COVID-19 CRISIS - A TEST FOR EUROPEAN UNION`S SOLIDARITY

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Abstract

The crises the European Union has gone through over time have called into question the Union’s legitimacy and efficiency. The 2008-2009 financial crisis, the European debt crisis, the migration crisis and Brexit, have all tested the solidarity between member states. The COVID-19 pandemic is without a doubt the most drastic crisis in the EU's history, with very severe socio-economic consequences. The EU leaders were strongly criticized for not reacting quickly and efficiently enough to mitigate the impact of the virus, reduce suffering, and ward off the economic crisis. In this context, the questions that arise are: Is the Union a modern-day Titanic? Will it sink or will it sustain its legitimacy and come out stronger and more united from this unprecedented challenge?

Key words: COVID-19 crisis, solidarity, European Union

1. Introduction

The COVID-19 pandemic took the whole world by surprise, and proved to be the most drastic crisis in the EU's history with very severe socio-economic consequences. European Union’s experts have failed to prevent this disaster leaving the Union completely exposed to it, even though they have received numerous warning signals. Despite the many infectious diseases of the millennium, such as SARS, avian flu, swine flu, Ebola and Zika, the EU did not build up strategic reserves such as medical equipment. Furthermore, Global Preparedness Monitoring Board report of September 2019 warned that the world should prepare for a rapid spreading lethal respiratory pathogen pandemic. The study drew attention to the fact that such a pandemic could cause panic, destabilize national security and seriously impact the global economy and trade (Global Preparedness Monitoring Board, 2019). Despite these repeated alarm signals, the EU did not take the necessary measures, being taken by surprise by the current coronavirus pandemic. In a study conducted by European Parliamentary Research Service made after the outbreak of the pandemic, the EU exposed it’s major dependence on non-EU sources for medical equipment. Five trade partners provide about 75% of EU imports of products needed in the fight against the coronavirus (pharmaceuticals, medical equipment, personal protection and medical supplies). The main EU import partners are Switzerland, the United Kingdom, the United States, China, and Singapore, with the first three appearing among the top four
countries in all categories of products (European Parliamentary Research Service, 2020). This dependence made the EU vulnerable when the COVID-19 crisis broke out, as the trade partners imposed export restrictions to medical products needed to cope with the pandemic. In the long run, the EU must develop a new pharmaceuticals strategy able to tackle supply chain problems revealed by the crisis, especially the block’s reliance on other countries for imports of crucial intensive care drugs. Without having total autonomy, it’s absolutely necessary to encourage industry and production again within the EU in sectors of strategic importance.

The countries that have been hardest hit by the COVID-19 crisis were Italy and Spain, the same countries which have proven to be the most vulnerable after the latest EU crises. The very harsh impact of the pandemic in these two countries exposed the fragility of the periphery but also the crippling effects of austerity policies in the public health sector, which were applied after the sovereign debt crisis (Prante & co., 2020). However, the coronavirus crisis was not just a national crisis and soon spread to all EU countries with a different impact. In addition to the growing number of victims and the pressure on health systems, the lockdown measures adopted to contain the coronavirus meant the collapse of production and revenues and enormous pressure on public finances in all member states. As the national governments proved incapable of managing this crisis on their own, the coordinated intervention of the Union was necessary. Still, the intervention of the European institutions was delayed because of the opposition between debtors and “frugal” creditors, intra-country political struggles and conflicting interests. The old tensions between northern and southern Europe risk being a serious threat to the EU’s survival. In order to prevent dissolving, the EU must start to act as a whole. EU battles a deep economic recession, but its scale and duration cannot be accurately anticipated, as the evolution of the pandemic remains essentially unknown. The COVID-19 crisis is a serious test for European Union’s future that can only be passed through genuine, concrete solidarity.

2. The challenges of the COVID-19 crisis in the process of European integration

The coronavirus pandemic has hampered the EU's integration process and started with the Schengen agreement. The main benefit of accession in the Schengen area is the freedom of movement and only in the event of a serious threat to public policy or internal security, national authorities can reintroduce internal border controls. These measures must remain an exception and should be taken for a limited time until the threat passes. In the past, Schengen members have introduced internal border controls for a short period of time, less than 30 days, during the meetings of heads of State and government, the European football championships, the Nobel awards ceremony, etc. However, in recent years these measures have been repeated, highlighting the weakness of the Schengen system. A major warning shot was fired in 2015, when the biggest migrant crisis from the Second World War took place. Starting with September 2015, in the face of the threats generated by the great influx of people coming from North Africa and the Balkans (more than 1 million migrants), many countries have introduced internal border control (Popa,
Countries like Germany, Austria, Sweden, France, Denmark and Norway maintained border control in the following years, of fear of secondary movements and terrorist attacks. The COVID-19 crisis, highlighted once again the vulnerability of the Schengen area, as member states have decided to protect their citizens and have close their borders (European Commission, 2020). In the last years, the European Union started to look like a fortress, contrary to the liberal principles on which it was created and it is possible that this situation will prolong as the evolution of the pandemic is uncertain.

Not only has the free movement of people been restricted in the EU, but also the free movement of goods. Free trade among members was one of the European Union’s founding principles but the COVID-19 pandemic managed to weaken it. Quantitative restrictions on exports are prohibited under Article 35 of the Treaty on the Functioning of the EU (TFEU), unless this national ban can be legitimized by reason of public health (Official Journal of the European Union, 2012). The single market became a memory in March 2020 when countries have noticed the shortage of medical equipment they were facing. Contrary to the liberal principles, most countries in the Union have engaged protectionist measures of banning the intra-EU export of protective masks, clothing and ventilators, to avoid shortages at home. Borders were closed, proving once again that in case of emergency each country is on its own. In the spirit of European solidarity, it is crucial that the EU’s internal market remains functional, in order to preserve the production and distribution value chains, ensure the necessary supplies to the EU health systems and address the needs of its citizens. Thus, the European Commission appealed to these countries to reconsider their national export restrictions to the member states. Some reacted faster than others and finally, almost all member states have repealed these measures or replaced them with a system that combines export controls with schemes to address shortages on their national territories. Even though at present it seems that the tension has defused, coronavirus crisis illustrated the fragility of the European single market.

The slow reaction of European leaders to this unprecedented crisis has undermined the confidence in the Union of the states most affected by the pandemic. On 10 March 2020, at the beginning of the coronavirus crisis, Italy, through the voice of Maurizio Massari, ambassador of Italy to the European Union, insisted to activate the European Union Mechanism of Civil Protection for the supply of medical equipment for individual protection (Massari, 2020). Italy was struck hardest by the pandemic, and lockdown measures were extended to the entire country. The EU Civil Protection Mechanism was created in 2001 in order to improve prevention, preparedness and response to disasters. Since its inception, it has been activated more than 330 times to respond to emergencies (European Commission, May 2020). When a member states is overwhelmed by the scale of an emergency, as was Italy’s case, can request assistance via the Mechanism. But Rome felt alone, as no EU member state has responded to this first desperate call. As Germany, France and other EU countries have imposed limits on the export of protective medical equipment to avoid shortages at home, the aid came from China, which offered to sell Italy lung ventilators, masks, protective suits and swabs for coronavirus tests. Ten days later from Italy’s request for help, the European Union finally entered into law a strategic rescEU stockpile, part of the EU Civil Protection Mechanism, to
rapidly get the medical equipment needed to fight the pandemic. The member states can apply for a direct grant from the European Commission that covers 90% of the costs of the stockpile, while the remaining 10% are borne by the state (European Commission, March 2020). This aid has proven to be extremely beneficial for the affected countries, but if it had come sooner it could have saved more lives. In the 10 days between the call of the Italian ambassador and the implementation of the rescEU stockpile, in Italy, 2,952 people died (Worldometer, 2020). The EU’s lethargic response to the pandemic, have questioned again the European solidarity.

The COVID-19 crisis also undermined the EU’s credibility in the Balkans among current candidate countries Albania, Republic of North Macedonia, Montenegro, Serbia and Turkey and potential candidates Bosnia and Herzegovina and Kosovo. These countries want to join the EU, but China and Russia speculate the Union’s wrong moves to lure them into their sphere of influence. In March 2020, at the beginning of the pandemic, due to the shortage of medical products, the EU leaders decided to restrict the exports of personal protective equipment outside the block. The only exceptions were UK, member countries of the European Free Trade Association (EFTA) and Faroe Islands, future EU candidates being omitted. In this category of products were included protective spectacles and visors, face shields, mouth–nose-protection equipment, and gloves (European Parliamentary Research Service, 2020). Taking advantage of the lack of involvement and reaction of the EU, China and Russia flew doctors and medical supplies to Bosnia and Serbia to help halt spreading of the coronavirus. The Serbian president harshly criticized Europe’s lack of assistance and said that this crisis has shown that European solidarity turned out to be ‘a fairytale on paper and does not exist’. He publicly thanked China for its help and even kissed the Chinese flag to express his deep gratitude, the moment Chinese medical experts and equipment arrived in Serbia. Russia’s aid to Serbia followed, which consisted of military planes carrying equipment and military specialists. After a month of non-involvement, the EU leaders narrowed down export authorization requirements only to protective masks and exempt Western Balkans from these procedures (Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Serbia and Kosovo) (European Commission, 14 April 2020). From 15 March 2020, the day Brussels imposed the export ban within the block, to 14 April 2020, when the EU lifted the restriction, 187 people had died in all six Western Balkans countries (Worldometer, 2020). It is very possible that this number would have been smaller if the EU had reacted more promptly and more efficiently. On 29 April 2020 the EU offered Western Balkans countries a €3.3 billion financial support to deal with the health crisis and its socio-economic implications, a much larger amount than the medical supplies Beijing and Moscow sent to Serbia and Bosnia in the early phase of the pandemic. Tensions seem to have eased, but the help provided by Russia, and especially by China in times of crisis, will not soon be forgotten by the Serbian people.

3. The European Union’s response to the COVID-19 crisis

The coronavirus pandemic is without a doubt the worst crisis the European Union has ever faced. The leaders of the Union proved to be completely unprepared in the face
of a crisis of this magnitude, which is why their reaction was slow. It is very possible that a
more prompt, safer and more effective intervention would have kept the killer virus under
control and saved more lives. Despite the lack of reaction in the early days of the
pandemic, the Union's spirit of solidarity finally made its presence felt.

One of the first measures taken to restrict the spread of the coronavirus and
protect the citizens, was the closure of external borders to non-essential travel, while
ensuring the movement of essential goods across the EU through the introduction of green
lanes. According to the epidemiological situation from non-EU countries, based on data
provided by the European Centre for Disease Prevention and Control and the World Health
Organization, the Council of the European Union periodically recommends the progressive
lifting of restrictions, where the situation requires it. The EU has also successfully
coordinated the repatriation process of EU citizens who have left the Union on holiday,
business interests, etc. Since the beginning of the crisis, more than 600,000 citizens have
been repatriated due to travel restrictions linked to the coronavirus. Under the EU
Civil Protection Mechanism, more than 85,000 citizens have been brought home through
over 270 flights, and the European Commission contributed to 75% of the costs of
repatriation flights, based on a principle of solidarity (European Council. Council of the

Like many other countries worldwide, the European Union imposed export
restrictions of medical equipment from 15 March 2020 to the end of May 2020. The
purpose of this protectionist measure was to keep sufficient supplies within the block and
protect the health workers who were in the first line of defense against the virus. A
coordinated EU-wide approach it was all the more necessary at that time, as some
member states were acting arbitrarily by introducing export controls, including bans, on
personal protective equipment (PPE). Thus, the European Commission introduced export
authorization requirements for exports of PPE outside the European Union. World Trade
Organization experts have repeatedly drawn attention that export restrictions are not a
solution to supply shortages and called on the EU to dismantle all erected barriers to trade
and not to create new ones. The risk is to create a greater shortage of medical equipment
needed to cope with the pandemic if more and more countries hold back their goods
(World Trade Organization, 2020). After the requirement for export authorization for
personal protective equipment ended, the European Commission identified another way to
help member states to get the medical equipment that doctors, nurses and patients need.
It decided to temporary relief for customs duties and VAT on the import of medical devices
and protective equipment from third countries. The duty and VAT free importation applies
to state organizations and charitable or philanthropic organizations approved by the
competent authorities of the member states (European Commission, 3 April 2020).

Despite Brussels' slow reactions, member states have set an example of support
and solidarity in helping hard-hit countries. When medical staff in Italy proved to be
insufficient, Germany, Poland and Romania sent teams of doctors to treat patients in the
north and south of the country, while Denmark sent ventilators and field hospital
equipment. Along with Italy, France and the Netherlands received from Luxembourg and
Germany air ambulances and specialized staff in the fight against the virus. Austria,
Belgium, Germany and Luxembourg have made their intensive care units available to
Dutch, French and Italian patients in critical condition and the examples can go on. Intra-state aid proved to be extremely useful at the beginning of the pandemic, but it was not enough to cover the health emergency countries were facing. Thereby, the European Union extended the scope of the EU Solidarity Fund, originally created to respond to major natural disasters, to provide financial support in case of major health emergencies. Thus, up to €800 million will be made available for member states in 2020 to fight the coronavirus pandemic (European Council. Council of the European Union, 2020).

Beyond the public health implications, the COVID-19 pandemic has also had negative economic and social consequences for many companies, having to rely on public support to preserve employment. On May 2020 Eurogrup approved a credit line of €540 billion designed to support member states, workers and businesses. Thus, with the help of the Pandemic Crisis Support, euro zone member states can apply for up to €240 billion, as a pandemic crisis support, but no more than 2% of the country’s GDP (European Stability Mechanism, 2020). Furthermore, the EU countries can benefit of loans up to €100 billion to cover part of the costs related to the creation or extension of national short-time work schemes and up to €200 billion for companies, with a focus on hard-hit small and medium-sized enterprises (SMEs). In addition to these measures, at the end of March 2020, European Parliament approved the redirection of €37 billion EU funds to help member states tackle the coronavirus crisis and support healthcare, businesses and workers (European Parliament, March 2020).

When member states began negotiations for a large common rescue plan to rebuild the EU economies ravaged by the coronavirus crisis, dissensions have resurfaced. The old division between richer northern nations and the southern countries worst-hit by the pandemic, risked compromising the finding of a united response to the deepest recession in generations. A first proposal from Italy, Spain, France and other EU countries to share out coronavirus-incurred debt in the form of coronabonds (or eurobonds), was flatly rejected by Germany, the Netherlands and Austria. These bonds, which would combine securities from different EU countries and would represent a joint debt for which all would be equally liable, were also rejected in the aftermath of the European debt crisis. This gesture would have been an important sign of solidarity towards the countries in need, but failed because of the prudence of the countries that did not want to answer for the financial misconduct of others. The Nordic countries rejected another proposal made by the European Commission, to borrow €750 billion on the financial market, of which €500 billion to be distributed to countries via grants and €250 billion to be offered as loans. Netherlands, Denmark, Austria and Sweden contested the volume of grants on the ground that it would burden their countries with debt, to fund the spending of other countries. After long negotiations, the parties decided for the grants to decrease to €390 billion and loans to increase to €360 billion. 70% of the amount will be committed in the years 2021 and 2022 while 30% will be fully committed by the end of 2023. Moreover, was approved the EU budget for the next 6 years of an overall amount of €1,074.3 billion, meant to help the EU to rebuild after the COVID-19 pandemic and support investment in the green and digital transitions (European Council, 2020). For the first time in history, the EU will become a major borrower in global financial markets, but despite this, it provided a strong international signal of internal cohesion.
4. Conclusions

In the years leading up to the COVID-19 crisis, the EU has faced a strong wave of skepticism. European leaders were criticized for the way they managed the crises that hit the common block, respectively the 2008-2009 financial crisis, the European debt crisis, the migration crisis and Brexit. In a survey conducted in 2018 by Pew Research Center in 10 EU countries (Poland, Spain, Germany, Netherlands, France, Sweden, Italy, Hungary, UK and Greece), it was concluded that the majority of people believe that the EU promotes pace, democracy and prosperity, but fails to understand the citizens needs, being too intrusive and inefficient (Pew Research Center, 2019). The UK’s decision to leave the EU came as a shock to the whole world and revealed the vulnerability of the European Union. Will the Union be able to prove that it is a successful political project, in order to prevent other countries from following the example of the United Kingdom? The COVID-19 crisis could be the perfect context in which the EU can demonstrate its efficiency and solidarity.

Unfortunately, the Union’s reaction in the early days of the pandemic was slow and uncertain. The EU could have reacted more quickly and more comprehensively to mitigate the impact of the virus, reduce suffering, and ward off the economic crisis. This lack of reaction has generated tensions between member states, and undermined the confidence in the EU of future candidate countries. Furthermore, the measures taken so far to restrict the spread of the coronavirus had a heavy impact on EU’s economy as industrial supply chains, trade in goods and services and tourism have been severely affected. The scale of the EU’s recession, cannot be accurately anticipated as a major second wave of infections triggered new restrictions in several Member States. The Autumn 2020 Economic Forecast projects that the EU’s economy will contract by 7.4% in 2020, while the euro area economy will contract by 7.8% (European Commission, November 2020).

The COVID-19 crisis is a test of the EU’s cohesiveness and credibility. The pandemic can make the Union stronger and more united, or disrupt or even derail the course of European integration. Now is the time for the EU to act according to the principle of mutual defense and help the countries who are in need. The member states must be courageous and united in order to win, but if they turn out to be selfish and divided, they will lose. After the pandemic ends, EU leaders will have to look back to see where they went wrong and where they could have done things better in a more coordinated way. For the European integration project to resist, European leaders must resolve both the major financial problems caused by the pandemic and the structural problems that led to the increasing divergences among the members. The future of the EU is uncertain, as the danger of illegal migration is still present and armed conflicts around Europe may intensify. Moreover, the current crisis can generate a new wave of Euroskepticism, and even a new deadly virus can emerge. Only a reformed and reinvented EU that has learned from the lessons of the past will be prepared for what is to come.
5. References


