

Covid-19: European Responses, a complete picture

12th May 2020

Eric MAURICE
Ramona BLOJ
Stefanie BUZMANIUK
Cécile ANTONINI
Catherine d'ANGELO

With the Covid-19 pandemic, the European Union, like the rest of the world, is going through an unprecedented crisis, whose human, economic and political cost will be considerable. But already, the confinement imposed on almost the entire population of the Union and the closure for 30 days of its external borders highlight the difficulties experienced by political leaders. Faced with the seriousness of the situation, as the unprecedented health crisis has turned into one of major economic significance, the European Union is trying to deploy the various means at its disposal. However, its ability to act depends to a large extent on the Member States and their willingness to work together. Here you find an overview of all the measures taken so far, at national and EU level.

1. Response time

A sudden crisis

Originating in China, Coronavirus 2019 (Covid-19), caused by the SARS-CoV-2 virus, broke out in Europe on 25 January. On 25 February, one month after the first case, the European Centre for Disease Prevention and Control (ECDC) reported 275 cases[1]. On 27 April, 2,914,507 cases and 205,923 deaths were reported in the world, of which 1,071,536 cases and 118,479 deaths have been in Europe. The European Union and its Member States therefore have faced a sudden crisis, potentially putting the lives of millions of people at risk. The first large-scale measures were taken in Italy on 21 February, with the confinement of 11 municipalities, then 4 provinces on 8 March and the whole country on 11 March. Spain declared a state of emergency and confined its population on 14 March. France and Belgium applied similar measures in two phases between 12 and 17 March. To date all of the Union's countries are imposing restrictions on the movement of people and social gatherings.

Africa and the repatriation of Europeans from China. On 2 March, after the threshold of 2,000 cases in Europe had been exceeded, Commission President Ursula von der Leyen set up a "response team" of 5 Commissioners, while the Council triggered the "full activation of the EU's integrated crisis response mechanism" for a political level response in crisis situations (IPCR). Since 2 March, which marked the beginning of the mobilisation of the European institutions, the European Union has deployed a range of tools, primarily focused on the consequences of the pandemic. The Commission made €140 million available for research and €37 billion from the cohesion funds. It has also suggested the suspension of the fiscal rules of the Stability and Growth Pact – a measure approved by the Member States on 23 March - and has relaxed those governing State aid to support businesses. And on 2 April, it presented a plan to support national short-time working schemes, worth up to €100 billion.

The Central Bank's Bazooka: more than 1,000 billion € for the European economy

Firstly, on 12 March Christine Lagarde, President of the European Central Bank (ECB) announced measures to facilitate the financing of banks and a €120 billion asset repurchase plan to support economic activity. Faced with the worsening economic crisis and the risk of a lack of liquidity, the ECB decided on 18 March to launch an "emergency pandemic purchase programme" of €750 billion

Multiple response...

At European level, the first initiative was taken on 1 February, with the Commission mobilising €10 million for research. On 24 February, the Commission announced a €232 million package for research, the WHO, China and partner countries in

1. ECDC figures (https://europa.eu/european-union/about-eu/agencies/ecdc_fr) regarding the European Economic Area (Members of the EU, Iceland, Liechtenstein and Norway) and the UK, <https://gap.ecdc.europa.eu/public/extensions/COVID-19/COVID-19.html>

until the end of 2020 to acquire government and corporate bonds. The ECB will therefore devote €870 billion, plus €20 billion per month from the purchasing programme (relaunched on 1 November 2019) to maintaining economic activity in the euro zone. These measures represent 7.3% of the euro zone's GDP. It is unprecedented supported of exceptional scope.

For its part, the European Investment Bank (EIB) proposed the creation of a €25 billion guarantee fund to make available €200 billion in aid to Europe businesses. This plan is to be backed up by a €40 billion businesses, financing programme, through bridging loans, the suspension of credit repayments and various measures to deal with liquidity and working capital problems.

... but a scattered one by the States

All of these measures did not, however, prevent an impression of inaction and confusion, while Europe became the focus of the pandemic with the number of deaths on the continent now exceeding the death toll in China.

National and EU authorities were caught off guard by the sudden acceleration of the pandemic - the number of cases increased by 66,000 % between 24 February and 24 March. It took several years for Europeans to respond to the financial crisis, between 2008 and 2012, while the migration crisis of 2015-2016 took just a few months. This time, action required a matter of days to save lives, preserve health systems, support the economy and keep the EU functioning smoothly. Crisis management, often the driving force behind European integration, has this time left little time for progressive measures. "Two or three weeks ago, probably, in many States and perhaps also in some institutions, we had the impression that we were facing a serious crisis, but without realising that this was so exceptional that it would require totally exceptional responses," acknowledged the President of the European Council, Charles Michel[2].

As health is not a Community competence and the Commission was not equipped to take over the

management of the pandemic response from the outset. It was all the less equipped because, faced with the emergency, and fearing the overload of health services and the shortage of equipment, the Member States acted in a dispersed manner and sometimes to the detriment of each other.

France and Germany thus decided to block exports of protective equipment, before changing their mind, which could have helped to contain the epidemic in Italy. Hungary, Slovakia and the Czech Republic were the first countries to close their borders to other Europeans, accelerating the move towards uncoordinated measures that disrupted the management of the epidemic and the continuity of the economy. As of 24 March, 14 countries had restrictions in place at their borders, some, like Poland deployed the army there.

And despite calls for coordination, the Member States did not agree either on the health measures to be taken or on the pace at which they should be put in place as the epidemic progressed. Differences in approach and the various political situations have resulted in purely national decisions, consistent neither with the need to anticipate the situation in continental and global terms, nor with the reality of an epidemic progressing by regional outbreaks[3].

The way Member States have approached the crisis reflects some of the differences in other areas: countries of Central Europe, socially more conservative have been quicker to close borders and impose restrictions on populations very early on in the epidemic curve; the Netherlands and Sweden, which are more liberal (and less supportive in European budget discussions) have been the last to take action to limit the spread of the virus. In between, countries such as Germany have closed schools and public places, but have not confined their populations.

Moreover, precisely because of the unilateral decisions of some Member States, the crisis has shifted from health and public order problems to the questioning of the functioning of the Schengen area and the single market - two of the foundations of Community integration. Border controls have hampered the movement of goods of all kinds and, at the border, sanitary facilities.

2. Charles Michel: "We cannot blame the EU for every single thing" *Le Soir*, 19 March 2020, <https://plus.lesoir.be/288285/article/2020-03-18/charles-michel-sur-le-coronavirus-ne-peut-pas-reprocher-tout-et-son-contraire>

3. Coronavirus at regional level, *Le Grand Continent*, 17 March 2020, <https://legrandcontinent.eu/fr/2020/03/17/le-coronavirus-a-lechelle-pertinente/>

The response team set up on 2 March included the Commissioners responsible for crisis management (Janez Lenarcic), health (Stella Kyriakides), home affairs (Ylva Johansson), transport (Adina Valean) and economic affairs (Paolo Gentiloni). Internal Market Commissioner Thierry Breton had to intervene in turn to restore the circulation of materials between Member States. The Commission had to clarify the rules for the movement of people within the Schengen area, create "green corridors" to let essential goods pass through the borders, and insist that Poland let Estonian, Latvian and Lithuanian citizens, wishing to return to their country, pass through its territory.

More importantly the economic scale of the crisis has also forced Competition Commissioner Margrethe Vestager to relax State aid rules[4]. And it is very likely that Trade Commissioner Phil Hogan is doing everything he can to try to keep international trade flowing smoothly, as discussed during a teleconference of G7 leaders[5].

At the junction of all these issues, the Commission has begun to coordinate the management of medical equipment. It first launched a joint fast-track procurement procedure to supply Member States with protective equipment, and then made exports of this equipment outside the Union subject to authorisation. On 19 March it finally created a strategic reserve of medical equipment.

After several weeks, however, European solidarity finally found a more concrete expression. Hospitals in Germany, in Luxembourg as well as in Switzerland are taking in patients from Eastern France. Germany is also sending medical equipment in Italy and taking in Italian Patients. The Czech Republic also sent protective equipment to Italy and Spain.

But the Member States' disorganisation, the delay in coordination and the lack of equipment in certain regions obscured what was being put in place at European level, while the human toll has been increasing daily. According to a survey published on 19 March, only 35% of Italians gave a positive assessment of the role played by "Brussels"[6]. The

metonymy once again does not reflect the different responsibilities in this failure.

Finally, the institutions of the Union, as usual, and despite the personal efforts of the President of the Commission, have not been able to communicate with the citizens. It was the Chinese, the Cubans and the Russians who made the front pages of the Italian daily newspapers, despite the fact that they were providing Italy with aid that was not always disinterested. In Brussels, no one was able to explain that the Union, including Italy, had sent 56 tonnes of aid to China in the second week of February and that its current, much appreciated assistance was also seen, in return, as international solidarity, of which the Union is a champion. In addition, cyber-attacks from Russia have affected several hospitals and public services, particularly in the health sector, and the usual "troll factories" have joined the official Russian media in continuing their work of disinformation designed to increase confusion on European territory. These misdeeds deserved more vigorous responses and more active contacts, since Russia will soon need external assistance as well.

The Union, like its Member States, was not prepared to face such a threat. And while the European dimension was gradually regaining the interest of governments, all those involved were learning to organise themselves better and better as the crisis unfolded. Consultations are taking place between public health officials and researchers throughout the continent who are benefiting from the funds released by the Commission. Under the strain of the crisis, Europeans are finding the necessary path of cooperation again.

2. Overcoming the crisis

To overcome the health crisis, the choice of the majority in Europe was to try and stop the pandemic, through the restrictions and containment measures. The choice was not a unanimous one, since the UK, the Netherlands, Sweden and others did not go as far as that. The "return to normal", without the risk of a resurgence of the epidemic, will therefore be long and difficult.

4. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_496

5. <https://www.elysee.fr/emmanuel-macron/2020/03/16/coronavirus-declaration-des-chefs-d-etat-et-de-gouvernement-du-g7>

6. <https://www.ilfattoquotidiano.it/2020/03/19/coronavirus-fiducia-record-per-conte-e-il-governo-hanno-il-sostegno-di-7-italiani-su-10-tra-i-leader-zaia-piace-piu-di-salvini/5741739/>

4

Coordinating the economies

The way out of the economic crisis is more in the hands of national and Community authorities. Coordination of budgetary and fiscal policies is essential, without waiting for the pandemic to subside, to ensure a long-term recovery that does not widen imbalances within the euro area and with countries outside the euro area.

The national plans already adopted, amounting to more than 2% of the Union's GDP, to which we might add liquidities for businesses and workers totalling 10-13% of the Union's GDP, demonstrate strong reactivity on the part of governments. But in the long term, the multiplier effect of national expenditure will be greater if it is part of a collective framework. For the same reason, tools to support the most vulnerable States should be made available. The decision to apply the general derogation clause and to suspend the obligations of the Stability and Growth Pact for expenditure related to Covid-19 is encouraging from this point of view. Recourse to the European Stability Mechanism (ESM), with a budget of € 410 billion (and capable of mobilising up to € 700 billion), should also be envisaged, but without the conditionalities provided for States that have not properly managed their public finances. Despite the reluctance of the Netherlands and Austria, an ESM credit line of more than €200 billion should be made available with reduced conditionality.

The recovery effort will take place in an international environment which, already tense before the crisis, is likely to be subject to more protectionism, competition between States and between regional blocs, and funding difficulties. The introduction of European treasury bills^[7], rejected by Germany, The Netherlands and Austria, may prove necessary to give the entire euro zone the means to restart without leaving any of its members vulnerable to market attacks and the uncertainties of the world economy.

While the ordo-liberalism that has guided the economic governance of the Union in recent decades is being put on hold, an opportunity is opening up to define another economic model. Tensions will certainly exist

on the strategy of recovery, between the "-skinflints" and the "Keynesians", between liberals and "statists", between economists and ecologists and to a lesser degree those who will want to "decarbonise" Europe even faster, and those who will first want to restore the existing economic activity. For Europe, however, it will primarily be a matter of regaining its place in global competition and strengthening the European model, particularly in the face of the Chinese, which, although responsible for the crisis, will try to demonstrate its effectiveness in the recovery phase. For this to happen, a real industrial and commercial policy will have to be drawn up.

Anticipating crises

The Union will have to go further and start working to anticipate future crises. As soon as possible, the Member States and the institutions must work on "black swan" scenarios, those unpredictable events with incalculable consequences, and prepare emergency plans for epidemiological, technological and climatic emergencies, and in all areas where the stability of the Union and the integrity of its citizens might be threatened.

Covid-19 will have demonstrated that no scenario is impossible, and that no crisis can be dealt with solely at national level. Preparing for the future, planning for the part everyone has to play, from the local to the Community level, by establishing protocols, safeguard plans and collectively managed stocks of resources, goods and equipment, must be a priority.

As a first step, the Union could make use of existing mechanisms and clarify its doctrine on crisis management. RescEU, the European system for combating natural disasters, was launched in 2017 to combat fires and other natural disasters. It could also be used to support States facing pandemics or other situations endangering its population and the organisation of its essential services.

Similarly, Article 222 of the Treaty on the Functioning of the Union provides that "the Union shall mobilise all the instruments at its disposal, including military resources placed at its disposal by the Member

7. <https://www.lopinion.fr/edition/international/coronabonds-virus-tuera-t-il-tabous-europeens-jean-dominique-giuliani-215021>

States" to, " among other things, provide assistance to a Member State on its territory, at the request of its political authorities, and in the event of a natural or man-made disaster." The Commission and the Council could have invoked this provision to relieve Italy, or even Spain, and limit the human, economic and image-related costs of the pandemic.

One of the issues raised by the current crisis will be civil liberties. In Asia as in Europe, and the USA, the various measures implemented have implied a serious limitation of personal freedoms: confinement in China, Europe and in certain American states, the closure of borders in Europe, the use of facial recognition in China, the monitoring of the movements of infected people in Korea and the publication of information by the authorities, the monitoring of the movements of foreigners in Taiwan. The widespread introduction of state of emergency is leading to an exceptional restriction of movement. And some governments, such as in Hungary, where the state of emergency could be extended indefinitely, are taking advantage of this to strengthen their power and reduce political freedoms. Europeans must think about how to manage a similar future crisis more quickly and effectively without having to weaken their long term freedoms.

The use of technology has become an established feature in Asia, which uses big data to monitor and anticipate population movements through the analysis of mobile phone networks. Austria and Italy did the same during the progression of the pandemic, and some countries will find the sustainability of these practices a useful tool to maintain and even develop. There is an urgent need to draw temporal and material limits common to these exceptions.

Developing industrial sovereignty

The use of artificial intelligence by the authorities and the private sector, particularly the health sector, will also raise legal, ethical and political, as well as economic, questions. The development of artificial intelligence and the establishment of an effective industrial data strategy, which were already priorities for the Commission, must continue to be pursued to ensure the existence of a European industry in

a now essential sector. Maintaining standards and practices in line with European laws and values is also a priority.

Moreover, the pandemic will reveal Europe's vulnerabilities, too dependent on the outside world, including for medicines and health equipment. For example, it was found that only France, Germany, Poland and the Czech Republic were able to produce the protective masks that health workers and the population at large lack[8].

Just as Europeans must plan their response to any eventuality, they must define the sectors, goods and equipment that will allow them to deal with any future crisis in an autonomous and sovereign manner and to be able to come to the support of populations in need. A real "relocation" of European industry must be sought through a coordinated strategy. The industrial strategy, presented on 10 March by Thierry Breton, provides a solid basis for reflection for European leaders[9], which they will have to implement in the light of the lessons to be learned from this crisis.

Strengthening the feeling of European belonging

The, as yet, unknown human toll, the various restrictions imposed in each country at different levels, and their economic and social consequences, will have an impact on the psychology and cohesion of European societies. The way in which individuals and communities will have experienced confinement might accentuate social tensions; the pace and nature of economic recovery will require social support at all levels. As the Union embarks on the dual climate and digital transition, a project which involves economic, social and societal upheavals, and which is already causing dissension among Europeans, it will also need to strengthen the sense of belonging to the same community, to create the conditions for coordinated resilience. The willingness to act economically and socially together will be essential.

However, it will also be necessary to take into account the feeling of abandonment felt by certain populations,

8. Confronted by the coronavirus only four European countries, including France are able to produce face masks in any quantity, L'Usine nouvelle, 16 March 2020, <https://www.usinenouvelle.com/article/face-au-coronavirus-seuls-quatre-pays-europeens-dont-la-france-sont-capables-de-produire-en-nombre-des-masques.N940566>

9. A new new industrial strategy for Europe, COM(2020) 102, https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_fr.pdf

Covid-19: European Responses, a complete picture

particularly in Italy, and the impact of the crisis on collective perceptions of Europe. European leaders will have to defend the European idea through concrete projects, in the face of the Eurosceptics who will not fail to hold "Europe" responsible for a crisis that has been difficult to control.

The conference on the future of Europe, which was due to be launched on 9 May and whose proceedings and aims were still unclear because of competition for control between political and institutional players, could play the role assigned to it by its promoters: to create a major dialogue and a collective European impetus.

A few days before the first case of Covid-19 occurred in the Union, the 27 Heads of State and Government separated after 36 hours of discussions without having reached an agreement on the Union's budget for 2021-2027. As Europe comes to a standstill as a result of

the pandemic and the European Council of 26 March is reduced, it is unlikely that the budget negotiations, which are already urgent, will be concluded any time soon.

When they can look to the future again, European leaders will have plenty of work to do to relaunch a new European project. The draft multi-annual budget (representing 1.074% of Europe's gross national income) that was on the table in February will not be commensurate to the Union's needs and the expectations of Europe's citizens. Much more needs to be done. Money, but also ambition, solidarity and political determination will be needed to meet the challenge of resilience and ensure the Union's strategic interests in a world where parameters will have changed again

Research by Ngoc Bach, Diane Beaudenon, Avtansh Behal, Thibault Besnier, Léo Humbert and Marianne Lazarovici

ANNEX:

- [European decisions](#)
- [Economic decisions](#)
- [Sanitary decisions](#)

You can read all of our publications on our site :
www.robert-schuman.eu

Publishing Director : Pascale JOANNIN

THE FONDATION ROBERT SCHUMAN, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani