Introduction

In 2015, at the height of the Greek crisis, a nearly-bankrupt Greek government sought to gain leverage in its negotiations over a rescue package with the 'Troika' consisting of the European Commission, the European Central Bank and the International Monetary Fund. Greek Prime Minister Tsipras called for a referendum on the deal, believing strongly that Greek voters would agree with him that the deal was a disaster. 'Oxi' (no) prevailed: the bailout conditions were rejected by 61% of Greek voters. The response of a disappointed Jean-Claude Juncker, then president of the European Commission, was unequivocal: "There can be no democratic choice against the European treaties". Seen in context, Juncker had intended to signal to the Greek government that a referendum result would not help Greece sidestep the reforms it had agreed to undertake in return for financial aid. Instead, Juncker's quote became a PR nightmare: it not only infuriated Greeks who had rejected the deal, but the sentence became a staple reference for Eurosceptic movements seeking to oppose or leave the EU altogether (e.g. Gutteridge, 2017; Hannan, 2016).[1]

It was long believed that transnational problems such as climate change, migration and pandemics required international cooperation and supranational governance to be managed effectively. This was especially the case in post-war Europe: it is not coincidental that the continent that started two world wars set up the European Union (EU), the most ambitious supranational project in history. Yet the example above illustrates the paradox that is the focal point of this dissertation: while Europeans recognise more and more issues as transnational, the legitimacy[2] of the EU, and more specifically its supranational institutions and frameworks that were set up to tackle these challenges, have become contested to a degree that is unprecedented in history (Hooghe & Marks, 2009, 2018; Kriesi, 2016; Zürn, 2018). This dissertation seeks to uncover how these supranational EU actors navigate this paradox.

1.1 THE GROWING CONTESTATION OF EUROPEAN GOVERNANCE

Since its founding, the European Union has yielded gradual social, political and economic liberalisation, which was brought about by unparalleled transfers of authority from national to EU institutions. The rise of this supranational authority progressively constrained and interfered in national political processes, and the decisions of EU institutions began increasingly affecting societies and their citizens directly. If you are a Dutch citizen, EU authorities now set the safety standards of the food you eat and the products you use. They administer your currency and require your government to take in refugees. They can sanction your government for failing to

1 And countless hits linking to Eurosceptic websites on Google and Twitter.

2 Defined here as the "generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574).

live up to its commitments to protect the rule of law or the balanced government budget. They may even call upon your government to send its military in defence of foreign countries. Yet they have also improved your life in countless ways. The products you buy have never been safer or healthier. You can travel to most countries on your continent at will, and without requiring foreign currency or a visa.[3, 4] Doing business abroad has never been easier and more profitable for Dutch companies. Moreover, as a Dutch citizen, a supranational court will protect your fundamental rights, even if your government infringes on them. Last but not least, European integration is one of the reasons that armed conflict has never been further removed from Dutch borders than it is today.[5]

Yet the past decades have also painfully brought to light a number of flaws in the process of European integration, which have left the EU facing severe legitimation problems. First, the EU relies on high levels of sectoral expertise and lacks the electoral accountability to legitimate its increasingly far-reaching authority (Barnett & Finnemore, 2004; Radaelli, 1999a; Zürn, 2018). Executive actors, most notably member state governments in the Council of the EU, the European Commission and the European Central Bank, and experts, or epistemic communities (Haas, 1992), are the usual suspects in EU politics. Long delegation chains and complex decision-making structures make it difficult for citizens and their elected representatives to hold these usual suspects accountable.

Second, the EU's supranational institutions are characterised by a weak separation of powers, and this may result in biased outcomes when they exercise their authority (Schimmelfennig, 2015; Zürn, 2018). Certain (groups of) member states can hold disproportionate sway over EU decision-making. Third, whereas the transfer of executive and judicial powers to the EU has progressed quickly, legislative institutions at both national and European levels have often been side-lined at critical points in the EU's history (Crum, 2018; Rittberger, 2014; Schmidt, 2016). The European Parliament has steadily gained more legislative powers, but performs poorly in bringing voters to the polling booths. The curious mix of executive and judicial dominance and legislative wavering creates a system through which responsibility and accountability are heavily diffused (Hobolt & Tilley, 2014). As a result, the EU draws heavily on technocratic legitimation strategies to foster 'output legitimacy' (Scharpf, 1999): its influence over the lives of citizens is legitimate because EU governance improves the lives of these citizens through competent, efficient and effective solutions to transnational issues.

These tendencies towards executive politics, liberalisation and technocratisation at the EU-level are increasingly constraining democratic processes at the national level (Mounk, 2018;

3 In fact, you *can* travel across the EU without even bringing your passport, although you may be fined according to national identification laws if you are asked to show identification.

4 Ironically, this dissertation's introduction was finalised when free travel to other EU countries was restricted for the first time in the history of the Schengen Area.

5 Although the foundation of the EU is by no means the only condition underpinning the lasting peace between its members.

Sanchez-Cuenca, 2017; Scharpf, 2015): they restrict the extent to which traditional democratic institutions such as member state parliaments are able to respond to public demands. Just as in Greece, national 'will' is often constrained by the positions of other member state governments, by EU law and regulation, or by its lack of congruence with expert opinion or scientific impact assessment. Thus, whereas the EU has profound influence over the lives of citizens, many citizens experience relatively little control over the EU. This has led many EU citizens and their representatives to openly question the value of the EU. The EU has become exposed to continuous political contestation in its member states (Hooghe & Marks, 2009).

1.2 DEFINING (DE-)POLITICISATION

This dissertation studies the consequences of this contestation of EU authority through the concept of *politicisation*. Whereas politicisation has become somewhat of a buzzword in liberal democracies in the 21st century, there are different interpretations of the concept in use by political scientists. The common denominator in these interpretations is that politicisation entails making previously unpolitical matters political (Zürn, 2013). For example, political scientists have studied the politicisation of certain institutions as a process by which the actors within those institutions are driven by political (as opposed to technocratic or a-political) motivations (e.g. Mulgan, 2007; Tortola, 2019).

However, in the context of the EU, *societal politicisation* (which is sometimes also referred to as *bottom-up politicisation*) has become the dominant understanding of politicisation (Bressanelli, Koop, & Reh, 2020; De Wilde, 2011; De Wilde, Leupold, & Schmidtke, 2016; Schimmelfennig, 2020). Societal politicisation refers to the process by which an issue, or an authority, becomes contested amongst actors and audiences in society at large. It can occur naturally, or as the result of a deliberate strategy. Societal politicisation involves three elements: *awareness*, *opinion-formation*, and *actor expansion*[6] (De Wilde, 2011; De Wilde et al., 2016; Grande & Hutter, 2016; Rauh, 2016, 2019; Zürn, 2018, 2019). We can speak of societal politicisation if actors in society, such as individual citizens, are increasingly aware of an issue, form (divergent) opinions on this issue and show a willingness to act on these opinions. It is important to note that the societal politicisation of authority beyond the nation-state is a two-sided process: the politicisation of international and supranational authorities entails both demands for more authority, as well as challenges to existing authorities (Zürn, 2018). As such, it is not always authority challengers that politicise the authority; this can also be done by authority defenders, for example when they seek to increase the authority of an institution. The more authority supranational authorities accrue, the more

6 This last element is also referred to as *mobilisation*, "meaning the extent to which public debates expand to include actors beyond supra- and international executives" (Rauh, 2019, p. 346).

intense the legitimation and delegitimation efforts towards the authority become (Schmidtke, 2019).

This dissertation's focus on the political contestation of the European Union is not coincidental. Whereas other authorities beyond the nation-state have also become contested in recent decades (Rauh & Zürn, 2019; Zürn, 2018), this contestation has manifested itself most visibly in the case of the EU. This dissertation understands the *societal politicisation of European integration* as "the growing *salience* of European governance, involving a *polarisation* of opinion, and an *expansion of actors and audiences* engaged in monitoring EU affairs" (De Wilde et al., 2016, p. 4). In the remainder of this dissertation, the term 'politicisation' is always understood according to this definition, unless a different understanding is mentioned explicitly. Moreover, the terms 'EU politicisation', 'politicisation of the EU', and 'politicisation of European integration' are used interchangeably.

If an issue can be politicised, the opposite of politicisation may also occur. In this dissertation, *depoliticisation* is understood as the process by which levels of salience of, opinion polarisation on, and actor involvement in European integration decrease. If politicisation involves making the unpolitical political, then depoliticisation is making the political unpolitical. As such, depoliticisation is closely linked to concepts such as non-majoritarianism and technocracy (Caramani, 2017; Tortola, 2020). Importantly, depoliticisation should not be confused with (re-)legitimation: both the explicit acts of politically defending and attacking European integration are manifestations of politicisation. Instead, depoliticisation involves attempts to mute political debates over European integration, for example by keeping European integration out of the public eye. Depoliticisation can occur both prior to or after politicisation. As the next section explains, both politicisation and depoliticisation play an important role in the process of European integration.

1.3 CYCLES OF (DE-)POLITICISATION IN THE EUROPEAN UNION

The EU originated as an elite-driven project which sought to erode barriers to trade between its member states (Majone, 1994; Scharpf, 1999). EU competences were generally of low-salience to European publics (Moravcsik, 2002), and its legalistic and technocratic decision-making structures served to depoliticise issues by design (Majone, 2005; Radaelli, 1999a). Public opinion towards European integration during this period was characterised by a 'permissive consensus' (Lindberg & Scheingold, 1970): European integration was passively approved by European publics that were largely unaware of the events that unfolded in Brussels.

However, in the 1990s, the permissive consensus morphed into a 'constraining dissensus' (Hooghe & Marks, 2009). A series of ground-breaking events, from the adoption of a new European currency to the proposal of a European constitution and its rejection at several referendums, suddenly brought 'Brussels' into the daily lives of European citizens. A gradual (re-)politicisation of European integration occurred (Zürn, 2019). Unprecedented transfers of authority and com-

petences to the EU gradually raised the salience of European integration for citizens and national political parties (Grande & Hutter, 2016; Rauh, 2016; Schmidtke, 2016). Citizens began taking increasingly divergent positions on European integration, from deeply Europhile to thoroughly Eurosceptic (Hobolt & de Vries, 2016). Political parties increasingly began campaigning on pro- or anti-European agendas (Hobolt & Tilley, 2016; Kriesi, 2016; Meijers & Rauh, 2016). The EU went from a political non-issue to an issue that would split societies along a pro-anti 'Europe' cleavage (Hooghe & Marks, 2018).

Since then, the political contestation of the EU has recurred in waves: the presence and intensity of the politicisation of the EU varies across space (most notably across member states) and time (Kriesi, 2016). Yet on average, levels of politicisation have increased markedly since the 1970s (Rauh, 2016). The latest and strongest wave of EU politicisation was largely a consequence of the financial and economic crisis that hit Europe in 2008, which was further exacerbated by the refugee crisis that followed. Since 2008, populist and Eurosceptic parties have emerged in nearly all EU member states (Kriesi & Pappas, 2015). These challenger parties and their supporters increasingly challenge the EU's 'right to rule' and delegitimise EU interference in domestic affairs (De Wilde & Lord, 2016; De Wilde & Trenz, 2012).

1.4 THE CONSEQUENCES OF SOCIETAL POLITICISATION

Especially this latest wave of politicisation has received much attention from scholars studying EU politics. The vast majority of studies on politicisation has focused on understanding its nature and its origins (e.g. De Vries & Edwards, 2009; Kriesi, 2016; Zürn, 2016). Far fewer studies have investigated its consequences, although recently studies have explored some of the most palpable consequences of politicisation (Zürn, 2019). EU politicisation yielded the first-ever exit from the EU, a decision that came about by a popular referendum and brought to light the deep divisions over European integration in the United Kingdom. Moreover, Eurosceptic parties are now part-and-parcel of the political landscape in EU member states (e.g. Hobolt & Tilley, 2016; Meijers, 2017), and even governments in certain member states have begun actively subverting the EU on key issues, such as the rule of law (Closa, 2018; Kelemen, 2020).

Politicisation has also strained further European integration across policy areas. Anti-European sentiment increasingly creates differences between member states in terms of how much sovereignty they are willing to part with (e.g. Schimmelfennig, Leuffen, & Rittberger, 2015). But politicisation is not always a brake on further integration, as the Euro area crisis has shown (Börzel & Risse, 2018). In fact, some see the deepening of the Economic and Monetary Union (EMU) after the Euro area crisis as the latest elite-driven effort to further depoliticise European integration: this deepening occurred despite a surge in anti-European sentiment during the Euro area crisis, and does little to improve the responsiveness of the EU by further reinforcing its layers of technocratic insulation (Matthijs & Blyth, 2017; Sanchez-Cuenca, 2017; Scharpf, 2015).

Yet much less is known about the consequences of EU politicisation beyond these high-profile examples. For example, exactly how far does politicisation permeate EU policy processes? Does politicisation affect individual policy areas, and do area-specific characteristics shape the consequences of politicisation? Do individual EU actors, such as the European Commission, the Council or the European Central Bank respond to politicisation in their day-to-day activities? And if so, in what ways? The few existing studies that tackle these questions focus on the behaviour of executives in the legislative or communicative processes where responsiveness to external signals is most likely to be found (e.g. De Bruycker, 2017; Rauh, Bes, & Schoonvelde, 2019; Schneider, 2018). Such studies find that EU actors use varying strategies to 'manage' bottom-up politicisation (Schimmelfennig, 2020), for example through increased attention to broader societal concerns and by shifting communicative strategies towards audiences beyond the actors, such as lobby groups, that are already heavily involved in EU legislative processes.

However, little is known about the consequences of politicisation for other stages of the policy process, such as the implementation and enforcement of EU policy (Haverland, 2013; Zürn, 2019).[7] Are these stages too technical and legalistic to be affected by politicisation? And if not, does their strongly depoliticised nature lead the actors involved in these stages to respond to, or manage, politicisation in a different way?

1.5 RESEARCH AIMS AND OVERARCHING QUESTION

This dissertation aims to foster a better understanding of the consequences of politicisation for the stages of EU policy implementation and enforcement. It does so with a specific focus on the way the European Commission responds to politicisation in the area of EU macroeconomic and fiscal surveillance, one of the EU's most technocratic and legalistic policy areas (this specific research setting will be discussed in detail in section 1.6). In doing so, this dissertation seeks to understand the precise point of intersection between the processes of politicisation and depoliticisation in the EU. It does not seek to understand the responsiveness of the Commission in normative terms. Instead, it studies this responsiveness as an empirical phenomenon by assessing whether politicisation leads the Commission to alter its enforcement behaviour. The overarching question this dissertation addresses is the following:

> *How does the politicisation of the European Union affect the enforcement of EU economic and fiscal surveillance measures by the European Commission?*

7 The same holds for the consequences of (a lack of) legitimacy for the behaviour of IO's more generally (Tallberg & Zürn, 2019).

This central question will be answered in the conclusion and discussion of this dissertation (Chapter seven). The following five chapters address different sub-questions which together provide the answer to the central research question. Chapter two, a systematic literature review, maps the existing academic literature on the politics of EU economic and financial governance and formulates a research agenda. It asks the following question: What is the current body of academic knowledge on the politics of EU economic and financial governance, and what are the most pressing gaps in this body of knowledge? Chapter three develops a reputation-centred theory of executive responsiveness to politicisation in highly technical policy areas, guided by the question: How do expertise-driven executives respond to institutional risks in their political environment?

Chapter four presents a first quantitative test of this theory in the context of EU policy surveillance and asks: Does EU politicisation affect the enforcement of EU fiscal and macroeconomic surveillance steps by the Commission? Chapter five delves deeper into these empirical findings through a more exhaustive quantitative assessment of the specific conditions under which the Commission responds to politicisation. The following question was the focal point of this chapter: how and when does EU politicisation affect the enforcement of EU fiscal surveillance steps by the Commission? Chapter six, the last empirical chapter, moves from effect to mechanism as it investigates the process of Commission responsiveness to politicisation, as guided by the last sub-question of this dissertation: what is the causal mechanism behind the effect of politicisation on the enforcement of EU fiscal surveillance steps by the Commission?

1.6 RESEARCH SETTING: THE EUROPEAN COMMISSION AND EU ECONOMIC AND FISCAL SURVEILLANCE

This dissertation studies the consequences of politicisation for EU policy enforcement through a specific focus on the European Commission and its enforcement competences in the area of economic and fiscal surveillance. The Commission is chosen as the focal point of this study for several reasons. Firstly, the Commission is the EU's most prominent executive actor, and is directly or indirectly responsible for most of the EU's growing body of competences regarding policy enforcement (Scholten, 2017). Moreover, the Commission was traditionally depicted as a strongly insulated and technocratic actor (Majone, 1994; Radaelli, 1999a), but recent research has shed light on its growing responsiveness to politicisation and, more generally, its increasing tendency to behave as a 'political' executive (e.g. Bes, 2017; Dinan, 2016; Hartlapp, Metz, & Rauh, 2014; Peterson, 2017; Rauh, 2019).[8] This is especially the case regarding its competences concerning the implementation and enforcement of EU law and policy (Nugent & Rhinard,

8 It was not a coincidence that the Juncker Commission explicitly labeled itself a 'political Commission'.

2019). Finally, as one of the EU's most visible institutions, the Commission has frequently been a key target for Eurosceptic actors that seek to challenge the legitimacy of the EU.

The setting of EU economic and fiscal surveillance is chosen as this setting embodies all conditions of the contestation of governance beyond the nation state and the processes of depoliticisation and politicisation. First, this policy area has seen substantial transfers of authority to the Commission over time, and especially since the onset of the Euro area crisis (Bauer & Becker, 2014; Scharpf, 2015; Seikel, 2016; Verdun, 2015). This increase in authority has been actively pursued by the Commission in order to ensure it can keep closer tabs on member states (Savage & Verdun, 2016). Under the European Semester, the EU's annual economic and fiscal coordination cycle, the Commission reviews and recommends changes to the macroeconomic and fiscal plans of member state governments. It can open invasive procedures for member states in case their policies or budgets are at odds with pre-defined macroeconomic and fiscal thresholds, which are set at the EU level: the so-called Macroeconomic Imbalance Procedures or Excessive Deficit Procedures. Both these procedures are backed up by (financial) sanctions. The Commission may propose the imposition of sanctions on member states, and there are limited possibilities for the Council to overturn them. As such, the Commission has far-reaching, constraining competences with severe implications in policy areas such as fiscal policy, which are traditionally regarded as core state competences (Genschel & Jachtenfuchs, 2016, 2018).

Moreover, processes of politicisation and depoliticisation play an important role in the area of EU economic governance. Macroeconomic and fiscal surveillance is one of the EU's competences that has most frequently been criticised for its technocratic and depoliticised nature – critics argue European elites have intentionally designed these governance architectures to constrain their politicisation among mass publics (Barta & Schelkle, 2015; Matthijs & Blyth, 2017; Sanchez-Cuenca, 2017; Scharpf, 2015; Schimmelfennig, 2014). Critics claim that such surveillance frameworks constrain democratic choice as unelected and unaccountable Commission experts hold too much sway over national macroeconomic and fiscal policies (cf Verdun & Zeitlin, 2018). Moreover, the legal and technical complexities of the surveillance mechanisms hide the normative (i.e. political) aspects of surveillance, most notably the normalisation of the often-criticised goal of fiscal austerity and the balanced budget. As such, they are said to stifle debate on alternative policy directions such as social investment and Keynesian fiscal stimulus to ensure economic growth. Instead, they instil a bias towards social retrenchment and ordoliberalism which is argued to be beneficial only for a subset of EU creditor member states with export-driven economies (Iversen, Soskice, & Hope, 2016; Schelkle, 2017; Schmidt, 2019).

Yet the (re-)politicisation of the EU has been strongly amplified due to the economic and financial crisis that hit Europe in 2008, and the EU's incapacity to address the fallout of the crisis (Baglioni & Hurrelmann, 2016; Börzel & Risse, 2018; Hobolt & de Vries, 2016; Hobolt & Wratil, 2015; Leupold, 2016). The crisis made EU macroeconomic and fiscal policy the most salient issue across the EU for its duration, which was epitomised by the near-constant broadcasting of the tragedy of the crisis in Greece throughout Europe. Public Euroscepticism surged; in

creditor states due to the perceived unfairness of the forced burden-sharing with debtor states, and in debtor states due to the perceived undesirability of the austerity reforms imposed by creditor states and the EU more generally. Consequently, many of the anti-European parties and movements across the EU found their footing in the crisis period.

1.7 DESIGN AND METHODOLOGY

This dissertation uses a mixed-method design to examine these consequences of EU politicisation on the enforcement of EU fiscal and macroeconomic surveillance measures. It purposefully sequences a variety of large-N and small-N methodologies from the social sciences that are consciously integrated to improve the rigour of the study. The goal of this rigorous mixed-method design is both to draw theoretically relevant and empirically valid conclusions through methodological triangulation, and to ensure the replicability of this dissertation's results.

This begins with the literature review in Chapter two, which was conducted using an explicit, systematic and reproducible methodology to identify and aggregate studies relevant to this dissertation (the "systematic literature review", see Liberati et al., 2009). The mixed-method design itself is prominently visible in the sequencing of the empirical studies in this dissertation, which nest qualitative case studies in a large-N analysis of macroeconomic and fiscal surveillance (Blatter & Haverland, 2014; Lieberman, 2005). This comprehensive mixed-method design optimally exploits the external and internal validity strengths of the quantitative and case study approaches, respectively.

After Chapter three has further developed the theory of this dissertation, Chapter four provides a first empirical test of the responsiveness of the European Commission to politicisation. The chapter hypothesises two opposing ways the Commission might respond to politicisation in a member state, and employs a series of multilevel regression models and topic models to analyse the issuing of Country-Specific Recommendations (CSRs) by the Commission for all EU member states that received CSRs over the period 2011-2017. Chapter five subsequently builds on these results to present a more sophisticated, longitudinal large-N analysis of the specific conditions that underpin Commission responsiveness to politicisation. It uses a multilevel Markov model and a dataset on fiscal rule enforcement by the Commission between 2005-2018 to predict when and how the Commission enforces Excessive Deficit Procedures under the EU's Stability and Growth Pact (SGP). The chapter also assesses the accuracy of these models by employing Markov Chain Monte Carlo simulation to compare the fit of the statistical model to the empirical reality of fiscal surveillance as enforced by the Commission.

Chapter six finally uses these results and model predictions to set-up a series of case studies from within the sample of cases examined in Chapter five (so-called "nested cases", see Lieberman, 2005). By selecting cases from within the sample of observations used to estimate the statistical model in Chapter five, the analysis in Chapter six is able to empirically verify the

hypothesised causal mechanisms behind the effects found in Chapters four and five. To this end, the chapter relies on causal process tracing methodology to trace the influence of politicisation on Commission decision-making in three episodes of fiscal surveillance: the UK (2008), Finland (2010-15) and Italy (2018). These cases were selected on a number of key characteristics that made the likelihood of observing the hypothesised causal mechanism high. As a form of within-case analysis, causal process tracing allows the researcher to empirically trace a hypothesised causal mechanism by specifying what the observable implications of each part of the mechanism would be, and by demonstrating the presence of these observables empirically (Beach & Pedersen, 2019; Blatter & Haverland, 2014). Thus, causal process tracing enables the tracing of Commission decision-making and allows for a more fine-grained understanding of the nature, timing, and sequencing of its responsiveness to politicisation from various sources (Grzymala-Busse, 2011).

1.8 THEORETICAL AND EMPIRICAL RELEVANCE

This dissertation makes a number of important contributions to the scientific literatures of EU studies, political science and public administration. Regarding the domain of EU studies and economic governance specifically, this dissertation is one of the first comprehensive studies to unveil the effects of societal politicisation on the activities of (one of) the EU's non-majoritarian institutions (Bes, 2017; De Bruycker, 2017; Rauh, 2016). The consequences of such politicisation for the EU polity are a vitally important but neglected research topic in EU studies, and scholars have only recently began addressing this gap (Haverland, 2013; Zürn, 2016, 2019).

More importantly, this study is the first comprehensive assessment of the impact of societal politicisation on the tangible outcomes of the stages of EU policy implementation and enforcement. This lack of scholarly attention to the degree to which these stages of the policy cycles are affected by politicisation is concerning. Policy directions set out by legislative actors in the adoption phase can be implemented and enforced in ways that are very different from what legislators had intended by the executive actors responsible for enforcement (Haverland, 2013; Zhelyazkova, Bølstad, & Meijers, 2019). As such, (non)responsiveness to politicisation in the stages of implementation and enforcement can fundamentally affect how citizens experience these policies on the ground (deLeon & DeLeon, 2002; cf Lipsky, 2010). By providing a first yet thorough assessment of the Commission's politicisation management strategies in the area of economic and fiscal surveillance (Bressanelli et al., 2020; Schimmelfennig, 2020), this dissertation shows that the supranational side of the EU's system of economic governance is far from a technocratic apparatus in which rules are applied mechanistically. Instead, whereas domestic politics was already known to constrain the agency of national governments in EU economic governance (e.g. Heipertz & Verdun, 2010; Schimmelfennig et al., 2015), this dissertation shows that supranational actors themselves can also be constrained when executing implementation and enforcement mandates by these same domestic audiences through politicisation. Hence, this

dissertation gives EU scholars, and political scientists more generally, both the reasons and the tools to examine politicisation effects on policy implementation and enforcement in other areas of (EU) policy (cf Closa, 2018).

The findings on this point also inform academic debates on the EU's system of economic and fiscal governance, as well as Euro area reform (e.g. Crum, 2018; Featherstone, 2016; Hodson & Puetter, 2019). They show that delegating contentious supervision competences that impinge on core state powers to supranational institutions with weak electoral linkages to EU publics do not necessarily improve the fiscal and economic stability of the EU and its individual member states (cf Majone, 2001). This dissertation shows that organisational survival instincts will place the burden of mediation in conflicts between EU member states on the shoulders of Commission officials (cf Olsson & Hammargård, 2015; Tsakatika, 2005), who lack the formal political mandate to decide on public value allocation in conflicts over fiscal surveillance or socio-economic policy coordination. In turn, pressured institutions such as the Commission will seek to further depoliticise their implementation and enforcement activities through entrenchment: they will safeguard their image as credible watchdogs while the political decisions they take are (un)intentionally buried in the legal intricacies and economic analyses underlying rule enforcement (Radaelli, 1999a). Moreover, and despite their neglect in this literature to date, this dissertation also shows that non-executive domestic actors and audiences are increasingly and systematically relevant actors in the area of EU economic governance and monetary union. Finally, this dissertation raises the bar for methodological rigour in studies on the politics of EU economic governance: it is the first quantitative study on the *outcomes* of the enforcement of economic and fiscal surveillance measures in the EU (cf Baerg & Hallerberg, 2016), as well as the first explicit mixed-method (as opposed to multi-method) study of the European Semester.

In addition, this dissertation also makes distinct contributions to more general debates in political science concerning the responsiveness of relatively insulated and technocratic political actors (e.g. Clark & Arel-Bundock, 2013; Fernández-Albertos, 2015; Tortola, 2019). By bringing in organisational reputation theory from the realm of public administration (Busuioc & Lodge, 2016; Busuioc & Rimkutė, 2019b; Carpenter, 2010; Carpenter & Krause, 2012), this dissertation gives political scientists new tools to analyse the responsiveness of non-majoritarian, expertise-driven actors (Bertsou & Caramani, 2020; Caramani, 2017). Specifically, organisational reputation theory can provide valuable insights concerning the understudied linkages between these actors and the audiences in their institutional environments. By facilitating the explicit theorisation of the levels of attention paid by, preferences held by, and power wielded by different audiences, as well as how the interactivity of different audiences creates differentiated reputational threats, organisational reputation theory aids political scientists in facilitating rich, comprehensive and time-sensitive theories of audience-induced executive behaviour. As demonstrated in Chapter six, reputation theory can provide valuable augmentation of existing theories of legitimation (Rauh, 2019; Rauh & Zürn, 2019; Tallberg & Zürn, 2019) by delineating reputational threats from legitimacy threats. In addition, these findings illustrate how focussing on the process of

responsiveness yields valuable new insights in a domain which has predominately studied policy responsiveness as the congruence or adaptation of aggregated policy output and aggregated public opinion (De Wilde & Rauh, 2019; Meijers, Schneider, & Zhelyazkova, 2019).

Finally, as this dissertation relies heavily on organisational reputation theory to formulate the theoretical mechanisms that link the implementation and enforcement of EU policy by the Commission to societal politicisation, it also provides important feedback for research in this area of public administration. Foremost, this dissertation provides a thorough, comprehensive and time-sensitive analysis of the mechanisms of organisational reputation management and invites reputational scholars to do the same. By explicitly theorizing the heterogeneity of audiences and the reputational threats associated with different audiences in the context of the Commission, this dissertation illuminates the attention-shaping role of an important driver of organisational audience prioritisation: audience mobilisation (Alon-barkat & Gilad, 2016; Carpenter, 2002; Gilad & Chagai, 2019). Secondly, by integrating elements of signalling theory into the literature on reputation management (Connelly, Certo, Ireland, & Reutzel, 2011; Fearon, 1997), it shows that organisations will adjust the direction, strength and costliness of reputation-seeking signals in accordance with shifts in reputational threats. These findings suggest that the integration of signalling concepts can yield more refined accounts of reputation-driven organisational behaviour. This dissertation has also brought back a focus on the consequences of reputation management for tangible policy outputs to a debate that has largely focussed on organisational communication (e.g. Busuioc & Rimkutė, 2019a; Maor, Gilad, & Bloom, 2013). Finally, by focussing on the European Commission, this dissertation has introduced a focus on the behaviour of high-profile supranational organisations that operate in environments characterised by high audience heterogeneity and divisive reputational threats, and generally have weaker reputations than their national counterparts (cf Busuioc & Rimkutė, 2019b).

1.9 SOCIETAL AND PRACTICAL RELEVANCE

There are also a number of important contributions to society. The specific governance mechanisms examined here, i.e. the Stability and Growth Pact, and the European Semester more generally, have major consequences for the lives of European citizens and how much their governments can spend; they impinge on nearly all other policy areas that are deeply cared about by citizens, such as climate policy, pension policy and welfare policy. It is therefore of paramount importance to understand what exogenous factors shape the decision-making in these areas. The rise of Eurosceptic parties and the mainstreaming of anti-EU sentiment are visible signs of a context of increased societal contestation of the EU. This development, coupled with the major implications of these policy processes for ordinary citizens, make the findings presented in this dissertation into important contributions to ongoing societal debates on EU economic integration and the future of the EU more generally.

The focus on the implementation and enforcement stages of the European Semester is especially relevant because policy positions can undergo significant transformation between their adoption and the moment their outcomes are experienced directly by citizens. However, whereas stories on EU policy adoption are found frequently in national newspapers, the intricacies of the implementation and enforcement stages are only conveyed to broader publics in the most salient cases. These policy areas are also opaque and technocratic: they are dominated by experts and 'invisible' bureaucrats. By revealing a largely hidden world that is of vital importance to the functioning of the EU and its governments, this dissertation offers a window of insight for policy makers, politicians, societal stakeholders and citizen more generally.

In reverse order, the findings in this dissertation can inform citizens, and public debates on the EU more generally, of the moderating effects of public attention and opinion, and political action such as voting and protesting, on policy implementation and enforcement by EU actors. They show societal stakeholders that member state governments or politicians are no longer necessary as transmission links, but that they can directly affect implementation and enforcement by EU actors instead. They can aid politicians in national and European parliaments in grasping the inner workings of the Semester, which helps them increase their capacity to hold EU executives to account. Finally, by facilitating a deeper understanding of the interplay between the political and technical dimensions of EU economic and fiscal coordination, this dissertation aids both national and European policy makers involved in these areas in further bolstering both the effectiveness and democratic qualities of these governance frameworks. As policy makers rarely get the chance to pursue in-depth and long-term reflection of the performance of their activities, the findings of this dissertation will also be of interest to the Commission officials and national executives that are heavily involved in day-to-day management and implementation of EU economic and fiscal policy.

Yet this shedding of light on a relatively hidden and murky world is not the only important societal contribution. It is equally important to communicate the precariousness of the position of the European Commission in EU economic and fiscal governance. Whereas the Commission can be portrayed as an institution that is competence- and reputation-seeking, and that strategically responds to politicisation by 'fudging' enforcement to fortify its own institutional position, it is also an institution that has been placed in a fundamentally contradictory position by EU member states. National capitals that are themselves primarily responsible for the economic and fiscal surveillance of their peers, have largely neglected this task due to a rift between member states favouring different enforcement styles. Instead, they are increasingly relying on a non-majoritarian institution with weak ties to European citizens. Yet they are keen to criticise the Commission when it does not pick their side in conflicts over fiscal surveillance or economic coordination, and eagerly blame the Commission for the malfunctioning of EU policy even in cases where they themselves hold the largest share of responsibility for the outcomes. By illustrating the complexity and multiplicity of politicisation-enhanced threats the Commission faces, this dissertation provides an important counter-narrative to extant accounts of an overly lenient

Commission in creditor member states, and an overly austerity-oriented Commission in debtor states.

1.10 STRUCTURE AND OUTLINE OF DISSERTATION

This dissertation's central research question has been dissected into five sub-questions that are each answered in one of its chapters. The questions asked in each chapter, as well as the methods used, build upon the findings from previous chapters. This section explains this sequential logic of this dissertation by outlining its overall structure.

Chapter two uses a systematic literature review to identify the most pressing gaps in our understanding of the politics of EU financial regulation and economic governance. Based on a systematic aggregation of studies on these issues published in ISI-ranked journals between 1999-2016, it finds that this literature has neglected one of the core characteristics of the politics of these areas of EU policy: they are policy areas that are depoliticised by design but (re-)politicised by crisis. The chapter presents a research agenda that aims to take these dual pressures towards de-politicisation and (re-)politicisation more seriously. Its key features are a focus on the conditions, mechanisms and venues that (dis)allow the linkage of societal politicisation to EU-level politics.

Chapter three examines one of the core questions that emerges from the research agenda presented in Chapter two: to what extent are expertise-driven and non-elected supranational actors operating in highly technical areas responsive to potentially risky developments in their institutional environment, such as the politicisation of their work? Moving beyond a simplistic juxtaposition of responsiveness and responsibility found in much of the political science literature, the chapter instead brings in insights from the realm of public administration research. Drawing on bureaucratic reputation management theory, it formulates a theoretical model of 'technocratic responsiveness' by arguing that depoliticised actors will still be incentivised to respond to reputational threats in their environment. Organisational survival instincts lead them to cultivate their reputations in front of divergent audiences, which they prioritise on the basis of the attention paid, and preferences and power held by these audiences. Developments such as politicisation can drastically affect the reputational calculations made by these actors, altering their behaviour and communication in the process.

Chapter four, the first empirical chapter, presents a first quantitative test of this theory of technocratic responsiveness in the setting of EU macroeconomic policy surveillance. It employs multilevel and topic modelling to examine the extent to which the politicisation of European integration affects the outputs of the European Semester: the Country-Specific Recommendations. It finds that these recommendations are affected by politicisation in two important ways: member states that experience greater politicisation receive recommendations that are larger in scope but whose substance is less oriented towards social investment. The chapter argues that these effects are best explained as an outcome of the Commission's institutional risk management

strategy of regulatory 'entrenchment': the Commission is able to maintain its regulatory reputation and signal regulatory resolve to observing audiences by issuing more recommendations while simultaneously entrenching on a stronger mandate substantively.

Chapter five delves deeper into the specific conditions and drivers behind this entrenchment strategy through a more exhaustive quantitative assessment of the specific conditions under which the Commission responds to politicisation. The following question was the focal point of this chapter: how and when does the contestation of EU legitimacy affect the enforcement of EU fiscal surveillance steps by the Commission? Specifically addressing the public administration literature on organisational reputation management, the chapter illustrates how public organisations in context of high audience heterogeneity prioritise between conflicting reputational threats, and how they engage in reputation-based signalling to convey their credibility to key audiences. It finds that organisational threat prioritisation is shaped by the centrality of the threat to the organisation's distinct reputation, and by differences in audiences' capacity to impact the organisation's institutional position through mobilisation. It also finds that greater threats will push organisations to send increasingly observable and costly signals to their environments to safeguard their reputation.

Chapter six, the last empirical chapter, moves from effect to mechanism as it investigates the process of Commission responsiveness to politicisation underpinning the quantitative results from Chapter five. It is guided by the last sub-question of this dissertation: what is the causal mechanism behind the effect of politicisation on the enforcement of EU fiscal surveillance steps by the Commission? This chapter draws on fiscal surveillance episodes for three member states to examine how bottom-up politicisation shapes the enforcement of the Stability and Growth Pact's Excessive Deficit Procedures. It employs causal process tracing to analyse fiscal rule enforcement under varying levels and constellations of EU politicisation. Results broadly support the findings from Chapters four and five and show that EU policy enforcement by the European Commission is not only shaped by mandate but also by politicisation and the associated reputational threats the Commission faces. In addition, it uncovers an important temporal dynamic that was absent in the quantitative analyses: fiscal rule enforcement has gradually become more responsive to societal politicisation over time.

Chapter seven ultimately takes stock of the findings from previous chapters to formulate an answer to this dissertation's central question. In addition, it discusses these findings by reflecting on their limitations and their relevance to academia and society more generally.