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Article

# NextGenerationEU and the European Semester: Comparing National Plans and Country-Specific Recommendations

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**Abstract**
This article examines the main features of the Recovery and Resilience Plans (RRPs) that member states have presented to access NextGenerationEU (NGEU) funds, and it explores the relationship between NGEU and the European Semester. Relying on a dataset collected for this purpose, which coded all RRPs and all recommendations received by the member states in the years preceding NGEU, we explore quantitatively the variation in the countries' resource allocation and reform agendas and the congruence between RRPs and the recommendations issued in the European Semester. Our analysis reveals three key findings. First, substantial variation exists across member states, reflecting the diverse economic and political contexts shaped by a decade of crises. Second, by disaggregating RRPs into the six policy pillars indicated by the Commission, we show differences in the member states' patterns of intervention. Third, we offer insights into the extent to which member states address the Semester recommendations. The data we present is a relevant tool for understanding NGEU and generating research questions aimed at exploring its nature and its implementation in the years to come.

**Keywords**
conditionality; country-specific recommendations; European Semester; NextGenerationEU

**Issue**
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## 1. Introduction: NextGenerationEU and the European Semester

Much has already been written about the origins (and the factors driving the creation) of NextGenerationEU (NGEU) as a substantial economic and social investment program following the Covid-19 crisis. Just after its announcement, political commentators immediately focused on the long-term ambitions of this programme: Among the dozens of examples, we quote two titles showing the expectations about NGEU's potential impact in terms of both governance system and policy outcomes: the article from *The Economist* published in May 2022 (*The EU's Covid-19 Recovery Fund Has Changed How Europe Spends Money*; The Economist, 2022) and the report from the European Economic and Social Committee (2022) entitled *An Unprecedented Exercise in Solidarity*. While the debate on the *actual* effects of this plan is just beginning (and it could not be otherwise since its implementation is still in progress at the time of writing), there is a clear agreement among the opinion makers on its *potential* policy impact, which will go well beyond the short-term objectives imposed by the pandemic, first as a health emergency, then as an economic emergency.

Even though scholarly work is inevitably slower in taking stock of what happened, legal and procedural analyses (De Witte, 2021; Fabbrini, 2022) have already explored the creative legal engineering involved in the adoption of NGEU and its potential contribution to

the federalization of the EU, granting it a fiscal capacity akin to other federal systems. Other contributions have investigated the genesis of NGEU from a political point of view, illustrating how the different (intergovernmental and supranational) bodies have exerted influence in the process (Bressanelli & Quaglia, 2021). The plans' implementation has also been analysed (see, for instance, Schramm et al., 2022), stressing the different involvement of public administrations, regional authorities, interest groups, and policy-makers. Most contributions so far suggest that the genesis of NGEU is rooted in the economic and political vulnerabilities that emerged from the sovereign debt crisis. Armingeon et al. (2022) argue, for instance, that NGEU is a pre-emptive intervention aimed at addressing structural weaknesses and rising Euroscepticism in economically vulnerable countries, as the allocation of NGEU resources is driven more by past economic and political vulnerabilities than the impact of the pandemic. Buti and Fabbrini (2023) explore the potential for NGEU to bring about a paradigm change in economic governance, highlighting the need for solutions to trilemmas related to EU institutions, fiscal policy, and national reforms.

The bottom-line question that echoes in all these contributions is about the true nature of NGEU: Does it represent a sort of "Hamiltonian moment" (de la Porte & Jensen, 2021; Georgiou, 2022), with a new approach to the EU budget emerging after the pandemic (Cavalieri & Karremans, 2023), or is it just an enhanced cohesion policy, using the same decision-making schemes and reaching similar outputs? On the one hand, the size and scope of NGEU seem to suggest that it is "something more." On the other, the focus on targeted investments and projects (which makes it akin to the classical cohesion policy), the conditionality (money in exchange for reforms) recommended in the drafting of national Recovery and Resilience Plans (RRPs), and the link with the European Semester, suggest a more "traditionalist" interpretation of NGEU.

The European Semester was introduced in 2010, during the most acute phase of the sovereign debt crisis, in response to inadequate economic and budgetary coordination methods, which member states had either ignored or marginalized in EU decision-making. It was designed as an annual policy coordination cycle, based on recommendations proposed by the Commission and endorsed by the Council (the so-called "country-specific recommendations" [CSRs]), which address not only budgetary issues but a wide range of policy fields, including (to cite just a few examples) pensions (Guardiancich & Guidi, 2020; Guardiancich et al., 2022; Guidi & Guardiancich, 2018), health policy (Azzopardi-Muscat et al., 2015), wage policy (Cova, 2022; Di Mascio et al., 2020), and social policy in general (Copeland & Daly, 2018; Zeitlin & Vanhercke, 2018). The aim of the Semester is to ensure national compliance with EU recommendations and address past shortcomings of their implementation. Following a primarily intergovernmental struggle, which pitted "core" against "peripheral" member states during the Euro crisis, the Semester bolstered the Commission's authority vis-à-vis the Council (Bauer & Becker, 2014). Research has also shown that CSRs, far from being a purely rhetorical exercise, have the capacity to influence member states' policies (Cova, 2022; Guardiancich & Guidi, 2020).

The link between NGEU and the European Semester has gradually emerged in the making of NGEU. While the European Council's conclusion of July 2020, which laid the groundwork for its establishment, did not explicitly mention the Semester in relation to NGEU, the link became evident with the approval of Regulation 241/2021, which established the Recovery and Resilience Facility, the backbone of NGEU (the European Semester is mentioned 26 times in the text of the regulation). In particular, Annex V of Regulation 2021/241 stated that one of the criteria for the assessment of the plans presented by the member states is the extent to which the RRPs "contribute to effectively addressing all or a significant subset of challenges identified in the relevant country-specific recommendations" (Regulation (Eu) 2021/241 of the European Parliament and of the Council of 12 February 2021, 2021). There is, hence, a built-in conditionality in NGEU, and the Semester is the institutional setting in which such conditionality is assessed (see D'Erman & Verdun, 2022; Domorenok & Guardiancich, 2022).

While, for obvious reasons, there have been few contributions to the integration between NGEU and the Semester, we believe that it is important to begin to map the overlap between the two. Before theory-driven hypotheses can be formulated and tested, it is necessary to explore, more descriptively, the type of variation that we are confronted with. In particular, we aim to answer the following research questions:

> RQ1: Which policy areas (pillars) had been signalled as more relevant by the Commission in the years preceding NGEU?
>
> RQ2: How have countries allocated expenditure components and reforms among pillars in their RRPs?
>
> RQ3: Are the distributions of reforms and investments congruent with recommendations received in the European Semester?

The article proceeds as follows: In Section 2, we document our coding procedure, showing how it allows us to compare CSRs and RRPs within and across countries. In Section 3, we present descriptive evidence regarding our data. In Section 4, we explore the congruence between recommendations received by countries and the content of their RRPs. In Section 5, we draw some conclusive remarks.

## 2. Data and Operationalization

For our analysis, we coded the RRPs of 26 EU member states (Hungary was excluded for not having access to NGEU funds at the time of writing) and the CSRs to the same countries in the two years preceding the drafting of RRPs (2019 and 2020). For the RRPs, we coded both the reforms and the investments envisaged in each plan. We collected information about the RRPs from the database of plan briefings provided by the European Parliamentary Research Service at the website (https://epthinktank.eu/2022/02/03/national-recovery-and-resilience-plans-latest-state-of-play).

The first decision to make when coding RRPs is the scheme to use. One option would have been to create a custom coding scheme based on policy fields and/or the direction of change (liberalization/marketization or the opposite, see e.g., Cova, 2022). However, the detail that such a scheme would allow us to obtain would come at the expense of many discretionary choices we would have to make during the coding, given the extremely heterogeneous nature of the RRPs. This would, in turn, reduce our ability to meaningfully compare the plans presented by the different countries. Therefore, for an exploratory exercise such as this, we preferred to take the "pillars" laid out by the Commission, the European Parliament, and the Council in Article 3 of the Regulation (2021/241) establishing the Recovery and Resilience Facility (Regulation (Eu) 2021/241 of the European Parliament and of the Council of 12 February 2021, 2021). The six pillars are policy areas where countries are invited to focus their investment and reform efforts in the RRPs. The six pillars are:

1) Green transition;
2) Digital transformation;
3) Smart, sustainable, and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs;
4) Social and territorial cohesion;
5) Health, economic, social, and institutional resilience, with the aim of, inter alia, increasing crisis preparedness and crisis response capacity;
6) Policies for the next generation, children and the youth, such as education and skills.

We coded RRPs ourselves instead of using the scores that the Commission publishes on the "Recovery and Resilience Scoreboard" website (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html) for three main reasons. First, only the percentages of resources allocated to the pillars are available, and there are no absolute numbers for the single investment components. Second, for each of the six pillars in the Scoreboard, the percentage is made of two components (called "primary pillar" and "secondary pillar"), which results from the fact that each investment is coded under one of the six pillars for the "primary pillar," and under another of the six pillars for the "secondary pillar." However, without having exact information on how these primary and secondary pillars are attributed, since the indications given in the Annex of Commission Delegated Regulation (EU) 2021/2106 of 28 September 2021 (2021) do not cover all the policy fields of the RRPs, we could not calculate the absolute numbers ourselves. In the absence of unequivocal indications on how to precisely detect "primary" and "secondary pillars," we opted to assign each investment or reform either to one pillar only (when there appeared to be a clear predominance of a certain objective) or to two or three (if there seemed to be multiple goals). In essence, we avoided the imposition of coding two pillars at all costs. This inevitably results in some discrepancies between our figures and those of the Commission. Third, the Commission provides no coding along the six pillars for reforms, which we also wanted to include in our analysis.

In order to have a consistent coding scheme, we have assigned each coded element to one (or more) of the above-mentioned pillars. For CSRs, the items we coded are the single policy prescriptions given to member states, which we refer to as *sub-recommendations* (following Guidi & Guardiancich, 2018) because, in each recommendation for a member state in a given year, there can be multiple policy prescriptions, which often pertain to different policy fields (or, as far as our coding is concerned, to different NGEU pillars). The Commission itself, which maintains a database of all CSRs (available at https://ec.europa.eu/economy_finance/country-specific-recommendations-database), divides recommendations into sub-units. We used the sub-units provided by the Commission (for an example of the division of a recommendation into sub-recommendations, see Section A1 of the Supplementary File). For RRPs, we coded both the expenditure components outlined in the briefings (for a visual inspection of the total amount of funds obtained by each state, please see Figures A3.1 and A3.2 in the Supplementary File) and the reforms listed in the annexes to the plans. In the case of the reforms, each reform was coded based on its title, the description provided in the annexes, and the components to which it was linked. This allowed us to assign each reform to the pillar(s) that most closely aligned with its objectives and focus. This coding procedure (for coding examples, see Table A2.1, A2.2, and A2.3 in the Supplementary File) has yielded a dataset encompassing all CSR sub-recommendations, expenditure components, and reforms for each member state.

As mentioned above, each item (CSR sub-recommendation, an RRP reform, or an RRP expense) was assigned to one or more than one pillar. The rationale followed in the coding procedure is explained in detail in Section A2 of the Supplementary File. Starting from CSRs, the coding allowed us to calculate for each country the percentage of sub-recommendations

received in each pillar ($CSR_{cp}$), as follows:

$$CSR_{cp} = \frac{1}{N}\sum_{p=1}^{P} s_{cp} \cdot 100$$

where $s_{cp}$ are the sub-recommendations received by country $c$ pertaining to pillar $p$, $P$ is the total number of $s_{cp}$, and $N$ is the total number of sub-recommendations received by country, $c$. Note that $s_{cp}$ = 1 if a sub-recommendation was coded as pertaining to one pillar only. If a sub-recommendation was coded as pertaining to two pillars, for each pillar, $s_{cp}$ = 0.5; if it was coded as pertaining to three pillars, for each pillar, $s_{cp}$ = 1/3.

Similarly, we obtained the same measures for reforms ($R_{cp}$):

$$R_{cp} = \frac{1}{N}\sum_{p=1}^{P} r_{cp} \cdot 100$$

Where $r_{cp}$ are the reforms included by country $c$ in its RRP that pertain to pillar $p$, $P$ is the total number of $r_{cp}$, and $N$ is the total number of reforms included by country $c$ in the RRP. Also, in this case, if a reform could be categorized under more than one pillar, we duplicated it, assigning the appropriate weights.

For expenditure components, we did not calculate the absolute number but the percentage represented by the amount (in million euros) allocated to each pillar ($I_{cp}$) over the total amount of all investments in all pillars:

$$I_{cp} = \frac{1}{N}\sum_{p=1}^{P} i_{cp} \cdot 100$$

Where $i_{cp}$ is the amount of the investments included by country $c$ in its RRP that pertain to pillar $p$, $P$ is the total number of $i_{cp}$, and $N$ is the total number of investments included by country $c$ in the RRP. To calculate the amount for investments that pertain to more than one pillar, we simply split their amount into equal parts among the pillars.

## 3. Descriptive Evidence About CSRs and RRPs

In this section, we present some descriptive statistics about the data collected. The total number of sub-recommendations was 342 in 2019, and 380 in 2020. In this landscape of increasing "attentiveness of the Commission (which follows a phase of "relaxation" coinciding with most of the year of the Juncker Commission (for more information see https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/624404/IPOL_BRI(2018)624404_EN.pdf), there is obviously a considerable degree of variation among countries, as shown in Figure 1. At the top of the graph, we see the countries that received, on average, more CSRs in the three years: Spain and Cyprus lead the race with 42 and 40 sub-recommendations, while Denmark is the country with the lowest number of sub-recommendations (only 13 in two years).

Going more into detail as concerns the content of recommendations, we see that, according to our coding, most CSRs paid attention to issues pertaining to the third pillar (see Figure 2). In this pillar, we included (as detailed in Section A2.1 of the Supplementary File) recommendations attempting to stimulate growth, such as measures to strengthen competition, improve the business environment, help small and medium enterprises, and stimulate private investments, which constitute the bulk of CSRs.

The distribution of reforms and investments, shown in Figure 3, displays different patterns. Reforms appear to be more in line with the CSRs, with most interventions under the fifth, fourth, and third pillars. If we look at investments, instead, we see that the lion's share is represented by the first pillar, which covers expenses for the green transition. This is understandable: On the one hand, most recommendations that we coded under the third pillar were to be addressed through legislative changes and new or different regulatory policies rather than through public expenditure of any kind; on the other, leaving the adherence to CSRs aside, the fact that the green transition was the first pillar indicates that the Commission assigned particular relevance to it (for an overview of the states' percentages of sub-recommendations, reforms, and investments for each pillar, see Table A5.1 in the Supplementary File). Also, EU grants for the green transition are particularly attractive to countries. Like many other environmental policies, the costs of green investments are concentrated in the short term, while their benefits are spread in the medium and long term. It is, therefore, not surprising that many countries seized the opportunity to finance these investments, which they find difficult to embark on in normal circumstances.

What is most interesting to us, though, is exploring the variation among countries in the allocation of investment and the diversification of reform efforts. Starting from the first, we know there are huge differences among countries regarding the allocation of funds. As is shown in Figure A3.1 in the Supplementary File, Italy is the biggest beneficiary in absolute terms, with almost 200 billion euros of expenditures financed by grants and loans. The second largest beneficiary, Spain, does not reach half of the total investment envisaged by the Italian government in its RRP. However, suppose one wants to analyse the impact of NGEU on a member state's economic and social system. In that case, adjusting the amount each receives relative to its GDP is probably more appropriate. In Figure A3.2 in the Supplementary File, we show, for each country, how large the NGEU contribution is compared to the size of its economy. Using this metric, the largest beneficiary is Romania, followed by Croatia—with Italy still reaching third place in this ranking.

In Figure 4, we combine two relevant pieces of information: (a) How much has each country received as a percentage of its GDP (see also Figure A3.2 in the

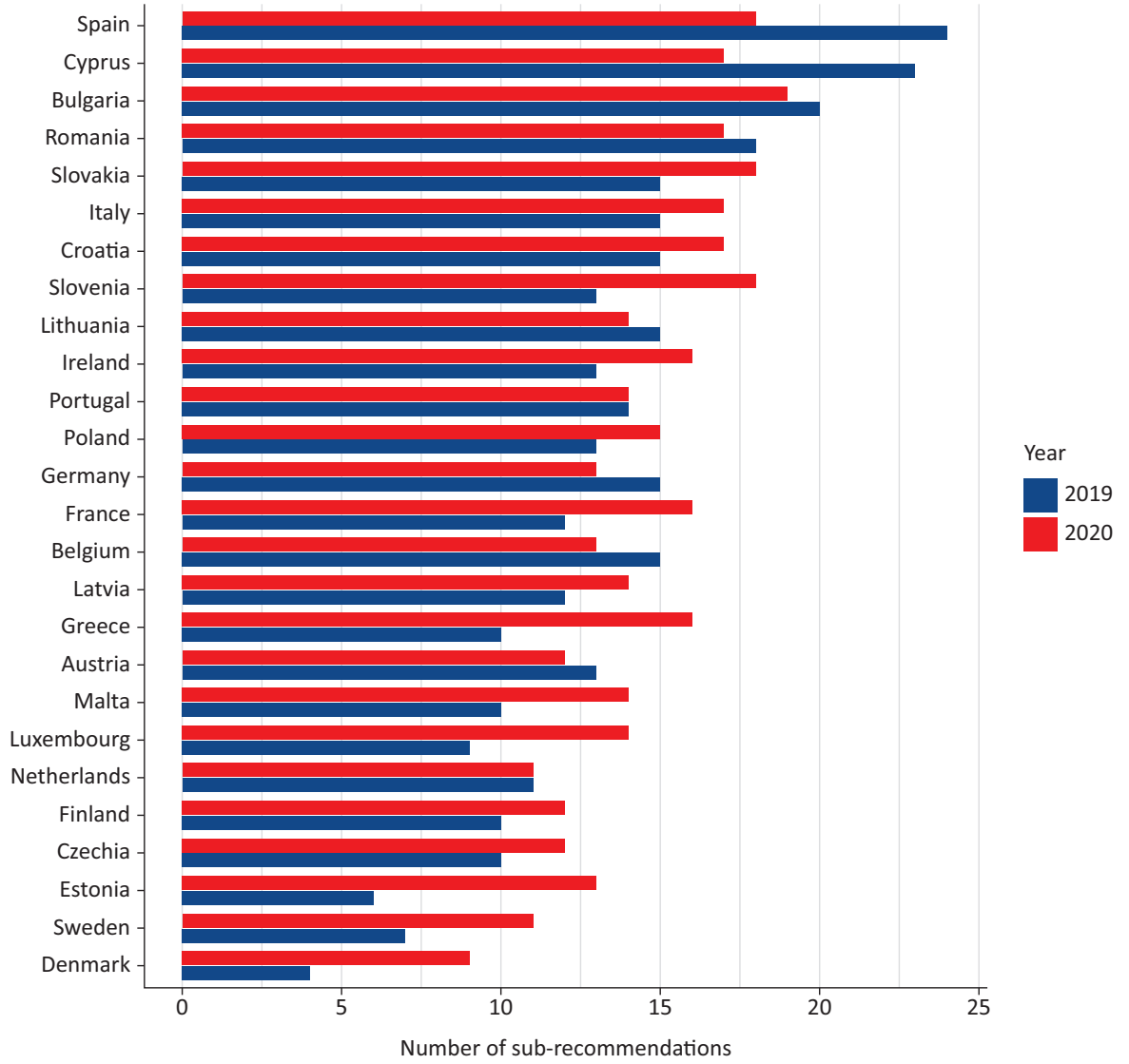


**Figure 1.** Number of sub-recommendations by country in years 2019 and 2020. Note: Countries are ordered by their mean number of sub-recommendations per year.

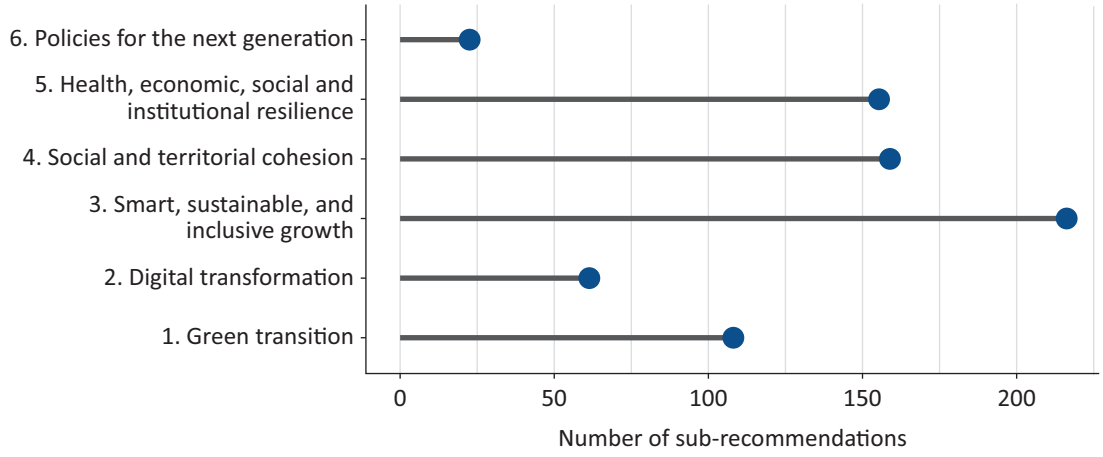


**Figure 2.** Allocation of sub-recommendations per pillar (2019–2020).

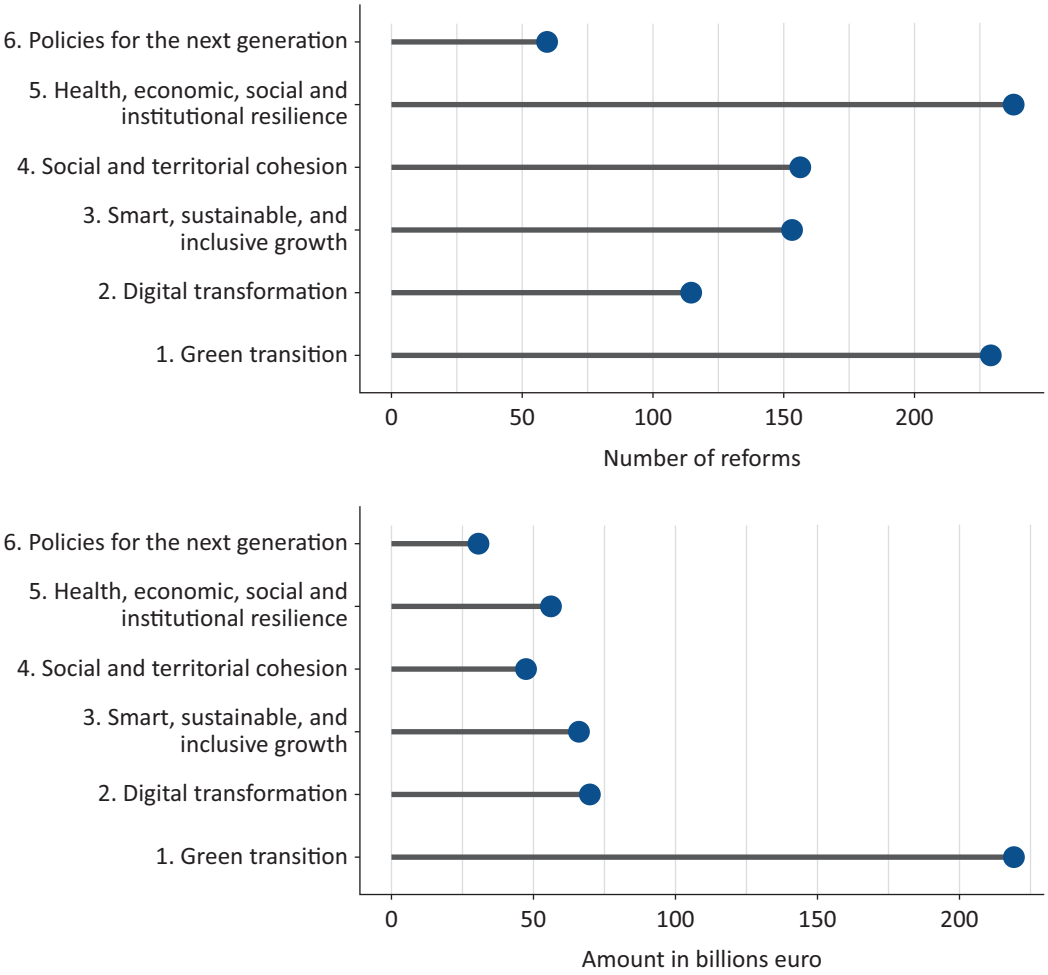


**Figure 3.** Total number of reforms presented and the total amount of money allocated by pillar in RRPs.

Supplementary File)?; (b) how has each country allocated the amount received among the six pillars? As the legend explains, countries with darker dots received more in proportion to their GDP, while countries that received less have lighter dots. On the x-axis, we see the percentage of the total amount received that is allocated to each pillar. The percentages represented in Figure 4 do not necessarily align for all countries with the requirement that 37% of investment be allocated to the first pillar (green transition) and 20% to the second (digital transition). This happens because the Commission, in its evaluation of allocation, has coded investments twice in two pillars each. Since we did not have information on how this coding was done and how to replicate it, we coded pillars autonomously (see Section 2). In so doing, our numbers cannot exactly match those of the Commission. In line with what we have shown in Figure 3, the first, second, and third pillars are the ones in which the largest part of investment is concentrated. This is, to a great extent, explained for the first two pillars by the requirement for all countries that 37% of investment be allocated to the green transition (first pillar) and 20% to the digital transition (second pillar). A group of Southern European countries (Portugal, Spain, Greece, and Cyprus, which are also among the largest beneficiaries) has allocated more investment in the third pillar in their RRP compared to the rest of the member states. These countries' economies were hit hard by the pandemic: It makes sense that they saw NGEU as an opportunity to strengthen their economy and diversify their growth prospects. Conversely, the countries that invested the most in the second pillar are among the countries that received the least in proportion to their GDP (Austria, Ireland, Estonia, and Germany). The second pillar, pertaining to digitalization, is probably more important for countries that do not have pressing economic issues or growth problems.

We also tested whether there is a correlation between the percentage of reforms and the percentage of investments under a certain pillar. In other words, do countries pledge to implement more reforms in the policy areas in which they allocate more money to spend? With a correlation coefficient of the two variables of 0.45 ($t$ = 6.86, $df$ = 190, $p$-value < 0.001), the answer is (tentatively) affirmative. This seems to confirm a "shadow of conditionality" in the way expenditure components and reforms are treated: In policy areas where countries want to spend more money, they also commit to implementing more reforms. Nevertheless, the far-from-perfect correlation indicates that the opportunities opened by

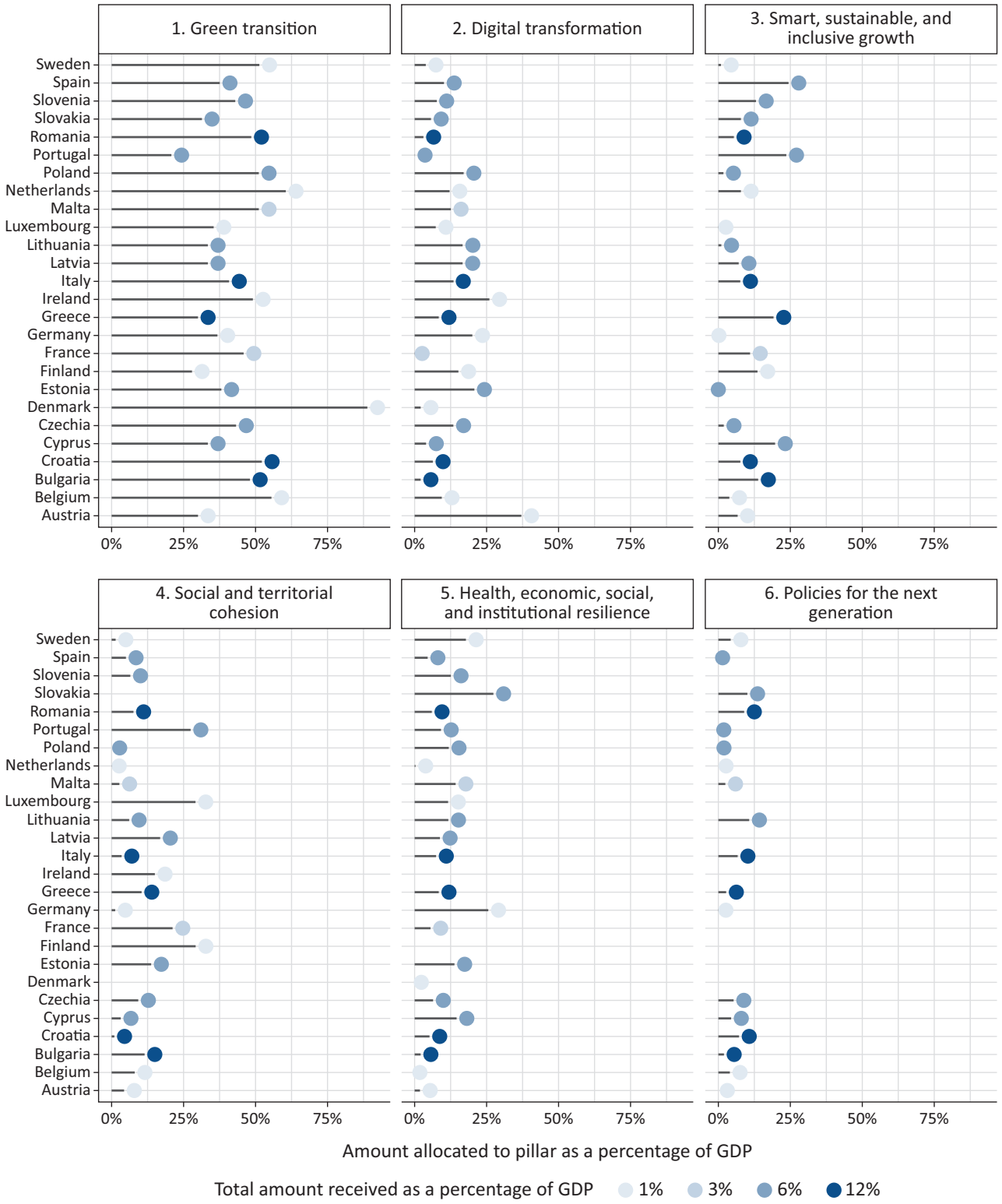


**Figure 4.** Percentage of total national investment allocated by countries to pillars.

NGEU were used to address different pre-existing priorities in the countries' reform agendas.

### 4. Congruence Between CSRs and RRPs

While the congruence between CSRs and RRPs is worth exploring, this aspiration comes with relevant methodological obstacles. One possible way to proceed is a qualitative assessment of the recommendations (or, better said, the sub-recommendations) given to each country in the years before the Semester. For each sub-recommendation, we would need to "scan" the RRP in search of a reform (or a particular investment plan) that tackles the issue and mark that as addressed—or

as not addressed if we cannot trace it in the RRP. Even though this approach would allow us to evaluate the implementation of CSRs in great detail, it would not be without shortcomings. First, gathering this information for all countries, as we aim to do, and not for a small subset, would be time-consuming (for an application of this approach to the Italian case, see Guidi & Moschella, 2021). Second, coding the extent to which past recommendations are addressed would involve a considerable amount of discretionary choice: The link to a certain policy prescription found in CSRs to measures contained in the RRP could be straightforward in some cases but less so in others. Third, it is highly likely that a substantial number of sub-recommendations are addressed *partially* in RRPs. How would we account for that? For these reasons, and being well aware of its limitations, we opted for a different approach, analysing the congruence between the distribution of sub-recommendations (across the areas covered by the six NGEU pillars) and the distribution of reforms (and expenditure components) in the RRPs.

The logic behind our empirical exercise is not that of testing—recommendation by recommendation—how many (or what percentage) of the sub-recommendations were included in the national plans. There is no way to do this by aggregating data in the way we do, and we cannot make such a claim. Instead, we take the sample of sub-recommendations from the two years before the presentation of the plan as a proxy of the policy areas in which the Commission has asked the country to intervene more. The kind of information we retain from our data aggregation allows us to answer the following question: "If we code the CSRs according to the NGEU pillars, in which pillars did each country receive more (and fewer) recommendations?" We then compare (a) the distribution of the CSRs across the six pillars with (b) the distribution of the interventions (reforms and investments) included in the RRPs.

There are several methods that social scientists have been using for measuring the congruence between distributions: difference in means, overlaps of cumulative distribution functions, probability density functions, or more sophisticated indices such as the Earth Mover's Distance (Lupu et al., 2017). However, these measures work for normal distributions, and ours is not normal: Pillars one and six are not more extreme values than pillars three and four. Therefore, we rely on a simple calculation of the cumulative difference between the percentages of the two distributions. More specifically, we compare, for each country ($c$) the distribution of the sub-recommendations it received in 2019 and 2020, and the distribution of the reforms or the investments included by the same country in its RRP. For each country ($c$) we then calculate the cumulative absolute differences in the distributions between sub-recommendations and reforms ($CD_c^{SR}$) and between sub-recommendations and investments ($CD_c^{SI}$) as follows:

$$CD_c^{SR} = \sum_{i=1}^{6} \left| \left( CSR_{cp} - R_{cp} \right) \right|$$

$$CD_c^{SI} = \sum_{i=1}^{6} \left| \left( CSR_{cp} - I_{cp} \right) \right|$$

For a definition of $CSR_{cp}$, $C_{cp}$, and $I_{cp}$, see Section 2. It goes without saying that the comparison between the two distributions is more reliable the higher the number of recommendations received and reforms planned by each country. For countries with few recommendations and few reforms (e.g., Denmark), this comparison should be examined with more caution.

In Figure 5, we can observe the allocation across the six pillars (as a percentage) of the total number of CSRs and reforms, respectively, and the degree of congruence between the two for each country. Countries with darker (less transparent) bars have higher congruence, and vice versa (for the exact sum of cumulative absolute differences for each country, see Table A4.1 in the Supplementary File). The countries with the highest congruence (i.e., lower cumulative difference) are Croatia, Cyprus, Malta, and Greece. Countries with lower congruence have (at least in the distribution) diverged from the Commission and Council's priority as indicated in the recommendations. Take, for instance, Czechia, a country with a relatively high number of both sub-recommendations (27) and reforms (41): The country received most of the CSRs (34%) in policy areas pertaining to the third pillar (measures for stimulating growth), but only 8% of the reforms it planned were in this area, while the 32% of reforms pertained to the fifth pillar, for which it had 16% of the recommendations. Also, Italy, the largest beneficiary in absolute value, does not achieve a very high congruence, in this case mostly because it included in its RRP a higher number of reforms (24%) in the area of green transition, where it had received only 8% of its sub-recommendations. This seems to be a general trend related to the nature of NGEU. While the Commission has rather neglected environmental policies and ecological sustainability in the European Semester until recently, the focus of NGEU has been predominantly on these issues. For this reason, it is understandable that many countries gave the first pillar more importance than the CSRs indicated.

The analysis of cumulative absolute differences between sub-recommendations and the amount of money allocated to expenditure in each pillar is summarized in Figure 6. Overall, there is much less congruence in the distribution of investments than in the distribution of reforms (see Table A4.2 in the Supplementary File for the exact sum of cumulative absolute differences for each country). This suggests that countries probably paid more attention to CSRs when drafting the reforms than when allocating money to their RRPs. That being said, we find Cyprus the most "congruent" country, adopting our proxy, together with Portugal and Slovenia, while

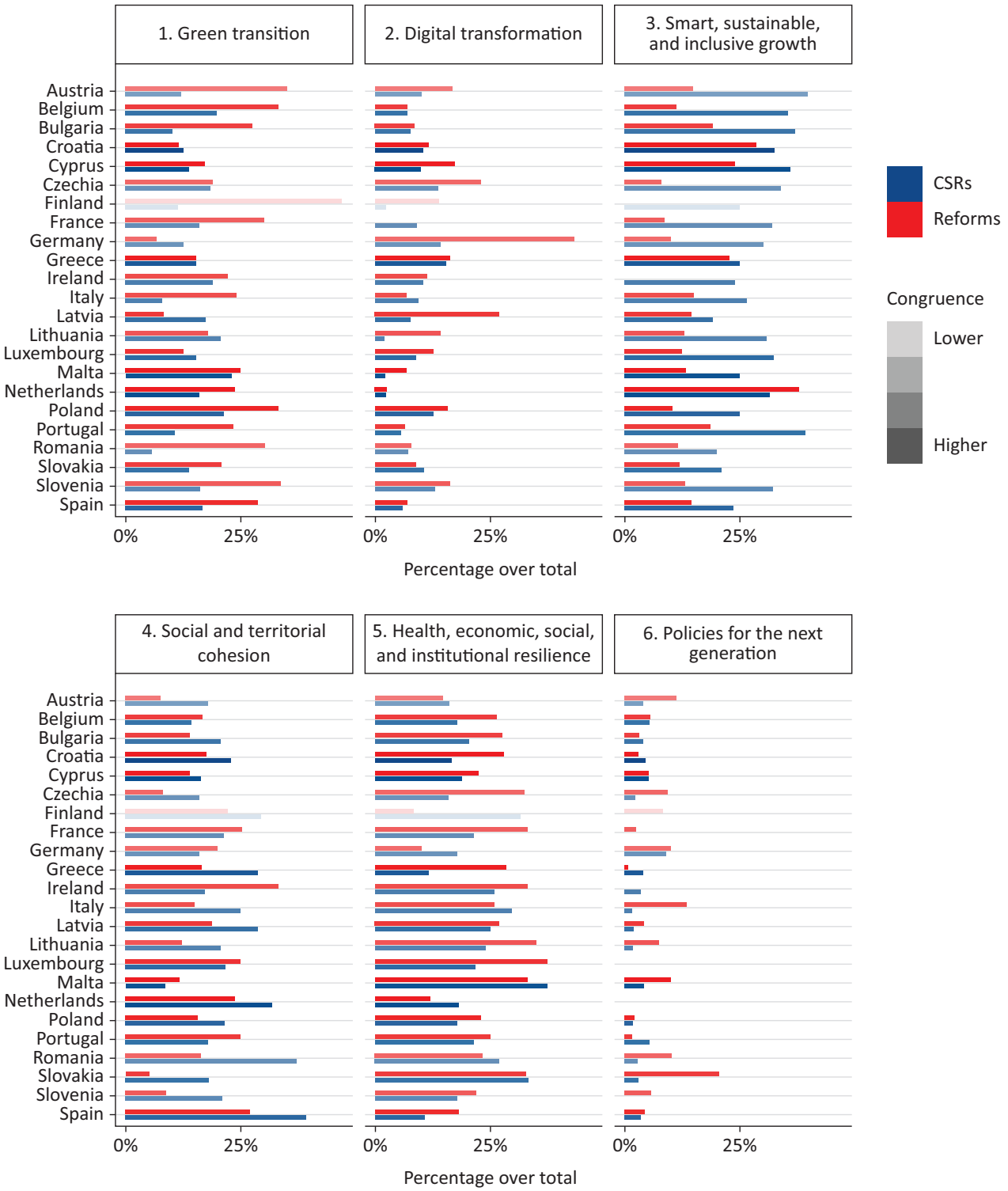


**Figure 5.** Congruence between the distribution of CSRs (in years 2019 and 2020) and distribution of reforms in RRPs across the six pillars. Note: The three countries with the lowest number of CSRs (Denmark, Estonia, and Sweden) were excluded because the sample size of CSRs was too small to calculate the statistics.

Sweden, the Netherlands, and Denmark have the highest differences. The highest differences are concentrated in pillars one and three. For the first pillar, what we noted above regarding reforms (relatively few CSRs were dedicated to environmental issues) is even more relevant here, given that the green transition is the pillar to which most expenditure was allocated in RRPs. Also, we can see that the second pillar received considerable attention in planned investments even though it had rarely been mentioned in CSRs.

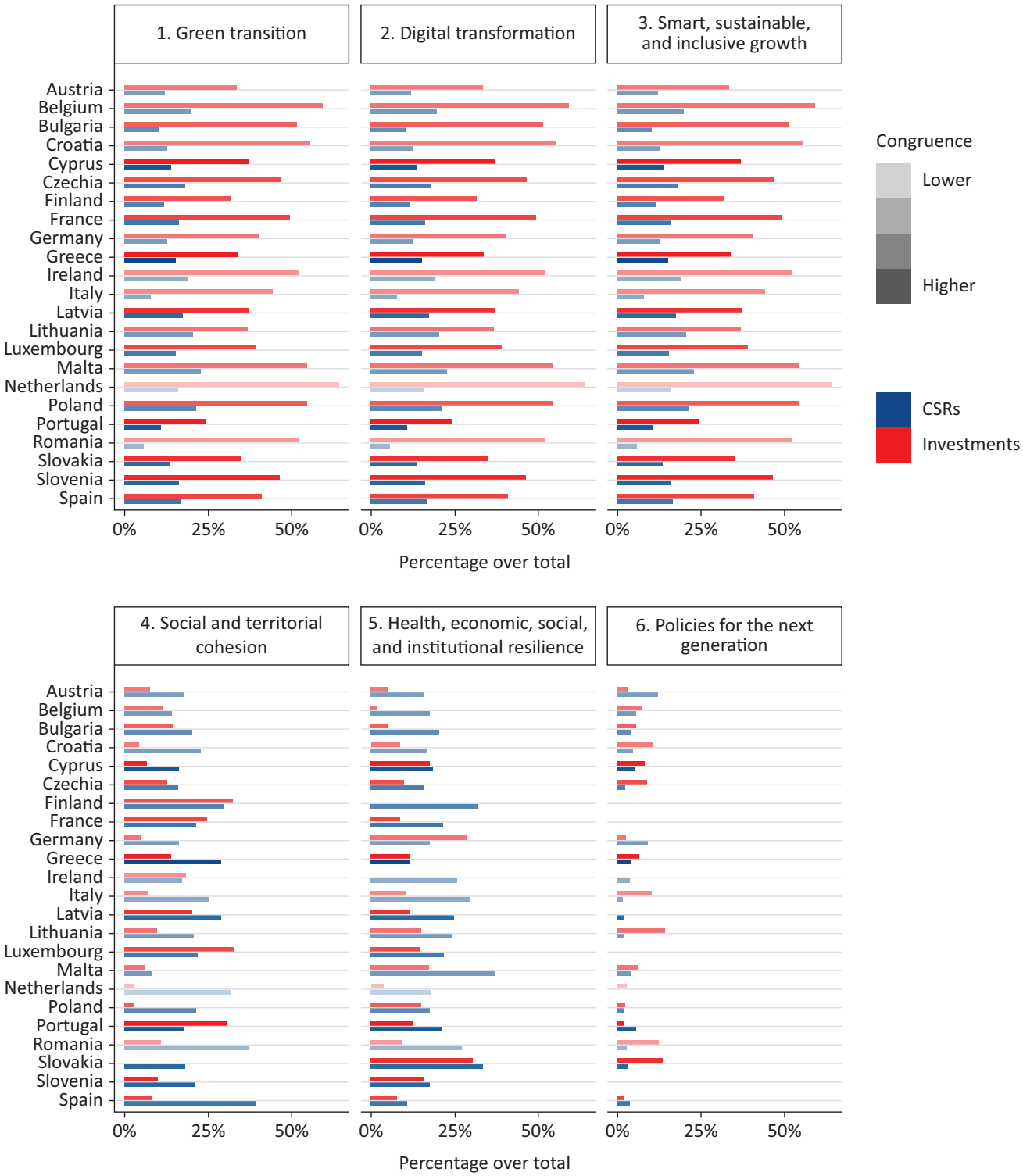


**Figure 6.** Congruence between the distribution of CSRs (in years 2019 and 2020) and the distribution of investments in RRPs across the six pillars. Note: The three countries with the lowest number of CSRs (Denmark, Estonia, and Sweden) were removed because the sample of CSRs was too small to calculate the statistics.

## 5. Conclusions

As stated in Section 1, our analysis was not aimed at testing specific hypotheses or theories but rather at analysing in detail the most relevant quantitative data we have about NGEU and its most related companions (CSRs and the national RRPs). However, the pieces of evidence that we have collected and presented speak to the academic debate about the nature and impact of NGEU that we have summarized in the Introduction to this article. We identify three main take-home messages of our analysis.

First, regarding the goals of the RRF, we confirm—in accordance with the results of Natali et al.'s (2023) analysis—that NGEU, despite being justified as a post-pandemic rescue package, follows mainly a macroeconomic logic. The countries that receive more funds are those with the highest imbalances *prior to the pandemic crisis* (a decade of multiple crises; see Cotta & Isernia, 2020), and Southern European countries (those that were most severely hit by the sovereign debt crisis) have allocated in their RRP more money in the third pillar (smart, sustainable, and inclusive growth) compared to the rest of the member states. The fact that these countries are also among the ones with the highest overall congruence between CSRs and RRPs corroborates the view that the coherence and ambition of the RRPs depends mainly on the magnitude of available resources (relative to GDP), which is a function of pre-pandemic imbalances (see also Zeitlin et al., 2023). Second, NGEU also seems to serve the purpose of strengthening compliance with the European Semester's requests. This aligns with the higher congruence that we find between CSRs and reforms than between CSRs and investments. While the latter follow the macroeconomic logic highlighted above, reforms have been linked to the structural problems of member states. Third, NGEU represents a shift towards a growth strategy less focused on supply-side policies (as was the case in the aftermath of the global financial crisis) and more on stimulating public investment (see Graham et al., 2023), particularly in the green and digital transition. Time will tell whether this shift is going to persist or not.

Our article also suggests possible promising avenues for future research. First of all, there is room for exploring in greater detail the link between reforms and the amount of funds received by countries, looking in particular at the linkages between policy areas. Why do some countries intervene more in some specific policy areas and less in others? Do RRPs seek to address the member states' weaknesses (see Ceron, 2023, in this thematic issue)? Or do they reflect the governments' and political parties' priorities? Second, will the link established between NGEU and the European Semester strengthen the latter, particularly regarding implementation? Will the recommendations reflect a paradigmatic shift, or will the (post-)pandemic years be just a break in an otherwise coherent path? Moreover, if there is variation in adherence to CSRs, what explains it? Do some countries adhere more because they are under greater pressure? Or because they have better implementation capacity? The next few years, in which the implementation of NGEU will progress, will provide researchers with additional data to answer these questions.

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**Conflict of Interests**

The authors declare no conflict of interest.

**Supplementary Material**

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

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