whether the politicisation of EU integration is consistent with the political (more than technocratic) centralisation of governance (in that case, seeing the Draghi government as an exception).

The second hypothesis was about the nature of the interaction between the Commission and the national executive: cooperative during technocratic government; more conflictual for the case of party government. On this aspect, the comparison centred on the two governments which implemented the NRRP. Given the mandate of Draghi’s technocratic government and the profile of the PM and its closest (technocratic) allies, relationships with Brussels could not but be cooperative. The coalition government led by Meloni was, instead, voted in office to implement a NRRP devised by its predecessors: the new governance of the NRRP was thus an attempt to enhance ‘ownership’ of the Plan by placing key decisions under her direct control or that of her party allies. Quite unexpectedly, however, such revisions have not triggered fundamental conflicts between the EU and national policy-makers. The evidence for H2 is, therefore, weak. Also here, further research is needed to check whether NGEU has represented the opportunity to reconcile the priorities of EU and domestic partisan (even Eurosceptic) leaders, opening a new phase for the EU marked by forms of coordinative Europeanisation and the politicisation of the same process.

What clearly stands out in the context of post-pandemic recovery is the very strong role of the EU in domestic policy-making or, perhaps more correctly, the blurring between the two levels. The NRRP is presented by the national government but follows the parameters set by the Commission; its implementation is made possible by the governance arrangements defined at the national level but agreed by the EU. It is hardly possible to conceive the process of Europeanisation in terms of separate ‘top-down’ and ‘bottom-up’ mechanisms, as it is rather



the interplay and intermingling of once separated levels of governance, where constant coordination, exchange of views and the sharing of technical expertise is expected to lead to broadly agreed policy outcomes. Coordinative Europeanisation, by smoothing out disagreements and forging consensual solutions, may effectively depoliticise latent conflicts.

Coordinative Europeanization has thus the potential to represent a strategy to advance the integration process while addressing risks of contestation between supranational institutions and national policy-makers. So far, the right-wing and Eurosceptic Meloni executive constitutes a fascinating test case, providing early evidence of the convergent interest of the European Commission, which needs national ownership of the NRRP to make it effective, and of the national government, ‘using’ the RRF as a source of political legitimation and credit. Yet, more time—and research—will be needed to further assess it.

Appendix 1: Interviews

- A. 7 March 2023—Presidency of the Council of Ministers.
- B. 24 April 2023—Presidency of the Council of Ministers.
- C. 17 April 2023—Presidency of the Council of Ministers—School of National Administration.
- D. 17 May 2023—Representation of the European Commission in Rome.
- E. 17 May 2023—Member of the Recover Task Force, European Commission.
- F. 17 May 2023—Italian Permanent Representation in Brussels.
- G. 17 May 2023—Italian Permanent Representation in Brussels.
- H. 1 June 2023—Representation of the European Commission in Rome.
- I. 1 June 2023—Representation of the European Commission in Rome.
- J. 19 June 2023—Presidency of the Council of Ministers.

Semi-structured questionnaire

First part, Governance of the EU

I. The role of the European Commission in the Recovery and Resilience Facility

In line with the direct management of financial resources, the Commission has played a key role in the design and implementation of the RRF. Within the Commission, a new Recovery and Resilience Task Force (TF) has been created.

Has the TF the administrative capacity to oversight the implementation in the Member countries?

What is the relationship between the TF and DG ECFIN?



Second part, National governance

II. The Presidency of the Council of Ministers

The three governments which had to deal with the NRRP have come up with their own structure for its governance (obviously not implemented by the Conte-II government). Why has there been such a need to reform its governance?

Why has the governance of the NRRP required ad hoc structures (next to, or replacing, the ordinary administrative structures)?

The last reform of the governance of the NRRP centralised on the Presidency of the Council of Ministers the management of the NRRP and the contacts with the European Commission, which had previously been managed by the Ministry of the Economy and Finance. Why has this change been made?

III. The relationship with the European Commission

In the set-up and redefinition of the governance structure of the NRRP, how important is the position of the European Commission, and the exchanges of views between the Commission and the national government?

How is the dialogue with the Commission structured? [PROMPTS: *density of meetings; type of exchange—e.g., recommendations and/or advise if requested; punctual guidance* etc.]

[IF NATIONAL FOCUS] How and who keeps contacts with Brussels? Who are the key interlocutors? Has there been any change over time?

[IF EU FOCUS] How and who keeps contacts with the Italian government? Who are the key interlocutors? Has there been any change over time?

IV. Scenarios

Do you think that the implementation of the NRRP has triggered significant changes in the organisation of the Italian executive?

What do you think will ‘survive’ to the end of the NRRP in 2026? Do you think that any temporary structure will become permanent?

Do you consider that the dialogue with the European Commission has changed vis-a-vis the status quo ante (PROMPTS: e.g. more and more frequent meetings, more detailed recommendations on reforms and investments)?

Could the European Commission help the Italian government to improve its administrative capacity?

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Edoardo Bressanelli is Associate Professor of Political Science at the Scuola Superiore Sant'Anna in Pisa. His research mainly concentrates on EU institutions, political parties and policy-making.

David Natali is Full Professor of Comparative and EU Politics at the Scuola Superiore Sant'Anna in Pisa. His research mainly focuses on comparative welfare politics and policy analysis; EU socio-economic governance, and industrial relations

