

APRIL 2020

Corona: EU's existential crisis

Why the lack of solidarity threatens not only the Union's health and economy, but also its security



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Introduction

When European Union leaders met on Thursday 26 March via a videoconference to discuss their common response to the coronavirus outbreak in Europe, the pressure was on to show that the EU could act in unison to manage this unprecedented crisis. During the previous two calamities – the 2010 European debt crisis and the 2015 migration crisis – EU member states vowed to work together and make sure that the Union emerges stronger. But in reality they gradually drifted further apart by the rise of nationalism and populism that followed.

Similarly, these days national governments and EU institutions are pledging to do "whatever it takes", while both their initial and later actions did not show much solidarity towards one another. On top of that, various EU senior officials issued dire warnings that "the germ of division" or

Aris Oikonomou, 'Epidemic infects Europe with 'germ of division", Agence France-Presse, 28 March 2020.

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"the lack of 'all for one spirit" threaten the existence of the European project itself. To the outside, these statements portray an unsettling image of disarray. Although most attention has so far been paid to the public health and economic havoc wrought by COVID-19, it also poses threats to the social cohesion and security of the EU itself.

It does not have to be this way. Over the years the EU has developed a raft of crisis management instruments and has articulated the ambition to achieve 'strategic autonomy'. Although the crisis is still rapidly unfolding, certain important lessons can already be drawn from the early responses in the fields of health, the economy and security.

Health systems: in search of European solidarity

Several commentators have argued that the EU has no role to play because the governing of health systems is a national competence.3 This, however, is too short-sighted and overlooks both the transnational aspect of the threat posed by COVID-19, as well as existing EU policies designed to combat of such threats. In the field of health protection the EU has committed itself to "monitoring, early notification of and combating serious cross-border threats to health" following Article 168 (1) TFEU. Moreover, the EU Global Strategy explicitly aims to "work for more effective prevention, detection and responses to global pandemics"4 and its Common Security and Defence Policy more than once stresses unity in protection from external threats and safeguarding the Union's security from within the EU's borders.

The primary responsibility for the health sector indeed lies with national governments, and each member state should address the

health crisis in a tailored manner suited to their own specific situation and the state of the outbreak. But that does not mean the EU could not play a more prominent role in promoting intergovernmental co-operation and in co-ordinating matters such as border policies, research efforts and the production and sharing of scarce medical supplies such as face masks and ventilators. This is particularly relevant in case the virus returns in multiple waves until a vaccine has been developed.

The initial responses indicate how individual countries react to external threats, as they would in the case of a major security hazard. Logically, the first reflex is one of separation: each European country prioritises the protection of its own population and distancing is an essential part of containing the pandemic. Italy, as Europe's 'ground zero', was the first to experience the full gravity of the threat but was largely left to fend for itself. What is most striking was the slow reaction of fellow EU countries to Italy's call to activate the European Union Mechanism of Civil Protection for the supply of personal protective medical equipment. Even though the Emergency Response Coordination Centre is now active, the initial silence of EU member states sent a shocking message. Even more so after Italy's ambassador to the EU publicly stated that Europe's 'strategic rival' China, helped more bilaterally than the EU did.5 Solidarity, one of the EU's values enshrined among others in Article 222 TEU, initially seemed to be forgotten and was only invoked after widespread criticism.6 After several weeks of self-preservation responses, better-off EU countries such as Germany are now increasingly sharing medical supplies and taking in some critical-care patients from overstretched neighbours.

² Beatriz Rios, 'Commission chief, MEPs slam lack of EU solidarity in COVID19 crisis', Euractiv, 26 March 2020.

³ David M. Herszenhorn, Carmen Paul and Jillian Deutsch, 'Europe fails to help Italy in coronavirus fight', Politico, 7 March 2020.

⁴ EU Global Strategy, 2016, p. 43.

Maurizio Massari, 'Italian ambassador to the EU:
 Italy needs Europe's help', Politico, 11 March 2020.

 Joint Communication to the European Parliament,
 the European Council and the Council on EU-China
 - A strategic outlook, 12 March 2019.

⁶ Hans von der Burchard, Jullian Deutsch and Maïa de la Baume, 'Berlin pushes back in coronavirus propaganda war', Politico, 25 March 2020.

Economic measures: persisting divides

As it became apparent that COVID-19 would have far-reaching economic consequences, the EU did demonstrate that it had learned from the previous Eurozone crisis and acted relatively swiftly to try and avert a major economic meltdown with both fiscal and monetary measures.

In particular the European Central Bank was quick to reverse course, after initially downplaying the seriousness of the threat. and has now made it clear that it will not only do "whatever it takes", but also has "no limits" in its attempts to shore up the economy of the Eurozone. This decisive response was possible because the ECB, unlike the European Council, can outvote frugal states such as Germany and the Netherlands, who made their displeasure known. The massive monetary stimulus of its bond purchases has so far fended off speculators and pushed down interest rates on especially Spanish and Italian bonds, but carry longer-term risks to the stability of the Euro. Besides an expansion of the ECB interventions, more coordinated policies by the Eurozone leaders are called for to address the crisis.7

Particularly on the part of the finance ministers divisions run deep. On 13 March they agreed to relax fiscal spending limits, but those still largely concern national expenditure. The real fight that threatens to tear apart the very fabric of the EU is over whether or not solidarity should have a financial side as well. The same divisions that already hampered agreement on the EU's overall budget again became apparent during discussions on the use of the European Stability Mechanism; several northern states resisted the request of

nine EU countries led by France, Italy and Spain to create a special joint debt instrument known as 'corona bonds'.

The Netherlands in particular incurred the wrath of southern EU member states due to its intransigence, particularly when Finance Minister Hoekstra proposed that the European Commission should investigate why certain states did not sufficiently reform their economies to be able to weather this crisis. This was denounced as "repugnant" by Portuguese Prime Minister Costa, who threatened that "either the EU does what needs to be done, or it will end."8 On 31 March Hoekstra did admit to a "lack of empathy".9 However, the reaction of Costa betrays a much deeper frustration felt across the southern EU member states about the lack of support and understanding by their wealthier fellow EU members, while the latter know that their populations will not support vast north-south transfers - especially as they face prospects of recessions of their own.

Threats to social cohesion, security and stability

Other than major repercussions for public health and the economy, COVID-19 will also have an impact on European security and stability that so far only receives scant attention at the European level. The virus may give societies an initial sense of purpose in the fight against a common enemy, but it also aggravates existing problems that threaten the Union from within – and from outside.

The first is a dangerous confluence of Eurosceptic populism and 'coronationalism'.¹⁰ Populists across Europe have been eager to misuse the crisis to blame the elite, migrants, globalisation or 'Asians', and have been the

⁷ Ben Hall, Martin Arnold and Sam Fleming, 'Coronavirus: can the ECB's 'bazooka' avert a eurozone crisis?', the Financial Times, 22 March 2020.

⁸ Hans von der Burchard, Ivo Oliviera and Eline Schaart, '<u>Dutch try to calm north-south economic</u> storm over coronavirus', *Politico*, 27 March 2020.

⁹ Eline Schaart, 'Dutch finance minister acknowledges lack of empathy on corona bonds', *Politico*, 31 March 2020.

Ko Colijn, 'Coronationalisme', Clingendael Spectator, 18 March 2020.

Clingendael Alert

loudest to demand the closure of borders.¹¹ In wealthier EU countries populists are also the staunchest opponents of providing financial assistance to poorer EU member states. If not carefully handled, this could set in motion a vicious cycle whereby populist arguments and an economic recession further strengthen existing nationalist sentiments, which in turn causes the countries' leaders to set out their own protectionist policies and erode Europe's community of values from within. Hungary is a case in point.¹²

Second, this moment of vulnerability provides an opening to yet another potential threat to the security of the EU: the spread of 'fake news' and disinformation. Not only did countries both within and outside the EU quickly decry the lack of European solidarity, but China, Cuba and Russia also received positive press as they quickly sent medical supplies and, in the case of Russia, even the military to aid Europe's southern countries.13 In addition, according to an internal EU report, pro-Kremlin Russian media have been trying to undermine European confidence in the emergency response.14 The more disagreement and distrust takes root inside the EU, the easier it is for outsiders to manipulate these divisions for their own purpose, and the more the EU's security is at stake.

Conclusion and recommendations

The initial response to the coronavirus outbreak showed that the first reflex of EU countries is nationally oriented, prioritising

the protection of their own populations. This may make sense from a public health perspective, but these national responses should be co-ordinated at a European level to maximise their effectiveness. Funding joint research, the sharing of scarce medical supplies and co-ordinated border policies are areas where the EU has a role to play. Tentative signs of solidarity are emerging as countries struggle to get the outbreaks under control.

This is in sharp contrast to the economic front, where the ECB has bought time but the fight over sharing the costs of the crisis strikes at the heart of the Union. The economic and monetary interdependence of the EU is such that no country can spend its way out of this crisis alone, but southern-imposed transfers of financial resources will not be supported by electorates in northern Europe and may lead to a populist backlash. The room for manoeuvre is limited, especially at a time when emotions run high, but cooler heads should prevail and a careful compromise needs to be negotiated.

And finally, as a matter of priority the EU also needs to take the security aspects of this crisis into account. The EU so far has not prepared itself sufficiently for the upheaval that may follow from a deep and protracted economic crisis. Besides the lives of patients that are directly at stake, the Corona crisis has serious societal consequences, which deserve a quicker, more united and better coordinated crisis management approach. For example, the EU has accumulated significant experience in fighting disinformation and should help its Member States, including by supporting factcheckers and others combating 'fake news'. It should also invest in societal resilience, learning from preparatory measures such as those taken by the Nordics.

COVID-19 is more than a stress test; it is an existential crisis. The EU will need every crisis management instrument it has at its disposal to overcome it. But more than anything, it should not succumb to the "germ of division". This requires a sense of solidarity and common purpose that will require political courage from its embattled leaders.

¹¹ Pawel Zerka, 'Ill will: populism and the coronavirus', European Council on Foreign Relations, 5 March 2020.

Shaun Walker, 'Hungary to consider bill that would allow Orbán to rule by decree', the Guardian,23 March 2020.

¹³ France24 video, 'Coronavirus pandemic: Russia, Cuba, China send aid to Italy', 23 March 2020.

¹⁴ Barbara Wessel, 'ls Russia running a coronavirus disinformation campaign?', Deutsche Welle, 20 March 2020.

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