

THE IMPACT OF MULTIPLE CRISIS ON ECONOMIES IN THE BORDER REGIONS OF THE EUROPEAN UNION

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Abstract: *A reality in the current environment is the overlapping of crises in Europe (COVID-19, energy crisis, war in Ukraine). The eastern border regions of the European Union are spaces of direct contact with areas of instability and have a strategic role in security, mobility and trade. The importance of the eastern external border is given by migratory and security pressures and economic and institutional discontinuities. Romania is located at the intersection of geoeconomic axes that are being consolidated: the axis of the seas (Caspian Sea - Black Sea - Mediterranean Sea) and the axis of rivers and canals (Rhine - Main - Danube), connecting the North Sea with the Black Sea. From the point of view of population, but also of civil and military potential, Romania is at the intersection of the enlarged circle of Central Europe – within which it ranks second, after Poland – with the enlarged circle of the Balkans, in which our country ranks third, after Turkey and Greece (in terms of surface area and population it ranks second, after Turkey). In the context of changes in Europe, Romania is becoming increasingly linked to the Danube-Pontic Balkan space. In this paper, we aim to carry out an analysis of the impact of multiple crises on border regions, compare the response of the states that make up the eastern border of the European Union and identify the factors that explain the differences in resilience. In this sense, we will approach border regions as specific economic spaces, multiple crises (polycrisis) and the specifics of the eastern border of the European Union.*

Keywords: *crises, border regions, security, migration, European Union.*

JEL Classification: *F50, F52.*

1. Introduction

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In this paper, we aim to carry out an analysis of the impact of multiple crises on border regions, to compare the response of the states that make up the eastern border of the European Union and to identify the factors that explain the differences in resilience. In this sense, we will approach the border regions as specific economic spaces, multiple crises (polycrisis) and the specificity of the eastern border of the European Union.

Romania is located at the intersection of geoeconomic axes that are in the process of consolidation: the axis of the seas (Caspian Sea - Black Sea - Mediterranean Sea) and the axis of rivers and canals (Rhine - Main - Danube), which connects the North Sea to the Black Sea. In terms of population, but also of civil and military potential, Romania is located at the intersection of the extended circle of Central Europe - within which it ranks second, after Poland - with the extended circle of the Balkans, in which our country ranks third, after Turkey and Greece (in terms of surface area and population it ranks second, after Turkey).

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The European Union is facing a "polycrisis" - a complex and interconnected set of simultaneous crises, including the war in Ukraine, climate change, energy changes, economic fragility and societal fragmentation. These interconnected challenges create cascading effects that threaten European stability, forcing the EU towards faster geopolitical adaptation and long-term systemic political transformations, instead of short-term solutions.

2. Polycrises – concept and typology

2.1 The concept and typology of polycrises

Research on crises and their role in European integration is extensive. International relations and comparative politics scholars often define crises as “tipping points,” i.e., moments of acute pressure or upheaval that lead to policy or regime changes (Capoccia & Kelemen, 2007; Fioretos, 2011). Scholars have consistently addressed crises as factors of (dis)integration, studying how their varying characteristics can have a differential impact on the dynamics of European Union policy-making (e.g., Haas, 1964; Schmitter, 1970; Jones et al., 2016; Schimmelfennig, 2018, 2023; Ferrara & Kriesi, 2022; Nicoli, 2020). In parallel, constructivist studies have analyzed how crisis discourse is used by different actors to justify policy decisions or mobilize political forces (Lawrence, 2014; Snaith & Rosamond, 2015; Hepp et al., 2016; Niemann & Zaun, 2018; Rhinard, 2019). These contributions differ substantially in their definition of crises, but regardless of each person’s position in this defining debate, we argue that polycrises have specific characteristics and features in themselves. (Nicoli, Zeitlin, 2024)

Characterized by cross-border effects, multiple causalities, and complex system properties, polycrises present unique obstacles to traditional governance and policy responses. We define a polycrises as the simultaneous occurrence or temporal overlap of crises that:

- ☐ affect agents participating in a system of shared governance;
- ☐ are attributed to distinct sources;
- ☐ have an impact on different policy areas; and
- ☐ have reciprocal consequences for each other, resulting in positive effects or negative interdependencies. (Nicoli, Zeitlin, 2024)

A polycrisis is a complex network of interconnected crises, sometimes with cascading effects, that transcend traditional policy boundaries. First coined by two complexity theorists twenty-five years ago, the term “polycrisis” has gained popularity in the post-COVID19 era. The global pandemic has highlighted the increasingly multidirectional transmission of complex crises – with human, political, social, economic, environmental and security dimensions – between countries in the North and those in the South. Seen from this perspective, a polycrisis is a state of interconnected crises that unfold simultaneously and influence others. This interconnectedness creates a system that cannot be reduced to singular causes, addressed in isolation or as a geographically limited phenomenon. Climate change, migration, economic instability, geopolitical conflict and technological disruption are some of the key areas where polycrisis dynamics are evident. Drawing on complex systems thinking, recent work in the field of international relations has contributed to defining polity as characterized by cross-border effects, multiple causality and complex system properties. Cross-border effects refer to the ability of polity to transcend specific domains and impact on diverse aspects of society. Multiple causality means that its chain of events can trigger

unexpected consequences. As for its complex system properties, these refer to its self-sustaining nature, caused by a complex network of causal relationships and feedback loops. (Schreiber et al.,2025)

Events in recent years can provide useful illustrations; for example, how climate change can exacerbate food insecurity, which in turn can lead to social unrest, population movements and political unrest, as demonstrated by the Syrian Civil War and the Arab Spring. These cascading effects illustrate the cross-border effects of polycrisis. In turn, the impact of Russia's war of aggression against Ukraine on development budgets in other countries is an example of the multiple causality of polycrisis. Finally, polycrisis has complex systemic properties, as seen in the way in which the global financial crisis of the late 2000s and the food crisis of 2010 rapidly turned into interconnected sovereign debt crises, social unrest and political tensions that reinforced each other, leading to a downward spiral that is difficult to control. (Schreiber et al.,2025)

The concept of polycrisis has become global - for example, Janzwood and Homer-Dixon (2022) define a global polycrisis as “any combination of three or more systemic risks with the potential to cause a cascading collapse of the Earth's natural and social systems, irreversibly and catastrophically degrading the prospects for humanity”. Tooze (2022) himself considers the central features of polycrisis to be (1) the inability to understand our current situation as the result of a single specific causal factor (e.g. capitalism); and (2) the extraordinary scale of local development that makes us likely to pass through critical turning points. (Nicoli,Zeitlin,2024)

The term “polycrisis” is often used in conjunction with the term “Anthropocene”, highlighting the human factors of our crisis-prone era. Indeed, the “Anthropocene” describes our current era as one characterized by the profound impact of human activity on the planet. Historian and author Adam Tooze, for example, emphasizes that anthropogenic factors such as industrialization, deforestation, and fossil fuel use have accelerated environmental degradation, contributing to the complex web of global challenges known as the polycrisis. By placing human activity at the center of our analysis, we can see how the polycrisis is linked to three central human-made challenges: effective global cooperation, resilient economic models, and strong public trust in institutions. These three challenges are critical to mitigating its adverse effects and building a sustainable future. (Schreiber et al.,2025)

2.2 Polycrisis – an analysis in the case of the European Union

Since 2016, the European Union has been widely seen as being in a state of ‘polycrisis’, in which simultaneous, mutually reinforcing challenges threaten the cohesion and legitimacy of the Union. Such polycrises can fracture Europe's political space, creating cross-cutting ‘polycrises’ that polarise Member States and their citizens asymmetrically, thereby limiting the European Union's capacity to reach effective compromises on key policy issues. In doing so, they exacerbate the risk of the EU falling into a multi-level ‘political trap’, in which the negative politicisation of European issues prevents national leaders from agreeing on ambitious solutions in intergovernmental negotiations. (Nicoli,Zeitlin,2024)

The concept of a global polycrisis, defined in the way that climate change is at the epicenter, is quite different from the polycrisis manifested in the European Union, having more elements in common with that of a “permacrisis”, in which “slow-acting” crises, such as climate change, reinforce the effect of “fast-acting” crises, such as Covid-19 and the war in Ukraine.

Such polycrises can fracture Europe's political space, creating cross-cutting "polyclivations" that polarize member states and their citizens asymmetrically, thus limiting the EU's capacity to reach effective compromises on key issues. Europe's first polycrisis was triggered by the overlapping impact of the euro/sovereign debt crisis (2009–2016) and the refugee/migration crisis (2015–2016), each of which mobilized certain constituencies and opened up deep divisions between member states. The second polycrisis - deeper and broader - The Covid-19 pandemic, first, and the Russian invasion of Ukraine, initially led to a simultaneous collapse of the European health, economic and security prospects. The EU was hit, in less than three years, by the worst recession, the worst health crisis, the worst energy crisis and the worst security crisis since the end of the Second World War. In an era of dominant and constraining dissensions, the cross-politicization of these issues could have paralyzed the Union, following the scenario of a multi-level political trap. However, the responses of the European Union and its member states, both to the Covid-19 pandemic and to the invasion of Ukraine, suggest that other outcomes are indeed possible. (Nicoli, Zeitlin, 2024)

Key aspects of the European Union's polycrisis:

- Interconnectedness: Crises are no longer isolated; they amplify each other, with environmental, political and economic crises feeding into each other.
- Key pillars: Major crises include the Russian invasion of Ukraine, the "slow rebalancing" of the economy, climate change and growing societal fragmentation.
- EU response: The EU is trying to move from reactive crisis management to proactive, long-term systemic change, such as promoting greener circular economic models and reducing dependence on foreign energy and materials.
- Governance change: The EU is using "strategic foresight" through tools such as the EU Policy Lab's Polycrisis exploration tool to anticipate risks and manage risks that are now considered persistent.
- Security and defence: While the war in Ukraine has stimulated faster decision-making, it has also highlighted disparities between Member States, leading to a "hybrid adaptation" of the Union's security framework, often with the support of NATO.
- The EU is adapting by developing a "transformative resilience" that seeks to reform internal systems to better withstand future shocks.

Polycrisis, characterised by multiple, interconnected crises, severely challenges traditional response mechanisms. However, while polycrisis transcends the boundaries of traditional policies, it does not extend indefinitely; its non-linearity does not exclude the existence of causal links; and its emergent nature does not necessarily translate into an ever-worsening spiral. This understanding, together with the recognition of the inherent dimensions of a crisis, allows us to identify a clear path forward: the pursuit of "polysolutions", i.e. comprehensive strategies designed to enhance resilience and adaptability. (Schreiber et al., 2025)

Multi-crises create both challenges and opportunities for the European Union and the European integration process, beyond those normally resulting from individual crisis episodes. On the one hand, interconnected coalitions and cross-vetoes can block EU-wide solutions to interdependent problems, while a deadlock in one policy area can spill over into others, creating a broader systemic crisis for the Union. On the other hand, however, solutions in one crisis policy area can facilitate solutions in another, either simultaneously (in the form of "grand bargains") or sequentially. (Nicoli, Zeitlin, 2024)

Brexit can be seen as a “hinge” between the first polycrisis (the euro/sovereign debt crisis and the refugee/migration crisis), when the EU seemed to be in constant danger of falling into a political trap, and the second polycrisis (Covid and Ukraine), when the Union collectively responded to what were perceived as exogenous, symmetric and existential threats by taking unprecedented steps towards deeper integration. The EU’s responses to both the Covid and Ukraine crises, as a number of contributions to this collection suggest, can also be seen as a progressive learning process, drawing on the positive lessons of the Union’s successful response to Brexit, as well as the negative lessons of the first polycrisis. Brexit also facilitated the EU’s collective response to subsequent crises, by removing a key veto-wielding player who opposed further integration measures, whether on security and defence or on joint borrowing and the use of the Union budget to support member states’ post-pandemic recovery. Beyond the specific policy lessons from previous crises, this progressive learning process, Laffan suggests, led to the consolidation of a series of EU political norms of unity, solidarity and collective responsibility to act, which in turn helped the Union avoid a political trap in the second polycrisis. Such emerging political norms, as Laffan points out, condition collective action, making collaborative EU-level responses to subsequent crises more likely, without determining the outcome, which will depend on the strategic capacity of key actors working through the Union’s dense and evolving institutional ecology. More generally, the temporal succession of EU polycrises can be seen as a sequential process, in which successful responses to one crisis strengthen the Union’s capacity and commitment to resolve the next one, as can be seen in the trajectory from Brexit to Covid, to Ukraine and to the energy crisis. Avoiding a political trap in one crisis increases the probability – but not necessarily the certainty – of avoiding it in the next one, thus transforming the intersectoral consequences created by a polycrises from a negative force to a positive one. (Nicoli, Zeitlin, 2024)

2.3 European solutions to urgent problems

A Borders: After initially imposing unilateral restrictions on cross-border movements, Member States adjusted their control measures to the pressure of the pandemic (measured by monthly Covid mortality rates), did not politicise border closures along party lines despite their high public importance, and followed EU recommendations despite their non-binding nature and the Union's limited competences in this area.

Health: Here too, after initial hesitations, the Commission quickly convened a Coronavirus Response Team and a Covid-19 Advisory Group and initiated unprecedented centralised joint procurement of vaccines, which despite initial supply problems proved largely effective in meeting Member States' needs. In the long term, these developments laid the foundations for a modernised “European Health Union”, creating a new Health Emergency Preparedness and Response Authority (HERA) at European Union level to coordinate medical countermeasures in public health emergencies, while strengthening the competences and capacities of the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC).

Economic recovery in the pandemic context: Following the introduction of the European Central Bank's (ECB) Pandemic Emergency Purchase Programme (PEPP), which helped to limit financial instability by purchasing private and public securities, the Commission and the Council acted quickly to first adopt the innovative SURE initiative to limit unemployment risks by supporting short-time work schemes, and then, following heated debates in the European Council, to agree on the massive NextGenerationEU (NGEU)

package of grants and loans to Member States for national recovery and resilience plans, financed by joint European Union borrowing, which immediately contributed to reducing sovereign bond spreads, while providing medium-term financing for investments in social cohesion and the green and digital transitions in return for domestic reform commitments.

Security and defence: in this area, the European Union's response to the Russian invasion of Ukraine has been even faster, more concerted and more innovative than in the case of the Covid-19 pandemic. Notable measures include far-reaching sanctions against Russia, renewed and extended 13 times; the re-use of the European Peace Facility (EPF) as an extra-budgetary instrument to provide Ukraine with lethal weapons and military resources; the creation of an EU Military Assistance Mission in Ukraine (EUMAM), overseen by the EU's Political and Security Committee, with the Military Planning and Conduct Capability (MPCC) as its operational headquarters; the joint procurement of ammunition by Ukraine under the auspices of the European Defence Agency (EDA) through the Ammunition Production Support Act (ASAP); the adoption of the European Defence Industry through Joint Procurement Act (EDIRPA) to financially stimulate the joint procurement of weapons by Member States in a broader sense; the Commission's proposal for a European Defence Industrial Strategy (EDIS); and enhanced cooperation between the EU and NATO, focused on ensuring complementarities. At Member State level, Denmark's abandonment of its option to opt out of the CSDP and Finland and Sweden's decision to join NATO reflect an equally unprecedented radical shift in domestic public opinion and foreign policies. Even more significant in the long term may be the decision to open a path for Ukraine's accession to the Union, which, like many of the other security and defence milestones listed above, had been dragging on the European Union's political agenda before the Russian invasion.

Energy: In this case, key elements of the European Union's unexpectedly effective response to the energy crisis triggered by the Russian invasion of Ukraine include the adoption of the REPowerEU programme attached to the RRF to support member states in reducing their dependence on Russian oil and gas while accelerating the green transition, followed by the adoption of a "market correction mechanism" (MSM) to cap gas prices. Many of these innovations, such as collective borrowing to finance non-repayable grants to member states through the RRF, joint vaccine procurement, the broad scope of sanctions against Russia, and the use of the EPF to purchase lethal weapons for Ukraine, "would have been unimaginable just a few months before they were agreed" (Laffan). Some of these measures were explicitly temporary, notably the RRF and SURE, although they are nevertheless likely to have a significant impact on future EU policy, for example through the proposed extension of performance-based funding to the Cohesion Policy Funds. Others are explicitly intended to be more permanent, notably the creation of a European Health Union and the extension of joint arms procurement, although both still require considerable further elaboration. While none of these crisis-related innovations represents a comprehensive European solution to the problems in the relevant policy areas, neither can they be considered lowest common denominator agreements, which would be destined to prove their inadequacy in the face of the next crisis: they can thus be seen as examples of 'previous success' rather than 'previous failure'. The European Union has clearly proven more resilient to the combined effect of the Covid-19 pandemic and the Russian invasion of Ukraine than might have been expected from the first polycrisis created by the overlapping impact of the euro and the refugee/migration crisis. So far, crucial to the dynamics of this second polycrisis has been the ability of EU and national leaders to frame the challenges involved as having an impact on

the whole of Europe and then to muster the political support necessary to pursue decisive political action. Such a collective framing of the pandemic and the war in Ukraine as symmetrical and existential threats to the European Union and its member states, thereby reducing the level of polarization in the highly salient debates on crisis response, has led to a successful, if perhaps temporary, dynamic of positive or favorable politicization. Brexit generated a practice of common framing of issues, along with a set of emerging political norms of unity, solidarity and collective responsibility to act, which the Commission and the European Council were able to draw on to achieve an effective political response to the Covid-19 crisis and the Russian invasion of Ukraine.

Other threats to the consensus on the EU's collective response ("collective power Europe") could come from future crises that truly fragment the political space both between and within countries. The most recent polycrisis has, in fact, demonstrated that the European way of "creating de facto solidarity" without formal state construction can be effective even in the face of fundamental challenges to the continent's well-being and security. The key to this success, as the contributions to this collection show, is the collective will of European leaders to be united, to exploit the institutional avenues offered by the EU's distinctive governance structure, and to avoid falling into a political trap. (Nicoli, Zeitlin, 2024)

Romania's border regions, especially those in the east and south-east, face a series of complex "polycrisis" risks in 2026, generated by the proximity to the conflict in Ukraine and the instability in the wider Black Sea region.

The main aspects of this situation are:

Security and Geopolitical Risks: The conflict in Ukraine continues to destabilize security in the Black Sea region. This implies an intense military presence and direct security risks on Romania's eastern border.

Economic Instability: Romania faces economic risks, including a high budget deficit, exchange rate pressures (rising euro) and high interest rates, accentuated by internal political uncertainties. Analyses indicate that 2026 is a complicated year for Eastern Europe, with risks of a deep economic crisis.

Border Risks (Illicit Trafficking): Border regions are vulnerable to illicit trafficking of goods, which undermines the economy and fuels organized crime.

Political and Social Crises: Internal political tensions and high geopolitical risks create an unstable environment, warning of major difficulties in managing resources and attracting European funds (PNRR).

These combined elements – security, economy, crime and political instability – define the "polycrisis" context that Romania's border areas are facing this year.

Since 2014, the European Union has implemented an Integrated Political Crisis Response Mechanism (IPCR) that supports rapid and coordinated decision-making at the EU political level for major and complex crises, including acts of terrorism. Through this mechanism, the Council presidency coordinates the political response to crises, bringing together EU institutions, affected Member States and other key actors. (European Council, 2014)

3. Conclusions

To the extent that crises are perceived by domestic audiences as fundamentally symmetrical and highly important or even existential, they can fuel positive rather than negative politicization. Framing a crisis as a collective problem requiring a collective

response is therefore a crucial component of the EU's ability to escape a political trap. Shared understandings of a crisis as "symmetrical" and "existential", affecting all member states in a highly significant way, regardless of their differences, can thus serve as a basis for positive or "facilitative" politicization at both the national and European levels. In the case of the Russian invasion of Ukraine in 2022, there was a stronger consensus from the outset between EU and national leaders on the existential nature of the crisis and the need for a collective response. Crucial to the EU's ability to avoid falling into a political trap in the second polycrisis was the willingness and ability of EU and national leaders to reach consensus not only on a common framework of the problem, but also on a common framework of action, in terms of developing specific policy solutions, from joint vaccine procurement and collective borrowing for the NGEU package to far-reaching sanctions against Russia, the use of the European Peace Facility for the acquisition of lethal weapons and the decision to open a path for Ukraine to join the European Union. Beyond their immediate practical impact, these innovative policy measures helped to mitigate the impact of the crises by signaling the Union's collective will to act during the euro crisis. The temporal succession of EU polycrises can be seen as a sequential process, in which successful responses to one crisis strengthen the Union's capacity and commitment to resolve the next one, as can be seen in the trajectory from Brexit to Covid, to Ukraine and to the energy crisis. Avoiding a political trap in one crisis thus increases the probability - but not the certainty - of avoiding it in the next one, thus transforming the cross-sectoral consequences created by one polycrisis from a negative force into a positive one for further integration. The EU's ability to avoid falling into a political trap in the second polycrisis can thus be understood as a sequential process in which successful responses to one crisis strengthen the Union's capacity and commitment to resolve the next one, thus transforming the cross-sectoral spillover effects created by one polycrisis from a negative force into a positive one for deeper integration. To effectively manage the polycrisis, it is necessary to explore alternative economic models and financial mechanisms. Thus, instead of limiting themselves to amplifying crises, economic systems should be transformed to provide effective solutions. Short-term reactive measures are insufficient to address the interconnected and long-term nature of these challenges.

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