



Addressing Coordination Issues in the COVID-19 Crisis to strengthen long-term Solidarity in the European Union

Joël Christoph*

Abstract

This paper examines coordination issues in the European Union during the COVID-19 crisis and makes seven recommendations for policymakers to strengthen long-term European solidarity. First, to increase immediate fiscal space. Second, to strengthen joint fiscal capabilities. Third, to coordinate immediate crisis messaging. Fourth, to establish a common European information platform. Fifth, to secure indigenous long-term healthcare capabilities. Sixth, to reaffirm internal European solidarity in foreign relations. Finally, to build consensus in advance for strategic emergency plans.

‘Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.’

- Robert Schuman, 9 May 1950

Introduction

Instead of 'contributions' representing offers of returned assistance in comparable situations, one could define solidarity as a “counterfactual reciprocity”, where mutual aid is grounded in the conviction that if the giver were in the same circumstances as the receiver, in for instance a period of economic insecurity or humanitarian crisis, then the receiver would, if able, provide the same aid. In the European Union, solidarity may be distinguished in two forms, that of de facto solidarity, a consequence of the objective interdependence of Member States resulting from increasing economic integration, and affective solidarity, one of

* Joël Christoph is a French MA-ML Student at Johns Hopkins University SAIS and Tsinghua University. All the opinions expressed in this briefing are the sole view of the author, and do not represent the position of the Trans European Policy Studies Association (TEPSA).

the EU's main *raison d'être* (Fabry, 2010). Questioning this fundamental characteristic of the EU necessarily calls into question the future of European integration. The ongoing COVID-19 crisis has brought the limits of European solidarity into careful scrutiny. The ongoing pandemic has shut borders across Europe and challenged the free movement of people and of goods, two of the very foundations of the European Union. Some argue that the bloc is facing an existential crisis. For instance, Jacques Delors, the former European Commission president, warned that the lack of solidarity posed a "mortal danger to the European Union" (Delors, 2020).

At no point in the past, peace or war, have governments put the economy in the debt-fuelled equivalent of an Intensive Care Unit during a deliberate shutdown to tackle a public health crisis.

European governments have been criticized for initially taking uncoordinated action at the national level. In the beginning, solidarity failed because states unilaterally imposed border closures and export restrictions on medical goods. Since then, the cross-border delivery of assistance has increased, and EU institutions and member states have taken unprecedented measures to tackle the public health crisis. For instance, France and Germany have sent more protective masks to Italy than China, Germany has accepted COVID-19 patients from Italy and France, medical supplies have been stockpiled and

the export of protective equipment from the bloc has been banned. Moreover, the EU is prepared to spend over EUR 140 million on the global search for a vaccine as well as treatment and diagnostics (European Commission, 2020), the European Central Bank is purchasing EUR 750 billion of government debt to stimulate the economy (European Central Bank, 2020), and eurozone budgetary rules on government debt have been suspended to allow member states to spend what is needed to survive the crisis. Nevertheless, European leaders remain divided over how to tackle the economic costs, and burden sharing remains the central issue as Europe begins to recover from the worst phase of the outbreak. Southern states such as Italy and Spain that are among the hardest hit by the outbreak entered the crisis with higher borrowing costs and less fiscal space, a problem that will be further exacerbated by the economic fallout as longer social distancing measures reduce aggregate spending and tax revenue. In contrast, domestically, states such as Germany have suspended balanced budgets to unveil a 'bazooka' of billions of euros to stabilize the German economy. However, Germany and other northern states have so far maintained traditional 'red lines' and it is unclear how the question of joint fiscal relief in Europe will be resolved. This is the most important question facing the European Union. While the coronavirus is already difficult to deal with as a public health crisis, it is likely to be even more costly to handle once the economics are considered. At no point in the past, peace or war, have governments put the economy in the debt-fuelled equivalent of an Intensive Care Unit during a deliberate shutdown to tackle a public health crisis. Many EU member states

have among the best public health infrastructure worldwide. However, these are becoming increasingly overwhelmed and under-resourced due to unprecedented pressure. In the face of what is likely to be the worst health and economic crisis in the EU's history, avoiding the mistakes of past Eurozone crises is not enough, and acting in solidarity has never been more important. Here are seven measures to overcome coordination issues arising in the COVID-19 crisis and take steps towards a common European future.

1. Increase immediate fiscal space

Governments should be allowed to borrow substantially in excess of their current fiscal receipts, increasing deficits as much as necessary to keep the economy afloat and preserve productive capacity for the post-pandemic period. Increasing public debt on government balance sheets will absorb widespread private sector income losses to protect citizens and the economy against shocks that the private sector is neither responsible for nor able to absorb (Draghi, 2020). Protecting people from the permanent damage done to employment and capacity if families and firms fail to repair their balance sheets will build solidarity and trust in the ability of governments and the EU to maintain flexibility in response to future crises.

2. Strengthen joint fiscal capabilities

Minimizing damage to the economy and health requires shared commitments and engaging in the most effective European response available. Single states, whether stronger or weaker, will not be able to afford this project alone. A lack of solidarity amid this crisis threatens the solidarity that will be

necessary in future ones. Relying on the European Stability Mechanism, issuing joint bonds, using the EU budget or the multi-annual financial framework, strengthening the European Investment Bank, are all elements of a temporary recovery plan. All options must remain on the table to ensure a restart of Europe's economic engine and the rebound of growth and employment after this crisis, as well as in anticipation of the next. The European Commission's state supported short-time work scheme, SURE, guaranteed by all member states, is a crucial step in the right direction.

3. Coordinate immediate crisis messaging

To prevent future outbreaks and humanitarian crises, European leaders must use clear and coordinated messaging, both domestically and internationally, to publicly acknowledge the magnitude of the threat and to implement immediate measures despite the costs on individuals and the economy. Governments must avoid mixed, contradictory signals or uncoordinated messaging that reduces the effectiveness of responses to the crisis.

4. Establish a common European information platform

A common European source on data and information during this and future crises will prevent the fragmentation of narratives about the situation in different member states, which is detrimental to solidarity. This avoids a single government imposing a single interpretation of the situation and reduces the stigmatization or stereotyping of others through the instrumentalization of political discourse and media coverage, for instance

in terms such as ‘benefits tourism’ or ‘welfare tourism’.

5. Secure indigenous long-term healthcare capabilities

Governments will have to alter incentives and mobilize fiscal resources for the medical and pharmaceutical sector to take sufficient investment in diagnostics, prevention and infectious diseases in the future, instead of concentrating research into the most profitable and immediately lucrative treatments and cures. Furthermore, European coordination in building indigenous medical production capabilities will reduce the cost of addressing potential shortages of medicine and protective gear while avoiding overreliance on imports from non-EU countries.

6. Reaffirm internal European solidarity in foreign relations

The EU must reaffirm its internal solidarity when dealing with foreign partners and suppliers, for instance by upholding its common standards, criteria, and values in the negotiation of bilateral trade and investment agreements. This enables the EU to defend and export its common values in international contexts in pursuit of a better regulated and fairer globalisation and international order, which is in turn fundamental to securing internal European solidarity without sacrificing the competitiveness of member states.

7. Build consensus in advance for strategic emergency plans

While preventing a worsening recession, European leaders should build consensus in advance for the scenarios of prolongation or

deterioration of current health and economic conditions. Governments must also have a coordinated strategic plan in place for future pandemics and other highrisk, low probability scenarios, from cyber, nuclear, biological and chemical error or terror, to climate change and seismic political shifts. This includes building international communication channels and organizational structures to accelerate responses to future crises. Governments must avoid waiting until the crisis occurs to build a national and European strategy.

The Way Ahead

The Covid-19 pandemic is the worst health crisis in a century and has claimed over 545,000 deaths worldwide (Worldometer, 2020), while putting governments under extraordinary pressure. These challenges notwithstanding, sustained, unprecedented and drastic action can reduce damage to public health and the economy before things return to business as usual. In the worst cases, everything will have to change so that everything can stay the same. The European Union has been through many crises in its history and the present is a historic opportunity not only to recover but, in a world of continuing uncertainty, to come out stronger and more united than before. The questions differ in each crisis, but the answer remains the same. Europe, united with one voice can be heard, and its message can be felt. This is more important today than ever before.

Bibliography:

Draghi, M. (2020, March 25). Draghi: we face a war against coronavirus and must mobilise accordingly. Retrieved from Financial Times: <https://www.ft.com/content/c6d2de3a-6ec5-11ea89df-41bea055720b>

Delors, J. (2020, March 28). Epidemic infects Europe with 'germ of division'. Retrieved from Institut Delors: <https://institutdelors.eu/en/derniers-passages-medias/epidemic-infectseuropewith-germ-of-division/>

Fabry, E. (2010). European Solidarity: Where Do We Stand? Should We Foster It and How? Paris: Institut Delors.

European Commission. (2020, March 6). COVID-19: Commission steps up research funding and selects 17 projects in vaccine development, treatment and diagnostics. Retrieved from European Commission: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_386

European Central Bank. (2020, March 18). ECB announces €750 billion Pandemic Emergency Purchase Programme (PEPP) . Retrieved from European Central Bank: https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318_1~3949d6f266.en.html

Worldometer. (2020, July 8). COVID-19 Coronavirus Pandemic. Retrieved from Worldometer: <https://www.worldometers.info/coronavirus/>



Trans European Policy Studies Association

Rue d'Egmont 11, B-1000

Brussels, Belgium

To know more about TEPSA visit: www.tepsa.eu

Follow TEPSA on:

 [@tepsaeu](https://twitter.com/tepsaeu)

 [@tepsa.eu](https://www.facebook.com/tepsa.eu)

 [TEPSA - Trans European Policy Studies Association](https://www.linkedin.com/company/tepsa-eu)



Co-funded by the
Europe for Citizens Programme
of the European Union

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Co-funded by the
Europe for Citizens Programme
of the European Union

