

## **The EU's Recovery and Resilience Facility as Social Investment catalyst in Eastern Europe**

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The Recovery and Resilience Facility (RRF) of the EU constitutes a watershed moment for EU socio-economic governance. The RRF has given fresh impetus for the debates on Social Europe. As a performance-based instrument, it offers funding in exchange for reform and investment promises which are strictly monitored through the achievement of specific milestones and targets. Almost 30% of all funding allocated under the RRF is being spent on social reforms and investments. At the same time, the RRF builds on country-specific recommendations from the European semester to guide Member States' actions towards specific social and employment objectives. Unlike the social open method of coordination (OMC), the literature has ascribed the RRF the potential to add teeth to soft policy coordination through a better mix of 'sticks and carrots'. As the greatest beneficiaries of grants from the RRF and against a backdrop of poor performance in the OMC, Member States from Central and Eastern Europe are the most susceptible to pressures from the European Union to reform their social policies. This qualitative work takes a deep dive into National Recovery and Resilience Plans in Croatia, Latvia, and Slovakia, and draws on expert interviews, official documents, and reports to 1) better understand the direction of social policy reforms and investments; 2) what the influence of EU-level pressures has been (Europeanization); and 3) whether the RRF constitutes an appropriate model for incentivising welfare state reforms in CEE.