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# Covid-19: The seed of renewal?

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Just one year ago, at the end of March 2019, Brexit was the Union's primary concern. At that time, the United Kingdom was experiencing a political crisis of a kind that had not been seen for some 30 years, as the British Parliament failed to adopt the withdrawal agreement with the European Union as accepted by the then Prime Minister, Theresa May. Post-Brexit negotiations are no longer the order of the day.

Even a month ago, many people were still confessing their doubts about the predicted expansion of the Covid-19 epidemic. But week after week, the epidemic wave continued to swell across the world, with Europe becoming the epicentre of the pandemic, followed, and no doubt overtaken, by the United States. Every day, worldwide, the media show us press conferences, patient transfers to relieve overwhelmed hospitals, the use of makeshift systems in countries that are overwhelmed by the number of deaths, such as Italy or Spain.

The WHO now lists more than 1,000,000 cases worldwide, including more than 500,000 in Europe, and 300,000 in the United States, where the disease is progressing fastest. The WHO knows that these figures hardly reflect reality and that the toll will be much heavier as it is impossible to detect the disease in any significant way. Half of humanity under lockdown and even Thailand, which did not suffer too badly in the first wave of the epidemic, is now experiencing a resurgence of the disease and has just decided to introduce a curfew.

## GETTING BACK TO BASICS

A period like this should foster a spirit of union, solidarity and mutual aid. But has this been the reality? One can only praise the courage and dedication of the caregivers and be outraged that some are ready to reject them, fearing contamination. Worse still, when masks from China bound for Italy are intercepted in the Czech Republic, when the Americans hijack masks

ordered by France in China in a scandalous war of bartering, we can then worry about the state of the world. Fear of contagion, restrictions of freedom (the closure of borders, confinement, tracking, etc.) can only feed egoism and provoke nationalist withdrawal. Faced with the virus, inequalities are even more glaring: the coronavirus will hit the poorest countries hard, sometimes with indifference, as well as the most disadvantaged populations living in so-called rich countries, living without social protection. This health crisis coupled with an economic crisis is the most serious since the Second World War, but given the risks, it is urgent to return to basics. What remains of solidarity, of union? What is left of the values on which European integration is based? Is Europe ready for a massive drive for coordination and sharing? Some people have recently criticized the Union for having acted late and for not being able to propose a common programme to protect us against the pandemic.

It is fair to point out that health is not a Union competence, but a prerogative of the Member States, even though Europe has been able to introduce regulations to guarantee equal access to quality health for all European citizens. This led to the creation of the European Medicines Agency (EMA), recognised by all, which is the only body competent to authorise the marketing of innovative medicines, the regulations on orphan drugs, paediatric medicines, veterinary medicines and medical devices, the creation of the Innovative Medicines Initiative (IMI) thanks to a public-private partnership in favour of innovation, the cross-border healthcare directive, the Alzheimer's plan, etc.

## HEALTH, THE VITAL PILLAR OF THE ECONOMY

The European Commission under President Ursula von der Leyen has raised great hopes in this area. During the May 2019 election campaign, some parties including the European People's Party (EPP) proposed a Cancer Plan in their programme. On 4 February, Ursula von der Leyen, together with Health Commissioner Stella Kyriakides, presented the outlines of what this Plan would be. Since then, the spread of the Covid-19 pandemic with its health and economic consequences shows how health policy must no longer be considered as a mere support for national policies, nor as a budgetary adjustment variable. This pandemic shows that health is an essential pillar of the economy. Moreover, the European Parliament has drawn up a number of reports on this subject, reports that have been ignored by the Member States, which are too concerned about the need to reduce the deficits of their social security systems.

The expectations made of the Union, and its ability to react first and then prevent later, is immense. A survey carried out by ViaVoice and published in French newspaper Libération reveals a new trend among the French vis-à-vis the Union: 70% of those questioned believe that it is necessary to "*resume European integration and create a real European power, and 84% believe that the maximum number of production chains should be developed in Europe*". Such a survey may give rise to debate among economists, such as those currently pitting medical experts against each other. But, in order to ensure our European and therefore national sovereignty, should we not demand that so-called strategic production be carried out at least to a large extent in Europe?

## HEALTH EMERGENCY, ECONOMIC EMERGENCY

Contrary to what is all too easily propagated in the media, Europe has not remained inactive. It is true that the Covid-19 caught the whole world by surprise, but by January 2020, 56 million tonnes of health equipment had been sent to China, with Germany, France and Italy actively participating in this surge of solidarity. In one month, the European Commission activated all the tools at its disposal to coordinate research, among

other things, and to finance the actions undertaken by the Member States. Article 168 of the Lisbon Treaty only allows it to take measures to "coordinate or encourage" initiatives taken by Member States. It also stipulates that one of the areas of action of the Union is the "*combat against serious cross-border threats to health*"[1]. The Commission launched a European call for tender to purchase artificial masks and respirators. Who would have imagined only a month ago that our car or aircraft manufacturers would start producing respirators and that major clothing brands would be producing masks and gowns? This is the most serious health crisis we have ever seen. The economic crisis may be even worse. The coronavirus epidemic could cost France 3% of GDP for each month of confinement and an additional 2% deficit, according to the Banque de France. France's growth will therefore be negative in 2020 but positive in 2021. The measures taken by the European Central Bank and the Banque de France should make it possible to keep interest rates very low and support the debt. Some believe that the Union could do more, even though it has learned the lessons of the severe crisis of 2008.

Of course, one can be indignant at the lack of a common resolve for coordination and sharing on the part of certain European heads of State and government, rekindling the rift between the countries of the North, which are more "virtuous" and less affected by the health crisis, and the countries of the South, which have little regard for budget balances. Reason finally prevailed and the EU decided on 26 March to mobilise €37 billion to fight the pandemic, while the ECB announced an unprecedented €750 billion asset repurchase plan to calm the financial markets and allow banks to maintain loans to companies and households, thus preserving production and employment. Incredibly, the EU has also resolved to relax its economic and financial rules for Member States hit hard by the crisis. Indeed, the sacrosanct rule requiring Member States to keep their deficits below 3% of GDP and their debt below 60% has been temporarily suspended.

In this way, States will be able to release funds to support hospitals and their economies. This relaxation of the rules of budgetary orthodoxy and those of competition, as well as the redeployment of European funds, are unprecedented decisions, which will no doubt

1. The Lisbon Treaty was drafted during the SARS epidemic in 2003.

make our Dutch and German friends seethe. Similarly, the European Commission has lifted restrictions on State aid, allowing governments to inject public money in the form of direct subsidies, guarantees, etc. In a special session, because of confinement, the European Parliament decided to adapt the European Solidarity Fund to the Covid-19 pandemic by extending its application to public health emergencies. This means that €800 million will be earmarked for medical equipment in 2020. This Fund was set up in 2002 to respond to major natural disasters. Finally, the European Parliament voted to suspend the rule on airport slots to prevent empty flights and to retain them from one year to the next. For his part, the Director of the European Stability Mechanism (ESM) announced that he was releasing €400 billion to support the euro area. And on 3 April, Ursula von der Leyen explained that the Union was mobilising 15% of European GDP to support national short-time working schemes.

### ... AND AFTER, A POLITICAL EMERGENCY

All these measures taken in just a few days are a reflection of the scale of the crisis we are experiencing. No one could actually have anticipated it and those who claim to have anticipated it should show some humility. Let us hope that at the end of this crisis, the Union will know how to redefine itself because there will inevitably be an "after". Once the time for emergency responses has passed, the time for reforms will come. Whether we are talking about our borders,

our economic and budgetary rules, competition, external trade, the internal market, industrial policy, research or health, it will probably take more than a tidying-up of these European policies to convince our fellow citizens that the Union is strong and that in a globalised world like ours, Europe has a card to play. Few people were calling, until recently, for a Europe of Health. This has become self-evident.

Similarly, Europe's strategic autonomy and the need for European sovereignty will oblige politicians to give priority to health, food, energy and also to digital autonomy, in the same way they do to defence and security. Covid-19 has not finished changing the global political landscape. China is seeking to undermine Western dominance, the United States is closing in on them, mocking Europe, and calling for help from Russia. The history of humanity, marked by so many crises, wars, epidemics and natural disasters, reminds us that life must be our main concern. The challenges facing Europe are immense; Europe's economies are so intertwined that no one can save himself, no one can live in autarky. Success will depend on Europe's willingness to transcend its national egoisms, because "working together" is so much better than "every man for himself".

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