

Highlights

OED120 Policy Deep-Dive

The Next Generation EU Recovery Package: The Role of National Parliaments Initiated by MEP Damian Boeselager (Germany)

19 October 2020

This video call took place after the [EU Commission's proposal](#) (May 2020) for the largest economic stimulus package in EU history to respond to the health and economic crisis caused by the spread of Covid-19. The package adds 750 billion Euros of spending consisting in grants and loans to the EU's roughly 1 trillion 7-year budget. The EU [Council's conclusions](#) on said proposal were issued after one of the longest Council meetings ever in July. The [European Parliament's resolution](#) on it (July 2020) [and its opinion clearing the way](#) for an "own resources decision" by the Council (September 2020) followed soon. Nonetheless, several conflicts persist with Council and Parliament still in negotiations about the package. All of the involved institutions aim for a decision by January 2021 to start disbursing funds. Several member states have already submitted spending plans to the Commission to receive funding as soon as possible.

Against this backdrop, twelve members of parliaments representing nine parties from five countries came together to explore in depth the details and implications of the "Next Generation EU" (NGEU) recovery package with a particular view to the role of parliamentarians.

The call was initiated by network member and MEP Damian Boeselager. Additional input was provided by expert Hans Kundnani, Senior Research Fellow at Chatham House, Paolo Guerrieri Paleotti, alumnus on the OED network and former Italian Senator, and Apostolos Fasianos, Post-Doctoral Research Fellow at ELIAMEP.

Conversation highlights

- **How significant is this recovery program?**
 - Is it a momentous step towards debt mutualization and eventually, a transfer union?
 - Is the NGEU's importance overblown but masks a momentous shift towards more state interventionism in the EU, as opposed to its current market and competition-based regime?
 - Is the recovery program just an economic program that could not change the Union in the longer run as national constitutional courts would stop further integration though the back door, especially in Germany?

- Overstating the significance of the program could in any case create high expectations that are bound to be disappointed.
- **Will it be effective?**
 - The program could have a disastrous impact on the EU's reputation if it does not meet expectations.
 - The provisions of the proposal on a more digital, more resilient and greener economy may not be precise enough to formulate clear evaluation criteria.
 - Immediate crisis relief (which citizens may expect) is not the core purpose of the proposal.
 - It is unclear at which levels of governance sensible targets can be set: European national, regional, local? A participant pointed out that the needs in each country and indeed region may vary widely.
 - If the key goal is one of transforming the economy, does this just relate to a modernization of industries in Europe or a turn away from export-based growth models?
 - There was agreement that in macro-economic terms, the NGEU is too small to neutralize the effects of the crisis on the European economy. Does that mean that the intended effect is psychological, one of restructuring the economy, or just the best that the member states can agree on?
- **What is the role of parliaments?**
 - Parliaments push to be involved in evaluating both the NGEU itself and its disbursement.
 - There is a fear that if parliaments are not formally included in the provisions of the program, they will be sidelined.
 - Suggestions to prevent this:
 - Linking the Commission's biannual review of member states' spending to a review by the EP
 - Including a provision on parliamentary vetos.
 - Allow parliaments to review not only the decision but also the implementation by checking proactively the use of funds.
- **Two ways of implementing the NGEU**
 - Technocratic, reducing the role parliaments to bystanders: might lead to alienation between citizens and the EU elites as it lacks transparency and imposes an EU-wide plan on national spending.
 - Democratic, involving parliaments: while more transparent, could deepen well-known conflicts in the union about spending and reforms or the rule of law and incentivize pork-barrel spending rather than a coordinated implementation of an EU-wide strategy.

Resources

- [Council conclusions on the NGEU](#);
- [“Europe After Coronavirus: The EU and a New Political Economy”](#), Chatham House research paper co-authored by Hans Kundnani;
- [Overview of legislative progress on the EU's recovery program](#).

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Follow up with the OED120 experts and initiators

Since 2019, **Damian Boeselager** is a member of the European Parliament (MEP) for The Greens/EFA and co-founder of Volt Europa, the first pan-European party in the history of the European Union, which, since 2017, aims at strengthening European political solutions. As of 2020, he is member of the Constitutional Affairs Committee and Greens/EFA shadow rapporteur on the Recovery and Resilience Facility. After a Bachelor degree in Philosophy and Economics from the University of Bayreuth, he studied Public Administration at Columbia University and Hertie School of Governance.

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Hans Kundnani is Senior Research Fellow at Chatham House. Before joining Chatham House in 2018, he was Senior Transatlantic Fellow at the German Marshall Fund of the United States and Research Director at the European Council on Foreign Relations. He is also Associate Fellow at the Institute for German Studies at Birmingham University. In 2016 he was a Bosch Public Policy Fellow at the Transatlantic Academy in Washington DC. He studied German and Philosophy at Oxford University and Journalism at Columbia University in New York, where he was a Fulbright Scholar.

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