





20 April 2020

EU crisis response in tackling Covid-19 Views from the member states

Sophia Russack (ed.)

Abstract

The Covid-19 crisis has shown how difficult European cooperation can be, especially in policy areas where the EU has only a legal competence to support member states. At first, all member states were inward-looking in their reactions, focusing on unilaterally closuring borders and focusing on crisis management at home. European solidarity has largely been absent. Ultimately, however, the lockdown realities across Europe are quite similar. Drawing on the expertise of researchers in our EPIN network, we asked how EU cooperation was perceived in the respective national context. Nineteen institutes from 15 different countries from a representative cross-section of member states (plus Iceland) responded to our call.

EPIN Commentaries offer concise, policy-oriented insights into topical issues raised by the debate on the political integration of Europe. The European Policy Institutes Network (EPIN) is a network of think tanks and policy institutes based throughout Europe, which focuses on current EU political and policy debates (see http://www.epin.org). Unless otherwise indicated, the views expressed are attributable only to the author(s) in a personal capacity and not to any institution with which s/he is associated.

Available for free downloading from the CEPS (http://www.ceps.eu) and EPIN (http://www.epin.org) websites.

© Copyright 2020, EPIN

Contents

How is EU cooperation in tackling the Covid-19 crisis perceived in member states? by Sophia Russack and Steven Blockmans (CEPS)1
The view from Austria: COVID-19 is a challenge for European cohesion by Stefan Schaller (ÖgfE)5
Bulgaria fears a divide between eurozone members and non-members by Antoinette Primatarova (CLS)5
Czech Republic: political elites and citizens view EU cooperation with scepticism by Christian Kvorning Lassen (EUROPEUM)6
Success or failure? For Denmark, the jury is still out on the EU's handling of Covid-19 by Catharina Sørensen (Think Tank EUROPA)7
For Estonia, the EU is fragile but indispensable by Kristi Raik (EFPI)7
Self-reliant Finland sees EU and international cooperation as necessary to tackle Covid-19
by Niklas Helwig and Juha Jokela (FIIA)8
Germany during the Covid-19 crisis: time to move beyond damage control by Julian Rappold (DGAP)9
Germany and EU fiscal solidarity: renewed calls for Eurobonds but a reluctant government by Nicolai von Ondarza (SWP)9
Greece facing the Covid-19 pandemic: towards a new social recession? by Filippa Chatzistavrou (ELIAMEP)
Desperate attempts to maintain solidarity within the Union – the view from Iceland by Jón Gunnar Ólafsson (IIA)
Is European solidarity in a coma? A view from Italy by Eleonora Poli (IAI)
Romania plays its part in upholding European solidarity by Bogdan Mureşan and Mihai Sebe (EIR)12
The coronavirus feeds Slovakia's anti-EU sentiment by Pavol Babos (SFPA)
Mixed views in Slovakia on the EU's response to the pandemic by Kinga Brudzinska (GLOBSEC)
Spain's government asks for a Marshall Plan to ensure solidarity and cohesion by Ilke Toygür (ELCANO)
Spain aims for joint crisis management by Héctor Sánchez Margalef (CIDOB)15
The case of Sweden – keep calm and trust the system by Jakob Lewander (SIEPS)
The Netherlands: balancing solidarity and solidity by Adriaan Schout (Clingendael)
Contributors



How is EU cooperation in tackling the Covid-19 crisis perceived in member states?

by Sophia Russack and Steven Blockmans (CEPS)

The crisis caused by the spread of Covid-19 has demonstrated how difficult European cooperation can be, especially in policy areas where the EU has only a legal competence to support member states. Some commentators have suggested that this marks the death knell of European integration, and even the most optimistic of observers recognise it as one of the greatest challenges the EU has ever faced in terms of crisis management and demonstrating supranational added value.

In general, all member states were initially inward-looking in their reactions; they unilaterally closed borders and focused on crisis management at home. European solidarity has largely been absent. Ultimately, however, the lockdown realities across Europe are quite similar.

This instinctive self-preservation tells only one side of the story, however. As the virus affected all EU countries – albeit at different stages on the infection curve – it began to threaten the basics of the European economy and its financial system.

In this second phase of the crisis there is thus a need for crisis management at the European level. However, the measures decided so far appear marginal – at least in terms of impact on public opinion in member states, as our contributions show. All the EU's 27 national leaders were able to agree upon so far was a joint bid to improve the procurement of personal protective equipment, increased funding for vaccine research, and relaxed regulatory enforcement. The Commission has also proposed the Coronavirus Response Investment Initiative (CRII), to be financed through unused cohesion policy funds, but this requires approval by member states.

The European Commission's proposal to trigger an 'escape clause' in fiscal rules was a foregone conclusion after most finance ministers had already decided they needed to go for unprecedented deficit spending. Similarly, the temporary framework for state aid ratified what member states had already been doing on a large scale, namely to provide companies with sufficient liquidity during the coronavirus crisis.

More importantly, but little noticed, 'Brussels' also laid out its guidelines for establishing 'green lanes' to allow the free circulation of goods in the single market, which have helped to reduce border backlogs.

The most important initiative has come from the European Central Bank, which committed up to €750 billion in interventions – equivalent to 7% of GDP – via its Pandemic Emergency Purchase Programme. Discussion on how the EU could contribute to mitigating the fall-out from the crisis for the hardest hit member states has yet to lead to concrete initiatives.

In the third phase of the crisis, one in which most member state governments have turned their attention to lockdown exits and economic recovery, acrimonious discussions in the Eurogroup and the Council have centred on whether coronabonds



or a fund should be created to issue common debt with a common guarantee. Amid allegations of hypocrisy by the more frugal countries and a lack of solidarity likely to fuel populist anger in the states that advocate cohesion, the limits of internal solidarity in the eurozone and beyond are being tested. To the point where the Covid-19 crisis has been framed as 'existential' for the EU. It is a 'moment of truth' that will define whether the EU was just a single market or a political project where the human factor is prioritised over economics.

What is the post-crisis expectation? That the EU should now take the lead in coordinating exit strategies across Europe. But for this to happen, member states' governments will need to allow the EU institutions to play their role. At the time of writing, it seems that the Commission's Easter efforts in this respect have been impaired by capitals and even regional authorities taking different approaches to the relaxation of their lockdown measures. Such realities might hamper the coordination of future Europe-wide economic recovery efforts. Having an EU approach to easing lockdown restrictions, facilitating labour mobility across borders and widening green lanes could overcome the current and foreseeable restrictions to the free movement of persons and goods. Solutions of this kind would not only complement national approaches to the exit strategy, but also promote more solidarity between member states. Public support for greater EU competences in dealing with this public health emergency should encourage member state governments to put more energy into finding ways of sharing both the benefits and the burdens of EU membership.

Drawing on the expertise of researchers in our EPIN network, we asked how EU cooperation was perceived in the respective national context. Nineteen institutes from 15 different countries, from a representative cross-section of member states (plus Iceland) responded to our call.

What emerges from our expert poll is a general perception that the EU's response has been too little, too late. However, what exactly was expected and how much EU involvement was envisaged varies considerably. Here are some key observations.

So far, the Nordic countries have been quite self-sufficient in dealing with the crisis and the EU's involvement has largely been absent from the public debate. How much European coordination is now needed varies across these countries: while Finland demands more EU cooperation, Sweden hardly looks for any communitarian solutions, and Denmark demands more EU involvement in the second phase of the crisis (economic recovery). Overall, the Nordic countries seem to require less steering by the EU than Eastern and Southern EU member states, which have formulated more concrete demands, especially in terms of economic and financial burden-sharing. The fear of a post-pandemic financial and economic crisis is acute in Italy and great in Spain, Greece and Eastern member states. In Bulgaria, for example, this is compounded by the fear of neglect or even discrimination against non-eurozone members by the rest of the eurozone. Hence the higher level of expectations of EU actions in those countries.



In many member states, the economic growth potential generated through the process of European integration is perceived as one of the major assets of EU membership. But as economic policy remains very much in the hands of member states, many tensions arise. In Austria, a country that traditionally has concerns about the transfer of additional competences to the EU, the population demands bolder actions in the realm of public health – and even a transfer of the exercise of sovereign powers in this area. This does not extend to economic measures, however. Mutualisation of debt, for instance, remains taboo. It is perhaps revealing that there has been a shift in Germany on this very issue: traditionally against any mutualisation of debt, there are national voices that increasingly demand more solidarity, including in the economic sphere. Not so in the Netherlands, where the government's tough stance against coronabonds is criticised for its lack of empathy in communication, but otherwise supported by parliament and citizens.

What becomes evident is that the north-south divide that emerged during the economic and financial crises a decade ago is still ominously present. It is true that the current situation is different: all countries are affected and the spread of the virus is no single member state's 'fault'. Nevertheless, the massive gap between debtor and creditor states on questions about the need and nature of supporting EU measures, in particular to prop up unsustainable levels of public debt in Italy, whose populist-led government seems unwilling to engage in fundamental reform, has stirred up the dangerous sentiment that EU membership might only be beneficial in times of prosperity.

The crisis has demonstrated how crucial are the four freedoms of the internal market. Many countries struggle to function without the free movement of labour and goods across Europe. The rapid and uncoordinated closure of borders affected some more than others, especially the geographically peripheral ones and/or those that rely on the remittances of posted workers, such as the Baltic states, Bulgaria and Romania. The coordinated travel restrictions on the EU's external borders also impacted non-EU Schengen countries, like Iceland, which deemed this measure to be an unhelpful and desperate attempt to demonstrate EU unity. While the free movement of persons is largely suspended within and across borders for the moment, there is great interest in keeping the other freedoms alive, as far as possible. For this reason, the Commission's 'green lanes' effort to ensure the flow of goods is appreciated.

The initial perception that third countries (mainly Russia and China) were more supportive than the EU and its member states continues to prevail, predominantly in Italy and Greece. The Commission's sanitary initiatives, such as the coordinated EU effort to produce, procure and distribute vital medical equipment, have so far failed to gain traction in the (geo)political battle of narratives.

What emerges from our expert poll is that citizens' opinions about the EU's crisis response vary greatly. The Czech population, for instance, is generally quite Eurosceptic anyway and this has not changed during the corona crisis. But unlike previous crises, in particular the one over refugees and migration, Czech citizens now expect the EU to take more action. Among the most affected countries, the populations of Italy and Spain feel abandoned by other member states and the EU





institutions. Yet public perception in Spain remains largely positive about EU integration, and the Italian population has become increasingly Eurosceptic because of how the corona crisis has been (mis)handled.

What is the post-crisis expectation? That the EU should now take the lead in coordinating exit strategies across Europe. But for this to happen, member states' governments will need to allow the EU institutions to play their role. At the time of writing, it seems that the Commission's Easter efforts in this respect have been impaired by capitals and even regional authorities taking different approaches to the relaxation of their lockdown measures. Such realities might hamper the coordination of future Europe-wide economic recovery efforts. Yet public support for greater EU competences in dealing with this public health emergency should encourage member state governments to put more energy into finding ways of sharing both the benefits and the burdens of EU membership.

What is the post-crisis expectation? That the EU should now take the lead in coordinating exit strategies across Europe. But for this to happen, member states' governments will need to allow the EU institutions to play their role. At the time of writing, it seems that the Commission's Easter efforts in this respect have been impaired by capitals and even regional authorities taking different approaches to the relaxation of their lockdown measures. Such realities might hamper the coordination of future Europe-wide economic recovery efforts. Having an EU approach to easing lockdown restrictions, facilitating labour mobility across borders and widening green lanes could overcome the current and foreseeable restrictions to the free movement of persons and goods. Coordinated solutions of this kind would not only complement national approaches to the exit strategy, but also promote more solidarity between member states. Public support for greater EU competences in dealing with this public health emergency should encourage member state governments to put more energy into finding ways of sharing both the benefits and the burdens of EU membership.



The view from Austria: COVID-19 is a challenge for European cohesion by Stefan Schaller (ÖgfE)

With the COVID-19 pandemic still raging, 39% of Austrians expect a weakening of European cohesion and only 16% assume it will be strengthened, finds the Austrian Society for European Politics in a recent poll. Some 30% of respondents believe that EU membership at a time of coronavirus is an "advantage"; 17% disagree and for 43% EU membership "makes no difference". While 75% welcome the temporary suspension of EU deficit rules, some 12% remain sceptical. Four out of ten respondents say that it would make sense to transfer further health policy competences to the EU to counter cross-border health risks, while 42% disagree.

It comes as no surprise that the initial uncoordinated approach of EU member states to tackling the crisis had an immediate impact on EU public opinion. Due to its lack of official competences in health policy, of which few people are aware, the EU was not able to meet citizens' expectations. Nevertheless, in times of crisis Austrians tend to put aside their traditional concerns in order to transfer additional powers to the EU, and even accept the suspension of the EU's stability and growth pact. The EU's economic potential is perceived as one of the major assets of Austria's EU membership, which suggests that public opinion might change once the economic reconstruction of the EU gets underway.

Bulgaria fears a divide between eurozone members and non-members by Antoinette Primatarova (CLS)

Strict lockdown measures adopted early have halted the rise of confirmed infections and lowered the number of deaths, and are broadly supported. People believe that Bulgaria is doing relatively well compared to <u>other countries (87%)</u>. But 91% of the population are concerned about the economic impact of the lockdown and 86% fear a <u>post-pandemic economic-financial crisis</u>.

Three major lines of EU involvement: in public health, borders and mobility, and supporting research (including vaccines) have created positive perceptions. The Commission's action on joint procurement, conformity assessment and certification of personal protective equipment (PPE) is relevant for Bulgaria as an active producer of PPE and a country in need of testing kits and ventilators. Due to Bulgaria's geographic position, both private citizens and commercial transport providers have been strongly affected by the chaotic closure of national borders. EU guidelines on 'green lanes' are proving to be much more effective than bilateral solutions.

In contrast to the rather clear and mainly positive picture of EU action in the above areas, perceptions of its economic role are mixed. The Coronavirus Response Investment Initiative is welcome but not considered as 'fresh money'. Deputy PM Tomislav Donchev commented that the proposed SURE initiative (short-time work arrangements) was still vague; he didn't expect Bulgaria to apply for assistance. Comments from PM Boyko Borisov after the April 26 European Council are an indication of concern that support for post-pandemic economic recovery might go mainly to eurozone countries and widen the gap between eurozone members and non-members.



Czech Republic: political elites and citizens view EU cooperation with scepticism

by Christian Kvorning Lassen (EUROPEUM)

Czechia is a chronic outlier when it comes to its public's rather negative opinion towards the EU. And even now, the EU is at best viewed with scepticism as a cooperating partner in fighting Covid-19.

That Czechia still has one of the most Eurosceptic member state populations is in large part due to its leading political figures, who attempt to capitalise on the crisis by denouncing the EU, as usual.

President Zeman, who has deep vested interests in Czech-Chinese relations, credits China with providing assistance and omits to mention any intra-EU provision of aid, while openly condemning the inaction of the von der Leyen Commission. Prime Minister Babiš labels the EU's rapidly released financial resources from the Cohesion Funds as "our money", conveniently ignoring the fact that Czechia lacked the absorption capacity to receive these funds under calmer circumstances, and that "our money" is actually financed by the net contributors to the EU budget. Czechia is a net recipient. Furthermore, he fails to mention the EU-provided flexibility that enabled it to immediately make use of these funds beyond their originally planned purposes.

Public debate within the country is devoid of any policymaker championing the EU's assistance in combating Covid-19. That the EU's European Centre for Disease Control warned member states about the potential impact of Covid-19 already on January 26, or that on January 31 the EU offered assistance to member states in acquiring medical equipment, which they declined, is conveniently omitted in favour of nationalist and populist narratives emphasising strong national political leadership.

Paradoxically, policymakers clamouring for EU action on Covid-19 are those whose domestic political capital is derived from undermining the EU's support, legitimacy and ability to act in general. Furthermore, the fact that public health is solely the domain of member states and not part of the EU's competencies is not appreciated by the public, allowing political elites to capitalise on this for domestic political gain.

What is different this time is that citizens actually expect the EU to do more, unlike during the refugee and financial crises, although it has fewer competences to manage the situation. Thus, there is a fledgling realisation within the country that the EU could play an essential role in the crisis. Whether this realisation materialises into constructive Czech policies towards the EU is unlikely, however, as the EU has become a convenient 'other' against which national politicians frame themselves, making Euroscepticism a foundational prerequisite for domestic political success within the Czech Republic. It is far easier to scapegoat the EU than become a constructive partner.



Success or failure? For Denmark, the jury is still out on the EU's handling of Covid-19

by Catharina Sørensen (Think Tank EUROPA)

Perhaps the most notable EU story to emerge from the early tackling of the COVID-19 crisis in Denmark is the absence of EU-related commentary from the national authorities. Since crisis response efforts gathered speed in early March, the focus of the social democratic government has been almost exclusively national. For instance, there has been virtually no reference to EU-cooperation in the many official press conferences held in recent weeks.

From the extensive media debates, there are two main take-aways from Danish perceptions of EU-cooperation during this first phase of fighting the virus. First, there is general consensus that the EU's early efforts were too little, too late. Denmark's borders, for example, closed three days before the Commission issued border guidelines. Moreover, reports of China beating member states to providing Italy with much-needed medical supplies still lingers as an example of weak solidarity in the Union.

Second, despite criticism for its slow start, there is general acceptance among commentators and the business community that the EU is needed to effectively 'solve' a virus that knows no borders, and that the EU's moment to prove its worth is going to be in the second half of the fight, when it comes to getting the European economy back on track. So far, the Danish social parties, for instance, are cautiously positive about the response from the European Commission, which is deemed to be far more robust and coordinated than the Barroso Commission's response during the financial crisis.

In other words, from a Danish perspective the jury is still out as to whether the EU will emerge weaker or stronger from the corona crisis.

For Estonia, the EU is fragile but indispensable

by Kristi Raik (EFPI)

The coronacrisis reached Estonia after a tumultuous year in domestic politics. In April 2019, a coalition government came to power that included a Eurosceptic, radical right-wing party. This brought a new zero-sum logic to Estonian political discourse that pitted the nation state against the European Union, with the latter depicted as a threat to national interests and sovereignty. Yet support for the EU among the population has remained high and there has been a strong degree of continuity in Estonia's EU policy.

The EU received little attention in Estonia in the early phase of the Covid-19 crisis. If the Union was talked about at all, the focus was on its failures and fragmentation. In particular, the uncoordinated closure of borders was seen as a major EU failure that hit Estonia hard. In mid-March, thousands of citizens from the three Baltic states – desperate to get home as the crisis escalated – were stuck at the border with Poland



for two to three days. Thousands of Estonians working in Finland were forced to choose between spending the closure period in Finland and continuing to work without seeing their families in Estonia, or returning home and losing their income.

Covid-19 has made it clear that the EU is an indispensable part of our daily lives. Estonia struggles to function without the free movement of labour and goods across internal EU borders. The closure of borders sparked outcries about the death of Schengen, but Estonian officials stressed that the closure was temporary and borders would re-open as soon as possible. The European Commission actually stepped in to help to solve the chaos at Poland's borders in March. It was also rather quick to ensure the functioning of the single market during the crisis. However, its actions were seen as too little, too late. It will be important for the EU to take the lead in coordinating with member states once the borders open again.

Self-reliant Finland sees EU and international cooperation as necessary to tackle Covid-19

by Niklas Helwig and Juha Jokela (FIIA)

Finland's tradition of security has strong elements of self-reliance and preparedness. While the initial focus was on national measures, Helsinki understands that the comprehensive nature of the crisis requires EU and international action.

Finland has welcomed the EU's measures to secure the functioning of the single market, with reinstated border controls and coordinated travel restrictions at the EU's external borders. Finland values the monitoring and risk assessments of the ECDC and supports EU efforts to shore up vital medical equipment through joint procurement.

EU repatriation efforts have brought more than 70 Finnish citizens home, and more could return through national and joint efforts by Nordic countries. While the Nordics' initial responses were also largely uncoordinated, cooperation has progressed, including through frequent ministerial video conferences.

As one of the major proponents of the rule of law in the EU, Finland signed the letter from 13 member states voicing concerns about the extensive emergency powers adopted in some member states. The Finnish foreign ministry underlines the need for strong EU cooperation with vulnerable countries, for example in Africa, and in countering disinformation campaigns. The foreign minister has highlighted the importance of humanitarian aid during and after the crisis, as well as EU action to mitigate potential international confrontation related to the crisis.

Concerning the response to the economic aspect of the crisis, Finland seems to continue its fiscal-conservative approach, which stresses national responsibility and rejects instruments of joint debt such as coronabonds. Yet experts have underlined the seriousness of the economic crisis and called for unorthodox thinking. The government is more supportive of additional loans from the European Investment Bank and measures adopted by the ECB.



Germany during the Covid-19 crisis: time to move beyond damage control

by Julian Rappold (DGAP)

Germany initially turned inwards when the number of infections grew rapidly in early March 2020. Finding a coordinated domestic response to the health crisis was enough of a challenge, given the country's highly devolved system of governance. Berlin realised the far-reaching implications of Covid-19 for the cohesion of the EU rather slowly and is now trying to shift gear.

Like certain other member states, Berlin went ahead unilaterally with its first crisis response: it introduced its own emergency measures and temporarily closed the borders with some of its neighbours without coordinating at the European level.

Yet, in the eyes of some European partners and the European Commission, Germany went too far when it started to ban the export of face masks and other protective equipment. Europe's South in particular was painfully reminded of past crises, which exposed Berlin to accusations of a lack of solidarity. This perception was reinforced when China returned the favour of European support by sending face masks to Italy.

Since then, Berlin has tried to control the damage: it reversed its initial decision on exports of medical equipment and invested much more to support European partners in tackling the health crisis, i.e. sending medical equipment and ventilators, accepting Covid-19 patients from neighbouring countries and evacuating thousands of EU-citizens from abroad.

Yet this is the minimum of solidarity Germany can show. Unprecedented efforts are called for to cope with all the implications of Covid-19. Berlin acknowledged that the pace of European coordination and action had been slow at first. With the coordination of the Covid-19 crisis management now mainly in the hands of the European Council, and with the EU presidency just around the corner, Germany has an even greater responsibility to navigate the EU safely through this unprecedented crisis.

Germany and EU fiscal solidarity: renewed calls for Eurobonds but a reluctant government by Nicolai von Ondarza (SWP)

The coronavirus pandemic has also brought the debate about financial solidarity in the euro area to the forefront. Nine eurozone states called for a strong joint fiscal response, including the issuing of debt ('Eurobonds'). Germany belongs to the group of northern member states among euro area member states that have traditionally opposed the mutualisation of public debt. In the throes of the coronavirus pandemic, however, the debate is shifting.

First, the German public is strongly in favour of financial solidarity within the EU, with



68% backing financial support for hard-hit countries like Italy and Spain. Media as diverse as Bild or Der Spiegel have called for Germany to show European solidarity. Second, the views of German economists are becoming more diverse. During the eurozone crisis, mainstream German economic opinion was against any kind of debt mutualisation, arguing that it would create the wrong incentives to countries such as Greece, which needed to reform first. In recent weeks, however, several leading German economists have called for the issuing of joint bonds to respond to the coronavirus pandemic, pointing to exceptional circumstances. Whereas most German economists regarded a lack of budgetary discipline and economic reform as the main causes for the eurozone crisis, most now accept that the pandemic is creating economic challenges that are not the fault of national policies. By contrast, while the German government is arguing for financial solidarity, so far Chancellor Merkel (CDU) and Finance Minister Scholz (SPD) reject the idea of Eurobonds, preferring to use the loan-based European Stability Mechanism (ESM), albeit without the usual conditions. Among the opposition parties, only the Greens are openly calling for Eurobonds.

Opinions about Germany in other member states are monitored carefully in German public debate and the negative impact of its initial unilateral approach has become painfully clear. Voices demanding that the federal government stop blocking the coronabonds are getting louder. The enormous national aid package that the government announced to support the German economy makes the opposition to coronabonds appear even more ungenerous, since many other member states cannot afford such national solutions.

Greece facing the Covid-19 pandemic: towards a new social recession?

by Filippa Chatzistavrou (ELIAMEP)

Greece has been facing the Covid-19 pandemic amid drastic reductions in government public health spending. Between 2009 and 2018, expenditure on healthcare was cut by 43%, placing the country among the lowest in this category of spending in the eurozone. This explains the Greek government's early measures to contain the spread of Covid-19, taken well before other European countries. The measures aimed to prevent overloading deteriorated hospital infrastructure and dramatically depleted medical and care staff; a shortage only exacerbated by the brain drain of Greek doctors.

Greek citizens did not notice the impact of EU healthcare-related initiatives designed to tackle urgent problems such as the lack of vital equipment from ventilators to personal protective equipment (PPE), and the timebomb of refugee camps. Ambiguous advice from the WHO and European Centre for Disease Prevention and Control (ECDC) on wearing masks and on the importance of large-scale early diagnostic testing created confusion. Greece attributed the EU's supply dependence on China and reports of some European countries seizing masks destined for others to



a lack of policy coordination between member states in research and health services.

Greece welcomed the lifting of the 33% threshold for the purchase of government bonds, the suspension of SGP terms, the relaxation of cohesion programmes and state aid rules to provide flexibility to member states, and the deployment of complementary financial instruments, such as European Union Solidarity Fund (EUSF), the Coronavirus Response Investment Initiative (CRII), the EIB's financing package for SMEs, and the proposed SURE instrument to protect employment. The country is also relieved to know that the requirement of large primary fiscal surpluses could be abolished but shudders at the thought that its debt could increase by 40% to 218.6% in 2020. Greece was among nine eurozone countries that proposed establishing a common debt instrument to raise funds on the market under conditions that would benefit all member states. This proposal was a first attempt to break the taboo of debt mutualisation. But even in the case of a new emergency or rescue fund that resembles the mutualisation of debt, Greece's main problem is that there is no political or fiscal room for state-led policies that would tackle the socio-economic impact of the upcoming recession.

Desperate attempts to maintain solidarity within the Union – the view from Iceland

by Jón Gunnar Ólafsson (IIA)

When the EU issued temporary restrictions on non-essential travel from third countries in the EU+ area, reactions in Iceland were mixed. As an island in the middle of the North Atlantic, Iceland is reliant on air transport and had only two days tried to desperately tackle the US travel ban to no avail. Since Iceland is also a member of Schengen, the government did decide to cooperate and enforce the same restrictions as the EU.

The reaction of Prime Minister Katrín Jakobsdóttir to the EU's decisions was not surprising. She referred to the measures as a desperate attempt to maintain solidarity within the European Union and was struck by the EU's admission that the decision was based on politics, not science. Covid-19 measures in Iceland have so far been grounded in scientific recommendations and guidelines from the WHO.

To the dismay of EU membership supporters in Iceland, there has been no unified front of EU national leaders in response to the pandemic – quite the opposite. The national interests of member states have prevailed ever since the crisis broke. This lack of EU unity has drawn attention to the fact that the EU is not a federation but rather a union of sovereign states that take care of their own interests in times of crisis, despite claims to the contrary by EU-sceptics in Iceland.



Is European solidarity in a coma? A view from Italy

by Eleonora Poli (IAI)

Since the outbreak of the COVID-19 crisis, there have been several European initiatives to help Italy. Among them, Germany is transferring a number of Italian COVID-19 patients to German hospitals; the Commission has allowed maximum flexibility on budgetary rules; the SURE plan might mitigate unemployment risks; and the ECB has agreed to increase Italian bond purchases, temporarily.

Yet EU cooperation came rather late. In the days after the outbreak of the pandemic, the initial reaction of many member states seemed far from supportive to the majority of Italians, even to the most Europhile among them. The unilateral closure of borders with Italy and limitations on political and economic cooperation were coupled with the European Central Bank president's comment about Italian spread, which fuelled panic over the country's public finances. The dispute about eurobonds is not helping either. The EU's north-south divide on the need and the nature of common economic measures is fuelling the idea that being European is only worth it in times of prosperity.

The general perception is that Italy has been abandoned, as it was during the migration crisis. <u>With 55% of its citizens not trusting the EU in spring 2019</u>, Italy was one of the most Eurosceptic countries, even before the outbreak of the pandemic. While Eurosceptic political forces are now fuelling such renewed resentment, the EU has some degree of responsibility here. The responses of EU institutions to the crisis are exceptional. But they came late and risk being overshadowed both by the perceived poor support from some member states and by the superficial – though often more rapid and vocal – aid provided by China and Russia. To date, with many Italians thinking that EU solidarity is in a coma, what is left of Italian Europhilia is at stake.

Romania plays its part in upholding European solidarity

by Bogdan Mureşan and Mihai Sebe (EIR)

As the various mobility restrictions imposed during the ongoing state of emergency begin to take their toll on the economy, Romania's government has underlined the need for greater flexibility in the use of EU funds and for special financial assistance for member states. It maintains that the integrity of the single market and the free movement of goods is essential.

Romania has a great number of mobile workers in some of the most affected member states. For this reason, the creation of humanitarian transit corridors that bypass closed borders to allow their repatriation if necessary is considered a matter of high priority.

The authorities are also keen to speed up the creation of a European reserve of medical equipment. Romania was the first European country to offer to purchase and stockpile ventilators on behalf of the EU. A team of Romanian doctors and nurses has left for Italy, deployed through the EU Civil Protection Mechanism, to support local doctors in the fight against coronavirus.



The Romanian minister of foreign affairs reiterated the importance of strengthening the EU's strategic communication efforts to combat the 'infodemic' that has flourished in Romania. If not tackled properly, it could affect the morale of the population and its support for the EU, as well as undermine trust in the local authorities.

Overall, Romanian leaders, in their official addresses, have pushed for greater European solidarity and expressed their commitment to a common and concerted community response, while avoiding the temptation of unilateralism. A post-crisis national recovery strategy is deemed essential by both state and citizens, coupled with concrete support measures produced by the European Commission and tailored to suit the needs of all member states.

The coronavirus feeds Slovakia's anti-EU sentiment

by Pavol Babos (SFPA)

For years, the main anti-EU (neo-nazi) party in Slovakia, 'People's Party Our Slovakia' has been particularly popular with young people. Despite years of research into Euroscepticism, analysts and scholars have not come to a satisfactory explanation as to why this generation supports hard Eurosceptics. Especially because they enjoy most of the benefits of EU membership.

The corona pandemic brought the European Union into the public debate rather late, only after strict travel restrictions were put in place. Closed borders could have shown (not only young) people what this region would look like without Schengen – a unique situation one could never achieve in a social science experiment. However, various social media were full of comments praising the closed borders and hoping they would remain closed even after the pandemic.

The EU's image only started to improve once the European Commission approved several measures allowing substantial financial aid for Slovakia's economy. This only strengthens the longstanding narrative that the EU is only as good as the money it sends. Since the late 1990s, again and again, the benefits of EU membership have been communicated predominantly in financial terms; namely in the structural and cohesion funds now supporting the fight against coronavirus.

This comes at the expense of European solidarity, values and democratic principles. Governments in Slovakia and neighbouring countries can thus afford to balance on the edge of the rule of law, as the majority of citizens care more about the flow of money from Brussels. And the money flow serves as justification that the government is taking the right steps and therefore need not care much about the consequences of violating EU values and democratic principles. This can increase support for hard Eurosceptics because they will always be more authentic in their anti-EU rhetoric than 'mainstream' populists. The longer the pandemic goes on, the bigger the blow for pro-Europeans' hopes in this country and region.



Mixed views in Slovakia on the EU's response to the pandemic by Kinga Brudzinska (GLOBSEC)

Slovaks' perceptions of the EU in fighting the COVID-19 have been mixed. When the virus started to spread in Europe, Slovakia was in the middle of a general election (29/02) and change of government (21/03). Consequently, this diverted attention from the EU.

In general, the EU's 'false start' in tackling the COVID-19 was noted negatively among citizens in Bratislava. According to <u>this poll</u> conducted in March, Slovaks felt that China helped them three times more (68%) than the EU (22%). There was a general feeling that the EU was too slow to respond. Moreover, people thought there was no solidarity among member states and that Western EU countries were preventing the export of medical equipment and supplies to Slovakia.

Now the mood has started to change in the EU's favour, for two reasons. First, the EU institutions and the Slovak government revamped their strategic communication, which entails debunking disinformation around COVID-19 and showcasing EU actions and member states' solidarity in tackling the pandemic across Europe, for example. The fact that France and Germany delivered more masks and gowns to Italy than China did was widely noted among citizens. Second, the economic measures announced by the EU help to improve its image, moderately. But as Bratislava ranks the highest in terms of misuse of EU funds and fraud, it will all depend on when and how much citizens eventually benefit from the EU's support.

Spain's government asks for a Marshall Plan to ensure solidarity and cohesion

by Ilke Toygür (ELCANO)

Are we all in this together? Yes. Are all European Union countries affected equally? Not really. Spain, together with Italy, is one of the countries most affected by the Covid-19 pandemic. And many questions about what is yet to come are unanswered. The economy – and the job market, had barely recovered from the global financial crisis of 2008 and is at huge risk.

Pedro Sánchez, Socialist Prime Minister of Spain's first coalition government, has been underlining the importance of compassion and solidarity among Europeans. If this is the worst crisis since WWI, Spain has certainly been mobilising its political capital to get a fair recovery and reconstruction plan from the European Union. Sánchez has already called for a Marshall Plan to include significant economic measures beyond the European Central Bank's Pandemic Emergency Purchase Programme or the European Commission's SURE. Put very simply, he wants Europeans to share the public debt without any conditionality attached. Together with Giuseppe Conte, Prime Minister of Italy, he has been one of the most vocal figures in the European Council. He thinks that after decades of pro-European stance, Spanish citizens deserve burdensharing.



The Spanish leadership also thinks that <u>Europe's future is at stake</u>. They ask for extraordinary measures for these challenging times that will not leave anyone behind. The coming weeks will show how much of this will be achieved.

Spain aims for joint crisis management

by Héctor Sánchez Margalef (CIDOB)

Spain is now in a mood of Euro-disappointment. It could be argued that Spain has not done its homework because the budget deficit and public debt are still higher than they should be. Nonetheless, Spain was not expecting this symmetric shock, and after the efforts made by the population, the first response from EU leaders did not go down well because it implied that Spain was somehow behaving irresponsibly. The perception after the European Council meeting of March 26 was therefore one of disappointment.

Although the memory of the early days of the corona outbreak will endure, it is difficult to see Spanish society turning its back on the European project. In fact, a poll from YouGov shows that the 84% of Spaniards demand a more cohesive response from the EU; 67% of the Spanish population considers that being member of the EU is a good thing (above the EU average) and – most relevant – the younger generations have the most positive image of EU membership. Therefore, the EU is still considered to be a source of solutions.

The policies and gestures that have started to come out of Brussels are the kind the country needs. Any support not attached to conditionality is going to be well received by Spanish society, especially if coordinated policies decided at the EU level are not perceived as charity and do not come with the stigma of a bail-out. This would have a significant impact on Spain's image of the EU and, regardless of how far Europeans may be from mutualising sovereign debt from other member states, this would show that solidarity is more than a vague notion.

The case of Sweden - keep calm and trust the system

by Jakob Lewander (SIEPS)

Sweden is an outlier. In contrast to both neighbouring countries and continental Europe, Swedish primary schools and childcare remain open and the public is firmly advised to refrain from unnecessary contact and journeys to protect at-risk groups and hospital capacity. Common sense has become the watchword of the day.

This has generated lively debate about the appropriateness of measures taken, and sharpened focus on Sweden's model of governance, where strong national expert agencies operate independently of their ministries. Sweden is experiencing a relatively high degree of political cohesion and party truce in its handling of the pandemic. The minority coalition government of Social Democrats and its junior partner the Greens has pushed national agencies of expert epidemiologists to the frontline of political life.



The government's public health measures are nationally framed, and discussions or allusions to common EU responses to the challenges are absent from public debate. The development of the MFF negotiations could alter this equilibrium, however, if Sweden's budget contributions were to increase. The role of the EU in both Sweden's political and media life has not changed in this pandemic: there is an intergovernmental gaze and scant talk of communitarian solutions.

The Netherlands: balancing solidarity and solidity

by Adriaan Schout (Clingendael)

The eurozone is, again, in deep crisis. And again, the Netherlands is being regarded critically by other eurozone countries for not showing solidarity. The government's opposition to mutualisation is strongly supported by Dutch parliament and by citizens, even though the Dutch government's lack of empathy has been roundly criticised in parliament and by the media. A number of parliamentary debates show broad support for *not* issuing eurobonds. In May 2019, the parliament supported a motion to remove the 'ever closer union' from the treaties, by a two-thirds majority.

Despite the resolute stance against deeper integration and eurobonds, the Dutch are consistently at the top of Eurobarometer ratings when it comes to pro-EU sentiment. Moreover, the Netherlands <u>supported the strengthening of the eurozone in the previous euro crisis</u> and this flexibility can be expected again. The recent measures to support the eurozone go against what the Netherlands would normally have accepted. This underlines the careful balancing act between common EU responses and maintaining national support. So far, <u>the party of Prime Minister Rutte</u>, in particular, has gained in support at the expense of anti-EU parties.

Resistance to a political union and the pro-EU stance is not a paradox but fits into the traditional Dutch view: the eurozone is essential but should be built on solidarity and solidity. Minister for Finance Wopke Hoekstra's much-criticised question concerning the lack of economic resilience in some countries speaks to Dutch concerns that the <u>eurozone has been ineffective at convergence</u>. It is too early to judge, but the majority of eurozone countries in favour of mutualisation, the harsh tone of some member states towards the Netherlands, and Germany's wavering position on mutualisation could threaten Dutch trust in a euro that is built on solidarity as well as on solidity.



Contributors

Ålander, Minna, Research Assistant, EU/Europe Research Division, Stiftung Wissenschaft und Politik (SWP)

Baboš, Pavol, Assistant Professor, FiF UK, Faculty of Arts, Comenius University

Blockmans, Steven, Director *ad interim*, CEPS and Professor of EU External Relations Law, University of Amsterdam

Brudzinska, **Kinga**, Senior Research Fellow for the Future of Europe Programme at the GLOBSEC Policy Institute in Bratislava

Chatzistavrou, **Filippa**, Research Fellow, Hellenic Foundation for European and Foreign Policy (ELIAMEP)

Helwig, Niklas, Senior Research Fellow, The European Union Research Programme, Finnish Institute of International Affairs (FIIA)

Jokela, Juha, Programme Director, The European Union Research Programme, Finnish Institute of International Affairs (FIIA)

Kvorning Lassen, Christian, Deputy Director, EUROPEUM Institute for European Policy

Lewander, Jakob, Researcher, Swedish Institute for European Policy Studies (SIEPS)

Mureşan, Bogdan, Researcher, European Institute of Romania (EIR)

Ólafsson, Jón Gunnar, Acting Director, Institute of International Affairs (IIA)

Primatarova, Antoinette, Programme Director, Centre for Liberal Strategies (CLS)

Poli, Eleonora, Research Fellow, Istituto Affari Internazionali (IAI)

Raik, **Kristi**, Director of the Estonian Foreign Policy Institute at the International Centre for Defence and Security (EFPI)

Rappold, Julian, Research Fellow, German Council on Foreign Relations (DGAP)

Russack, Sophia, Researcher, Institutions Unit, CEPS

Sánchez Margalef, Héctor, Researcher, Barcelona Centre for International Affairs (CIDOB)

Schaller, Stefan, Research Fellow and Project Manager, Austrian Society for European Politics (ÖgfE)

Schout, Adriaan, Senior Research Fellow, Clingendael Institute

Sebe, Mihai, Senior Researcher, European Institute of Romania (EIR)

Sørensen, Catharina, Deputy Director, Think Tank EUROPA

Toygür, Ilke Analyst, Elcano Royal Institute

von Ondarza, Nicolai, Deputy Head of EU/Europe Research Division, Stiftung Wissenschaft und Politik (SWP)