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Article

Public Policy Europeanisation in Response to the Covid-19 Crisis: The Case of Job Retention Schemes

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Abstract

To what extent and how did the Covid-19-pandemic trigger the Europeanisation of public policy in the EU member states? This article addresses this question by exploring member states' responses to the labour market implications of the pandemic. Although the EU due to its free movement principles in effect has a common labour market, labour market policies have remained in the hands of the member states. Nonetheless, we find that they responded in a surprisingly similar manner to rising unemployment caused by lockdowns. Was this policy change linked to Europeanisation processes, and if so, in what way? We find that member states' responses were related both to economic incentives and to contingent learning playing out in largely informal settings at the EU level. Our findings shed light on how crises may function as a critical juncture that triggers policy change, and how the EU may play a key role in such change. Our study thus also adds insights to our understanding of the mechanisms that underpin Europeanisation, in particular by shedding light on the importance of informal learning processes and the influence of the European Commission also in formally less integrated policy areas.

Keywords

Covid-19; crisis; European Commission; Europeanisation; learning; public policy

Issue

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1. Introduction

To what extent (and if so, how) did the Covid-19 pandemic trigger the Europeanisation of public policy in the EU member states? This article contributes to addressing this broader question raised in this thematic issue by studying a policy-area that is a least-likely case of Europeanisation but where we nonetheless observe policy convergence across the EU in response to the pandemic. Although the EU, due to its free movement principles, in effect has a common labour market, labour market policies have remained a Member State competence. In practice, there has traditionally also been considerable policy variation across them in this domain.

Nonetheless, by exploring member states' schemes to mitigate unemployment during the Covid-19 pandemic, we observe that the member states responded in a surprisingly similar manner to rising unemployment caused by lockdowns. Illustrative of this, all 27 member states implemented or expanded short-time work (STW) schemes. How can this be explained? Is the policy convergence we observe between member states somehow a product of Europeanisation, and if so, in what way?

To address these questions, the article is organised as follows. We first discuss the concept of Europeanisation and explain how we apply it in our study and develop our analytical and methodological approach. Thereafter, we describe social and labour policies, focusing on EU

competences and tools and what existing research tells us about longer-term Europeanisation in the domain. We then move on to our analysis of whether, and if so, how, a crisis—the Covid-19 pandemic—contributed to labour policy Europeanisation. The analysis is conducted in two steps. As a first indicator of possible Europeanisation processes, we present comparative data that indicate policy convergence across the EU in response to rising unemployment caused by the pandemic. Second, we explore whether this change in several member states’ policies was linked to various processes somehow playing out at the EU level, and if so, how. For this purpose, we develop and apply an analytical framework that distinguishes between two empirically overlapping but analytically distinct Europeanisation mechanisms, which may shape or alter responses to crises in areas where there is little formal/legal integration. We find that the convergence we observe across the EU indeed was connected to broader EU level processes, where changes can be linked both to EU level *economic incentives* and *contingent learning* playing out in largely informal settings.

By exploring whether the Covid-19 pandemic triggered Europeanisation of policy responses to mitigate unemployment, we make several contributions to the EU integration, Europeanisation, and crisis literatures. Empirically, we shed new light on how social and labour market policies may be subject to Europeanisation, in spite of the EU’s limited formal competences in the domain and no clear consensus between member states on the extent to which the EU should be involved in this traditionally national policy domain (Greer & Jarman, 2021). By focusing on changes wrought by the pandemic, we also contribute to the thematic issue’s overarching objective of exploring continuity and change following crises. The EU has faced numerous crises since the financial crisis in 2007–2008, and there has been an upscale in studies discussing whether and how these crises impact EU integration processes (for an overview see Riddervold et al., 2021). Most studies on EU crises, however, focus largely on describing and explaining formal institutional and legal changes at the EU level, or on how member states implement commonly agreed policies. There are limited studies exploring converging member state-level crisis responses short of formal integration, and to our knowledge none that address changes in labour market policies due to Europeanisation following such crises. Theoretically, this article contributes to a better understanding of how a crisis may trigger Europeanisation processes in areas where the EU’s formal competences, and thus the level of integration, are limited. We thus also add important insights to the Europeanisation literature by shedding new light on “the mechanisms of Europeanisation and whether they are producing substantive change, where and how” (Radaelli, 2004, p. 16). After all, identifying whether Europeanisation happens and its consecutive effects remains a challenge faced by Europeanisation studies.

2. Concepts, Analytical Framework, And Methods

Europeanisation is a widely used concept in studies of the EU, initially developed to better understand “the shape and impact of European integration” (Tonra, 2015, p. 183). A commonly applied definition is that Europeanisation:

Consists of processes of a) construction, b) diffusion and c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic (national and subnational) discourse, political structures and public policies. (Radaelli, 2004, p. 3)

To understand the processes and mechanisms underpinning Europeanisation, scholars have moreover applied three different approaches (Haverland & Holzhaecker, 2006; Tonra, 2015). The first is an “up-loading” or bottom-up approach, focusing on how member states affect EU integration processes by up-loading their own preferences to EU-level interactions through bargaining (Moravcsik, 1993) or deliberation processes (Risse, 2000). Since we explore changes at the member state-level in response to putative EU-level processes, this is not particularly relevant for our case. Instead, we apply a “down-loading” or top-down approach, which focuses on understanding the conditions and mechanisms by which EU policies, rules, or norms trigger change in EU member states through formal and informal processes (Börzel & Panke, 2022). EU-level processes may, for example, change power dynamics, opportunity structures, or cost-benefit calculations at the national level that in turn lead to national change (Scharpf, 1997). Alternatively, national changes may be the result of EU-level socialisation, learning, and norm-convergence processes (March & Olsen, 1998). It follows that Europeanisation may, but also may not, at least in the short run, lead to formal EU integration, as is the case in the policy area explored here. Although we see a convergence of member states’ unemployment mitigation policies in response to the pandemic, this has thus far not resulted in common EU regulations, for instance, due to continued disagreements amongst the member states. More formal integration is, however, something that may ensue in the longer-term, following the third Europeanisation approach sometimes referred to as “cross-loading” (Tonra, 2015, p. 184). This approach seeks to understand the interplay between up-loading and down-loading processes as circular processes (Radaelli, 2004). Several member states, including Belgium, Spain, and Portugal, as well as the European Commission, already push for increased EU labour policy integration (interview, June 29, 2023; June 30, 2023). The informal processes playing out during the pandemic may thus feed into and facilitate additional ongoing informal and formal developments in the domain in the

future. There is, however, still much scepticism towards increased integration in the domain (Schneider, 2023; Schulten & Müller, 2021).

2.1. Analytical Framework: Europeanisation Mechanisms

To explore whether (and if so, how) the crisis triggered a Europeanised response in the labour market domain, we draw on EU integration and EU crisis literature to develop and apply an analytical framework that studies Europeanisation in response to crises in areas where there is little formal or legal integration.

First, to account for change ensuing crises, institutional perspectives rely on the concept of “critical juncture” (Ansell, 2021). A critical juncture is a “relatively short period of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest” (Capoccia & Kelemen, 2007, p. 348). By creating such shocks to the system, crises may generate “windows of opportunity” for significant policy change (Kingdon, 1984) or the emergence of new policies or institutional arrangements (Ansell, 2021). Change does not, however, necessarily follow from a crisis. Instead, as discussed in the introduction to this thematic issue (Bressanelli & Natali, 2023), scholars have found that while crises may produce pressure for rapid change, it may also “reinforce well-known organisational solutions and governing arrangements” (Riddervold et al., 2021, p. 8). Numerous studies already argue that the pandemic has triggered immense and rapid political, institutional, and legal changes in the EU and in the member states (Greer & Jarman, 2021; Riddervold et al., 2021). The idea that crises may lead to change is also the very starting point for this thematic issue.

However, although the concept of critical juncture may explain why we observe rapid changes in member states’ labour market policies, it does not explain the fact that member states introduced *similar* changes to deal with the implications of forced lockdowns in the absence of common EU policies or regulations in the domain. To explain this, we explore the relevance of two alternative top-down, EU-level mechanisms that may have caused convergence short of formal/legal integration: *economic incentives* and *contingent learning*. While we expect that these may overlap and indeed interact empirically, they are based on different theoretical perspectives and hence different assumptions of member states’ motivation for changing their policies in response to a crisis in a policy area with few prior EU regulations. Distinguishing between them analytically may thus help us tease out a broader and more comprehensive picture of the labour market policy convergence we observe in response to the pandemic than if only relying on one of them.

A first hypothesis suggests that policy convergence was caused by member states responding to EU-level *economic incentives*. Theoretically, this mechanism draws

on rationalist Europeanisation theories, suggesting that member states’ act on the basis of a logic of consequences, where policies and crisis responses are driven by economic incentives (Gstöhl, 2002) and based largely on member states’ cost-benefit analyses (Moravcsik, 1993). Following this reasoning, EU-level processes or financial tools may thus create economic incentives for policy-change (Scharpf, 1997). From previous studies we also know that monetary-based instruments, i.e., “the use of EU-funds to influence social outcomes” (Bekker, 2022, p. 4), have indeed been used by the EU to further social policy integration, making it relevant to explore also in this case.

An alternative mechanism drawing on institutionalist theory suggests that there were other more informal institutional and interactional mechanisms at play at the European level which led to convergence. As mentioned above, institutionalist studies of Europeanisation theorise that common institutional arenas create mutual learning and socialisation processes which in turn may lead to changing national practices, including in more informal settings (March & Olsen, 1998). Empirically, such processes have been identified in social and employment policies. Bekker (2022, p. 4) refers to these as coordination-based instruments, i.e., “soft steering of national social policies, such as happens when using the Open Method of Coordination,” which has been used as an instrument to further Europeanisation short of formal integration.

Informal convergence of ideas and norms through learning and socialisation processes, however, tend to be slow, whilst crisis situations such as the pandemic often require quick policy responses (Riddervold et al., 2021). This, as we will see, was also the case with the EU member states’ response to the labour market implications of the Covid-19 pandemic. Taking into account the particularity of crisis situations, our second hypothesis therefore suggests that the policy convergence we observe was caused by what Kamkhaji and Radaelli (2017) refer to as “contingent learning.” Contingent learning is based on the knowledge that learning mechanisms “leading to behavioural change” in response to crises in many cases are “non-inferential” and “somewhat accidental, largely contingent” (Radaelli, 2022, p. 17). Policy-decisions are always filtered through individual cognitive biases, which affect decision-makers’ perception of what options are available in a crisis (Kamkhaji & Radaelli, 2017, p. 723; Radaelli, 2022, p. 17). When facing an acute crisis, policy actors moreover understand that they need to respond quickly, but there is less time to rationally consider alternatives: “The requirement of immediate action means that many traditional forms of policy learning are unavailable to decision-makers” (Boşilcă et al., 2021, p. 223). As a consequence, copying becomes more likely—in a crisis, there is simply not time to consider all options, and decision-makers therefore look for pre-existing solutions. Building on these ideas, in a study of the EU’s response to the migration crisis, Boşilcă et al. (2021, p. 219) found

that these learning mechanisms may also involve copying from previous experiences, where decision-makers in a crisis situation “copy-paste institutional designs and practices previously considered successful.” This could take different forms: We might see some member states copying or emulating solutions adopted by other member states. Or, we might see EU actors suggesting or recommending policy-solutions that are adopted by all in a situation where time is of the essence and there is pressure to respond quickly. Drawing on previous studies, the Commission is particularly likely to play such a role. We know that the Commission often acts as a policy entrepreneur following crises (Kassim, 2023). For example, it is increasingly involved in soft steering through its informal agenda-setting powers also in policy areas where its competences are more limited, such as in the area of security and defence (Riddervold & Trondal, 2020). We also know from organisational studies that there are close informal links between the Commission and national administrations and that these networks contribute to understanding member state implementation of common policies (Egeberg & Trondal, 2009).

2.2. Methods and Data

To study the relevance of these explanations in our case, methodologically, we develop a two-step analytical approach that allows us to better understand whether the convergence we observe is linked to broader European processes and if so, in what way. As a first indicator that the changes we observe were somehow linked to processes taking place at the EU-level, we present evidence to show convergence of unemployment mitigation measures implemented across the member states in response to the pandemic. Second, we move on to systematically discuss how our hypotheses allow us to tease out an understanding of how these Europeanisation processes played out.

We use a mixed methods approach where data was collected from the following sources: First, we collected data from the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the Commission (DG Employment) that show member states’ labour market policies before the pandemic and the changes made to compensate or mitigate unemployment caused by lockdowns. Second, to triangulate and further explore the relevance of the presumed Europeanisation mechanisms, we draw on five interviews and three informal background talks with Commission and national officials working directly with these issues. We also collected data on the frequency of formal and informal meetings linked to employment implications of the pandemic. Lastly, our data contains official EU statistics and other documents on the social and employment policy implications of the pandemic, as well as secondary literature.

3. Europeanisation and EU Social and Labour Policy Competences and Instruments

While social and labour policy is a member state competence, objectives have been agreed upon at the EU-level. These are set out in Article 151 of the Treaty of the Functioning of the European Union. This includes promoting employment, improving working and living conditions, equal treatment of workers, social protection, and combating social exclusion. Employment goals have also been at the core of the Open Method of Coordination since the late 90s. Labour law defines employers’ and workers’ rights and obligations. Due to continued member state resistance to much formal integration in this domain, labour policy is primarily a member state prerogative, with a few shared competence exceptions such as setting minimum standards (Zahn, 2017).

Despite limited competences, the EU influences member states’ labour policies in several ways, including economically and through the common market. The EU has introduced a series of comprehensive changes to its institutional architecture for social and economic governance since the onset of the Euro crisis in 2009–2010, such as its 2010 economic growth strategy “Europe 2020.” A core part of this was the policy tool “The European Semester” (2011): An annual cycle of policy coordination, which the Commission uses to analyse member states’ economic and budgetary policy and provide recommendations for future reform. Through the European Semester, the EU institutions have taken a more prominent role in scrutinising and guiding national economic, fiscal and social policies, also beyond the Eurozone. The European Semester has been criticised for subordinating social objectives to economic goals. However, according to Zeitlin and Vanhercke (2018), there has been an increasing emphasis on social objectives and targets (“socialisation”) in the European Semester, in the EU’s priorities and key messages, including in the Country-Specific Recommendations, and likewise an enhanced role for EU social and employment policy actors. In practice, this has occurred through intensified social monitoring, multilateral surveillance and peer-reviews, as well as an enhanced role for social and employment actors (especially EU Employment and Social Protection Committees). The European Semester has also become less prescriptive and better adapted to national circumstances. The authors interpret the socialisation of the European Semester as not only a response by the Commission and other EU institutions to the rising grievances of European citizens (towards the consequences of post-crisis austerity policies and the EU in general), but also that social and employment policy actors have engaged in “reflexive learning” and “creative adaptation” to new institutional conditions of the European Semester. Thus, at the same time as the European Semester has become more socialised, EU labour policy has become partially Europeanised (Zeitlin & Vanhercke, 2018).

Europeanisation of labour policy has furthermore been the result of attempts at building a more robust and competitive EU economy, also in response to crises. Following the Euro crisis, the prevailing narrative was that it was triggered by differences in wage developments and, as a result, uneven competitiveness among European economies. The emerging logic was that the way towards a more robust EU economy, one which is able to withstand shocks and crises, is more harmonization or policy convergence across the EU, including in social and labour policy. The prescribed antidote has therefore been a partial Europeanisation of labour policy, aiming for greater convergence of economic development and strengthening competitiveness (Syrovatka, 2023).

Labour policies have gradually become more Europeanised through various non-legal instruments and meeting platforms. Through the European semester, member states discuss policies in the Open Method of Coordination structures—typically sharing best practices and developing common standards. However, EU recommendations for labour policies are also to be found in parts of the European Semester that, due to the Stability and Growth Pact, are more binding (Schulten & Müller, 2015; Syrovatka, 2022). The ability of the EU to collect best practices and provide ready-made solutions, which the member states can draw from during a crisis, also contributes to Europeanisation. However, European and national trade unions and EU-critical forces in member states have contributed to limiting the expansion of EU labour and wage policy competences, also during the Covid-19 pandemic (Syrovatka, 2023).

Directly aimed at saving jobs during the pandemic, on 19 May 2020, the Council adopted the Commission's proposal for a European instrument for Support to Mitigate Unemployment Risk in an Emergency (SURE; European Commission, 2020), a unique temporary instrument that "could provide financial assistance up to €100 billion in the form of loans granted on favourable terms from the EU to affected member states to address sudden increases in public expenditure for the preservation of employment" (European Commission, n.d.). It was activated in September 2020 and deactivated on 31 December 2022. During this period, 19 member states combined received loans amounting to nearly €98.5 billion.

4. Analysis: Europeanisation of Labour Policies in Response to Crisis?

As we have seen, although mainly a national competence, social and labour policies have gradually become more Europeanised through various related instruments, regulations, and the sharing of best practices. Employment policy, however, remains an exclusive member state competence. Although studies show longer term processes of Europeanisation, national regulations and schemes varied extensively across the mem-

ber states before the pandemic. To what extent and how was this change linked to broader EU-level processes?

4.1. Public Policy Changes

Numerous business sectors were affected by national lockdowns already in March 2020. The hospitality sector, including restaurants, hotels, transport, and entertainment, were hit particularly hard. The unemployment rates peaked in the second quarter of 2020 when the average rate hit 7.8% in the EU27 area (Ando et al., 2022; Eurofound, 2021).

In response to this rise in unemployment, the EU member states have introduced or, in many cases, expanded their existing unemployment compensation schemes for workers. New actions have also been taken. First, in the second quarter of 2020, all EU member states introduced (or expanded) various job retention schemes (JRS) to financially support firms for keeping employees despite a sharp reduction in revenue. Second, all member states extended their schemes to also include smaller business and self-employed persons (Eurofound, 2021; European Commission, 2022, 2023). Notably, labour market policies varied substantially across member states before the pandemic, as well as the level of change introduced. Some member states already had JRS and opted for making these more generous while others introduced completely new schemes. In general terms, the two most common tools applied to mitigate unemployment were STW schemes or wage subsidies (WS). While there are some differences between these tools, they both seek to "preserve jobs at firms experiencing a temporary reduction in business activity by alleviating firms' labour costs while supporting the incomes of workers whose hours are reduced" (OECD, 2020, p. 59). As shown in Table 1 in the Supplementary File, within the second quarter of 2020 every country in the EU had either kept or introduced STW schemes and WS, or both, to compensate citizens for unemployment or reduced working hours. In fact, as the table illustrates, the biggest changes are evident in 14 EU states that had neither STW schemes nor WS before the pandemic. Of the countries that already had one of the two, the Netherlands is the only country that had STW schemes but changed their scheme to WS.

In sum, we see two converging changes across the EU in response to lockdowns caused by the pandemic. First, that all member states either kept or introduced JRS, and second, that all member states made these more generous by also supporting smaller businesses and the self-employed. How, then, can this policy convergence be explained? In the next part of the article, we explore the relevance of our two mechanisms to tease out a comprehensive explanation of the changes we observe.

4.2. Europeanisation: All About the Money?

The EU's adoption of SURE, due to its size and innovative nature, could be read as a signal from the EU that deeper

integration is deemed necessary to deal with crises such as the Covid-19 pandemic (Andor, 2020). With the SURE instrument, the EU adopted risk-sharing in the domain of unemployment: A pan-European instrument to support STW arrangements in the member states. The logic is that the EU, comprising a monetary union, must also act as an insurance union when confronted with severe economic or financial shocks (Vandenbroucke et al., 2020).

SURE was termed a “ground-breaking agreement” (Ebbinghaus & Lehner, 2022, p. 53). It would likely not have materialised had it not been for the unemployment crisis forged by pandemic-related lockdowns. As argued by an interviewee, “if there is no political urgency, and no public demand for a solution, it doesn’t happen. SURE was not foreseen in the Commission work programme” (interview, June 30, 2023). The general idea of STW schemes was, however, not new. Following the financial crisis from 2007–2008, about a dozen European states resorted to STW schemes to combat mass unemployment (Ebbinghaus & Lehner, 2022). Just as the Commission highlighted STW solutions in 2012, the adoption of SURE is an example of identifying best practices in member states, sharing these through various EU processes and offering support or incentives to enable them. This is something the EU has been doing since the launch of the Lisbon Strategy (Andor, 2020). Indeed, the Lisbon Strategy (2000) aimed to make the EU by 2010 the “most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (Zeitlin & Vanhercke, 2018, p. 16). In concluding that costs for employers were low, but benefits high, the positive experience following the financial crisis—and ability to scale them up at short notice—may have played a part in STW and JRS becoming a preferred tool in many member states (Ebbinghaus & Lehner, 2022; interview, October 31, 2023). After collecting best practices, the European Commission promoted STW schemes as an effective tool for firms to reduce labour costs, increase flexibility, avoid costs related to lay-offs, and preserve workers (Ebbinghaus & Lehner, 2022; interview, October 31, 2023).

SURE was introduced less than two months after the outbreak of the pandemic (European Commission, 2020). With the exception of Denmark, all the 14 countries that introduced STW schemes or WS for the first time in the second quarter of 2020 received loans from the SURE instrument. SURE, in other words, undoubtedly created incentives for many of the EU member states to expand or establish JRS, in line with our economic incentives’ hypothesis. After all, 19 member states received almost €100 billion (in total) in loans between May 2020 and December 2022 for these purposes through SURE. Most of our interviewees also referred to the adoption of SURE and access to these funds as key to understanding why many member states introduced new and extended JRS (interviews, 2023). As argued by an interviewee, for many member states “it would be economically benefi-

cial to make use of this instrument” since the borrowing costs were “lower than if they had to go and borrow themselves on the market” (interview, June 29, 2023). Similarly, since “it was going directly to the businesses, directly to the EU citizens” it was also “from a political point of view, rather easy for a member state to make use of the facility” (interview, June 26, 2023). The ability to get STW schemes approved rapidly in compliance with EU state aid rules also made this a more reliable option than constructing new schemes from scratch (interview, October 31, 2023).

Most interviewees also referred to how the feeling of urgency during the pandemic led to a political willingness to collectively lend money on the market through EU institutions to fund SURE and make it a reality, which had never been done before. Under time pressure and what some of our interviewees referred to as a policy-making “crisis mode”—where everyone wanted to avoid the rise in unemployment that occurred during the financial crisis—the member states agreed to establish SURE, which had been initiated by the Commission. This is in line with what one would expect if the crisis functioned as a critical juncture. In the words of a key Commission official:

There was a political decision to...actually go to the markets to fulfil that envelope. And that was possible because in the Member States there was an urgency to have some financial space. That is why the countries agreed to this very, very swiftly. (interview, June 30, 2023)

However, although economic incentives through SURE can help explain that JRS were introduced in many states, motivation to access these funds cannot in itself explain all the convergence we observe across the EU. First, eight member states—Germany, France, Austria, Denmark, Finland, Sweden, Luxembourg, and the Netherlands—for several reasons did not receive or apply for loans from SURE. Yet in the second quarter of 2020, they extended JRS and WS to smaller businesses and the self-employed (European Commission, 2022, 2023).

Although all the member states that introduced JRS for the first time received SURE loans, the SURE regulation itself did not specify (explicitly) that this was necessary in the conditions for these loans. Article 3 sets out “Conditions for using the Instrument,” with Article 3.2 stating that: “Beneficiary Member States shall use financial assistance primarily in support of their national STW schemes or similar measures, and, where applicable, in support of relevant health-related measures” (European Commission, 2020.). This implies that funds should protect employees and businesses against rising unemployment (interview, June 29, 2023; June 30, 2023). More importantly in terms of Europeanisation, both according to member state and Commission interviewees, was that states requesting loans also had to get their plans approved before loans were granted (interviews 2023).

Formally, the SURE regulation says that a decision on funding would be taken by the European Council on a proposal from the Commission, providing evidence of its needs and “a description of the national STW schemes or similar measures...that may be financed” (European Commission, 2020, Article 6c). In practice, however, as we will see below, this meant that the Commission not only approved of suggested policies, but in many cases also recommended tools and measures receiving member states should introduce, giving it influence over member states’ measures. SURE thus provided much of the basis, in line with our economic incentives mechanism. But as we will see, informal coordination and contingent learning, where the Commission influenced national policies through informal interaction with member states, are also key to explaining the policy convergence we observe.

4.3. Contingent Learning Through Informal Coordination

Our data suggests that a process of contingent learning through informal coordination is key to understanding the changes we observe in member states’ policies after the pandemic. In addition, the Commission played a role in these processes, both in terms of suggesting the SURE instrument, as discussed above, in facilitating coordination, and in providing guidance and recommendations on policies for member states, which were also in compliance with EU law.

A first indicator of a Europeanised response to the Covid-19 pandemic is the vast increase in the number of meetings at the EU-level. The number of meetings under the Employment, Social Policy, Health and Consumer Affairs Council structures, both at the minister and working group level, increased profoundly following the pandemic outbreak. Council meetings, where also social policy issues were discussed, increased from five meetings between March 1 and July 31, 2019, to 75 meetings over the same period in 2020 (Council of the European Union, 2020). This is indicative of the member states’ willingness to deal with the crisis at the EU level. In all of 2019 there were 65 meetings in the Council preparatory bodies. By the first two quarters of 2020, 67 meetings had already been held. Our interviewees confirmed that unemployment measures were amongst the themes discussed, despite the EU’s limited formal competences in this domain (interviews, 2023).

The pandemic also triggered more informal coordination between the member states on labour market policies, where the Commission played an active role in coordinating best practices. Interviewed officials across member states and the Commission describe a process where “the first communication started through the attachés....Exchanging emails, trying to understand between member states what they do and what would be the best solution to this” (interview, October 31, 2023). As indicated also by the number of meetings, “quite soon it was organised at the EU level...at The Council of Employment Ministers” (inter-

view, October 31, 2023) The Commission’s “role as facilitator” contributed to identifying policy solutions; the Commission was “present in all those discussions” and conducted much of “the work of gathering information, of sharing” (interview, June 30, 2023). In the words of one interviewee, “this was more of a cooperation between member states and the Commission” (interview, October 31, 2023).

Importantly, these processes influenced the type of measures that were implemented across the member states. In practical terms, “to apply for SURE, the Member States had to make a formal request, and then this was first discussed with the Commission and eventually passed to the Council for approval” (interview, June 30, 2023). As explained by an interviewee, “this is what the Commission was very good at, they created this quick access to information...you could get answers in half a day or one day if it was really necessary” (interview, October 31, 2023). Both according to member state and Commission officials, the recommendations for STW schemes were inspired by “the German model” (interviews, 2023). According to the Commission, “The German model was very much the basis...it inspired a lot of the work we did” (interview, June 30, 2023). Some interviewees, including from the Commission, also linked this to the Commission president, Ursula von der Leyen, taking an interest in the process. For example: “I think that, of course, the fact that the President is German and was Minister of Labour...and very well knew those schemes... I think she was deeply convinced that that was the way forward” (interview, June 30, 2023). Other interviewed member state officials also referred to how unemployment measures were inspired by the German model: “We copied it more or less. I mean, we looked very closely to the German example because they used it already during the 2008 crisis, so they had this experience” (interview, October 31, 2023). Another factor identified making this a positive measure was that “the Commission also approved that this is one of the best practices” (interview, October 31, 2023). The Commission also suggested “to add the self-employed to the scheme and that of course is a bit of a departure from the traditional thing” (interview, June 30, 2023).

Importantly, the Commission was also in direct contact with the member states that did *not* receive SURE loans. As explained by a member state official from one of these member states, the Commission “was in dialogue with all the member states... The Commission gives guidance, goes in dialogue with member states and says how the Commission sees this as a best way forward” (interview, June 26, 2023). In addition, according to the Commission, it contacted all member states to get an overall view of their schemes and needs “in the space of a summer,” and on this basis provided concrete written recommendations to each of them (interview, June 30, 2023). An example from a member state that did not receive SURE funding is how the Commission advised that “if we use this STW scheme, it will be in accordance

with the state aid rules which apply at the EU level” (interview, October 31, 2023).

In sum, these observations are in line with what Kamkhaji and Radaelli (2017) refer to as contingent learning. Both time pressure and a sense of urgency is key not only to understanding that the SURE instrument was introduced so quickly, but also that the Commission came up with a set of standards for providing loans so early on that the member states quickly engaged in informal coordination and discussions with the Commission on how to address the unemployment challenges. And, not to mention, that the Commission’s proposals went through so quickly. Within a short time period, the Commission needed to evaluate 19 plans for how to spend SURE funds. In order to do so, it needed a framework by which to evaluate these plans. To find this, it turned to the standards that were produced the last time they faced a crisis with similar consequences, namely, the financial crisis. The member states, many of whom wanted funds from the SURE instrument, quickly accepted the standards provided by the Commission. As argued by a Commission official, “we had a couple of examples like that where yes, we needed to negotiate, but I would really count them as exceptions because I think most countries really operated within the given framework” (interview, June 30, 2023). Due to the crisis, “there was more acceptance to look to the European level for a response” (interview, June 30, 2023).

5. Conclusion

This article set out to explain convergence of member states’ labour market policies in response to the Covid-19 pandemic, specifically focusing on JRS as a crisis response despite the lack of formal EU competences in the domain. For this purpose, we distinguished between two analytically distinct but empirically overlapping mechanisms that may help tease out whether changes in national policy-making are linked to processes playing out at the EU level, namely economic incentives and contingent learning. We find that economic incentives linked to the temporary EU instrument SURE did indeed play a part in many of the member state policy changes we observed. However, it does not give a full picture of the rapid changes introduced in numerous countries in direct response to the crisis. By applying our concept of contingent learning, we also find that the Commission facilitated the exchange of information across the member states. There is also evidence to suggest learning processes across member states and between the Commission and member states. The Commission played a key role in these discussions, also putting concrete proposals on the table in EU meetings and in direct contact with individual member states.

The EU thus functioned as a facilitator of this convergence through two main instruments: Firstly, through loans (the SURE instrument). Secondly, through formal and informal coordination activated by a multiplication

of meetings at the EU-level, initiating intense exchange of information, and by suggesting concrete measures that were not contested, thus contributing to contingent learning. Following these processes, the Commission promoted good practices. It also enabled this by offering concrete advice and loans, and by relieving member states of bureaucratic headaches by verifying compliance with EU rules, for example on state aid and the ability for swift approval. In this way, the EU not only aided the policy diffusion of JRS across member states, but also very much influenced the type of policy measures introduced in a prompt manner.

Exploring measures taken by several member states to protect jobs during the Covid-19 pandemic, our findings suggest that crisis responses are indeed becoming more Europeanised, even in domains where EU competences are limited. While Europeanisation in this case has not led to formal EU-integration, this may indeed change over time, as learning processes play back into policymaking or even legislative processes at the EU level (Radaelli, 2004). There is, nonetheless, still considerable disagreement among member states on the EU’s future role in social and labour policies.

Undoubtedly, JRS are specific job protection instruments and are not representative of the labour market as a whole. As an anti-crisis measure, however, the diffusion of JRS adds to the crisis literature by shedding light on how crises may function as triggers for informal Europeanisation processes that in turn create policy changes at the national level. As we have seen, the domain has over time gradually become more Europeanised through various mechanisms; when faced with a crisis, the member states responded similarly and in a coordinated manner despite disagreement and resistance during “normal” times. The Covid-19 crisis brought the member states together in formal and informal meetings where policies were discussed and swiftly adopted, and where the Commission played a key role. Future studies should explore how longer-term cross-loading Europeanisation processes interact with change in response to a specific crisis. Indeed, as our informants suggest and in line with what one would expect following the mechanism of contingent learning, it is easier to introduce change during times of crisis when there is a sense of urgency and there is little time to consider alternatives. When a crisis occurs, our study confirms that the EU member states are willing to coordinate at the EU level and that pre-existing solutions are drawn upon. And, not least, that the Commission acts as a facilitator, promoting good practices, suggesting concrete policy-solutions and thus contributes to policy diffusion across member states.

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Conflict of Interests

The authors declare no conflict of interests.

Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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