

Europe and Covid-19: Never Waste a Good Crisis

by Chiara Andreazza

"Democracy is based on the promise of social mobility and improvement, a path that leads to increasing well-being, particularly for the middle class. If incomes fall and inequalities sharpen, then democracies collapse."¹ Italian philosopher, Massimo Cacciari, used these words to describe the present crisis that western liberal democracies are facing.

Years have passed since the first signs of citizen distrust towards social institutions and governing elites became apparent. Such sentiments have led to an increase in populist politics and authoritarian tendencies, characterised by charming leaders and

strongman politics,² which in turn have challenged certain elements of liberal democracy.

These trends were accentuated by the economic crisis of 2008 and, more recently, by the repercussions of the current Covid-19 pandemic. The more people feel insecure, the more they come to question their future opportunities, the more they are vulnerable to those who promise that *they alone can fix it all*.

In such a political climate it is necessary for the EU to protect its democracies and push back against the authoritarian ghosts that are appearing at the gates. The EU's 27 member states must be united if they

¹ Rosalba Reggio, "Cacciari: post coronavirus rischio autoritarismi e aggravamento crisi democrazie" (video), in *Il Sole 24 Ore*, 8 April 2020, <https://stream24.ilssole24ore.com/video/italia/cacciari-post-coronavirus-rischio-autoritarismi-e-aggravamento-crisi-democrazie/ADHMj7I> (sentence translated by the author).

² Paul Taggart and Andrea L.P. Pirro, "European Populism Before the Pandemic: Ideology, Euroscepticism, Electoral Performance, and Government Participation of 63 Parties in 30 Countries", in *Italian Political Science Review*, 16 April 2021, <https://doi.org/10.1017/ipo.2021.13>.

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want to go on living in a liberal order. Moreover, European cohesion is also necessary to remain relevant in a global system characterised by US economic dominance and the rising commercial power of China.

Internal cohesion

The recovery plan adopted by the European Commission in July 2020 to boost economies, protect employment and promote a greener and more digitalised pandemic recovery could represent one path to a more united and effective Europe.

Thanks to the Next Generation EU (NGEU), the EU 27 will soon have the chance to finance their economic revival using part of the 750 billion euro made available by the emergency fund.³ This unprecedented allocation will support industrial production and social spending on digital infrastructures, the green transition, health and social care.

Moreover, with NGEU the strict budgetary policy of the Stability and Growth Pact has been suspended and the taboo of a European common debt finally broken. After the uncoordinated management of the 2008 financial crisis, the EU seems finally able to react in a unite and resolute way, proposing more durable and innovative solutions than the last European Stability

³ 360 billion euro will be delivered as loans whereas the remaining 390 as non-repayable financings, obtained with the emission of Eurobonds, shared debt. See the European Commission website: *Recovery Plan for Europe*, https://ec.europa.eu/info/strategy/recovery-plan-europe_en.

Mechanism.⁴

Speaking about the significance of the NGEU, Paolo Gentiloni, European Commissioner for Economy, noted that “if something so important works, it is unlikely to remain an episode in the European edifice”,⁵ thereby floating the idea that such a suspension of fiscal rules may become permanent. German Minister of Finance, Olaf Scholz, even spoke about a Hamiltonian moment for the EU,⁶ reflecting on the great wave of optimism for the future that followed the approval of the recovery plan.

The adoption of a common fiscal capacity would be necessary to achieve the target of a meta-state democracy⁷ able to relaunch its international role and prevent internal autocratic drifts. Indeed, the causes of the populist threat

⁴ Andreas Eisl and Mattia Tomay, “European Debt Mutualisation”, in *Jacques Delors Institute Policy Papers*, No. 255 (July 2020), <https://institutdelors.eu/en/publications/european-debt-mutualisation-2>.

⁵ Federico Fubini, “If It Works, Next Generation EU Will Change the Face of the Union”. An Interview with European Commissioner for the Economy Paolo Gentiloni”, in Simone Disegni (ed.), *Europe at a Crossroads after the Shock*, Milan, Reset-Dialogues on Civilizations, 2020, p. 29, <https://www.resetdoc.org/?p=10067>.

⁶ Referring to the US debt mutualisation done in the 1790 by the Minister of Finance Alexander Hamilton. One of the founding moments of the modern US federal system. See Peter Dausend and Mark Schieritz, “Jemand muss vorangehen”, in *Die Zeit*, 20 May 2020; Olaf Scholz, *Virtual Keynote Speech for the Frankfurt Finance Summit*, 22 June 2020, <https://www.bundesfinanzministerium.de/Content/EN/Reden/2020/2020-06-22-Keynote-Frankfurt-Finance-Summit.html>.

⁷ Meaning a democratic system that goes beyond the borders of the states, getting over the vulnerable and declining nation-based model. A European Union to which its members surrender a major part of their sovereignty.

that hangs over European states stems from the social consequences of the last recession as well as a feeling that national institutions are unsuitable and too slow for the challenges of our times.

The EU must give a response to this sentiment by reforming itself and, with the agreement of the member states, extending its sovereignty, in an attempt to rekindle citizen trust in the democratic system.

Furthermore, a financial union could also permit a greater convergence of foreign policy interests among member states and the consequent funding of shared programmes and objectives. Unfortunately, disagreements between member states are undermining the Union's ability to act as one.

Last April, an international incident that became known as "Sofagate", made the problem clear. On that occasion, Turkish President Recep Tayyip Erdoğan, highlighted the power and visibility asymmetry between the European Council, whose president was invited to sit next to Erdoğan, and the European Commission, who's president was instead relegated to sit on a nearby sofa.

From the outside, it still appears that every EU country is following its own path. In the world arena, as the competition between Washington and Beijing continues to mount, a fundamental change is required. The risk for Europe would be to end up squeezed between the two world powers or simply to continue to be overshadowed by the US.

But what if, starting from a complete economic integration, it would be possible to achieve greater levels of strategic autonomy? Sharing a budgetary policy could help reduce internal divisions among member states while revisiting a major obstacle to the EU's external decision-making – the unanimity vote – could free up the Union in both foreign and security policy.⁸ Switching to a qualified majority could make a real difference, in this domain, helping strengthen the EU's capabilities to act independently.

EU must overcome its slow and cumbersome decision-making processes if it wants to achieve shared agreement on international relations and capabilities for a fast reaction to international crises. This also includes agreements on a renewal of the European Defence Fund⁹ and Permanent Structured Cooperation (PESCO),¹⁰ in order to allow the Union to find its autonomy on the subject of defence and stop relying only on the US.

⁸ Leonard Schuette, "Should the EU Make Foreign Policy Decisions by Majority Voting?", in *CER Policy Briefs*, May 2019, <https://www.cer.eu/node/7668>.

⁹ Allocation of funds (recently almost halved to 7.9 billion euro, compared to the Commission's original pledge of 13 billion euro) with the aim of promoting cooperation in the field of defence, the first step toward a European Union less dependent on United States in the military domain. See European Commission, *Launching the European Defence Fund* (COM/2017/295), 7 June 2017, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52017DC0295>; European Commission, *The European Defence Fund* (Factsheet), 30 June 2021, <https://europa.eu/!wpQMx9>.

¹⁰ European External Action Service (EEAS), *Permanent Structured Cooperation – PESCO* (Factsheet), May 2021, <https://eeas.europa.eu/headquarters/headquarters-homepage/34226>.

The recent developments in Afghanistan highlighted how EU lacks power and influence even within NATO. Once the US decided to withdraw its forces, it was impossible for EU states not to follow. The disastrous consequences of this decision are reviving the debate on the need for European military capabilities, including in the domain of rapid reaction forces.¹¹

International outlook

One important dimension to test the EU's capabilities and resolve is the broader Middle East and North Africa (MENA). This has increasingly become a disputed area, a region where rival interests overlap and balance of power relations have become more unstable than the past.

Turkish and Russian ambitions in the Mediterranean are one example. Even China has its interests in these areas, promoting trade agreements and financing the infrastructural and digital connections contained in Beijing's Belt and Road Initiative.¹²

A stronger and more cohesive EU could play a role in this growing Mediterranean competition, serving as

an example of a liberal system which promotes the rules-based international order. Europe should also lead a revived and more equal cooperation between the two shores of the Mediterranean. A region of great strategic importance, where Europe should drive a rethinking of its engagement models, moving towards a more equal sharing of burdens and economic returns to give a fairer alternative to the Chinese political capitalism. This should be grounded in shared ownership, sustainable development and respect for human rights.

In this context, the challenge for the European Union is to propose strategies of engagement that assure political independence and sustainable development in recipient countries, a plan that could start from the new Comprehensive Strategy with Africa.¹³ With this strategy, announced in March 2020, Brussels aims to tighten bonds with the African continent, taking advantage of geographic vicinity and the bilateral projects already in place to have a more open dialogue on shared goals. An agreement to offer Africa investments in infrastructure, digital technologies, access to energy and the green transition, but also to guarantee the respect of human rights and ensure public security and new job opportunities.

Last but not least, the strengthening of Africa's healthcare capacity is fundamental, the continent needs

¹¹ Chen Yang, "An Expeditionary Force for EU? Easy to Project, Hard to Realize", in *Global Times*, 26 August 2021, <https://www.globaltimes.cn/page/202108/1232560.shtml>.

¹² The Chinese plan aims to increase trade exchanges across Asia, Europe and Africa (North and East above all). The Belt and Road Initiative has the scope to create infrastructural and digital links among continents in order to promote China's exports and engage countries under its influence. Alessia Amighini (ed.), *China's Belt and Road: A Game Changer?*, Novi Ligure, Epoké, 2017, <https://www.ispionline.it/en/node/16775>.

¹³ European Commission and HR/VP, *Towards a Comprehensive Strategy with Africa* (JOIN/2020/4), 9 March 2020, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52020JC0004>.

funds to ensure the well-being of the population, as well as managing the likely uptake in Covid-19 infections. The EU is already one of the lead contributors to COVAX (2.47 billion euro), a global initiative aiming to ensure fair and equitable access to vaccines.¹⁴ The programme, until now, was able to provide 250 million doses to low income countries,¹⁵ but these numbers are far from what is actually needed. As Western states begin discussing a third vaccine dose, many countries in Africa and other localities are still struggling to administer a first vaccine shot to large segments of their populations.

The EU's post-pandemic future is marked by two possible trajectories: a first implies a business as usual approach, simply floating from one crisis to the next, solving economic troubles with quick fixes while closing one's eyes in front of the authoritarian resurgence and resigning to be a secondary actor on the global stage. A second trajectory would imply reacting to the weaknesses highlighted by the pandemic and renewing itself, carrying out policies to support the path for a stronger internal cohesion and a new international role.

¹⁴ Seth Berkley, "COVAX Explained", in *#Vaccineswork Series*, 3 September 2020, <https://www.gavi.org/node/95286>; website of the Council of the European Union: *EU's International Solidarity during the COVID-19 Pandemic*, last reviewed on 1 October 2021, <https://europa.eu/!kJ73Dv>.

¹⁵ Priya Joi, "COVAX: The Forecast for Vaccine Supply", in *#Vaccineswork Series*, 13 September 2020, <https://www.gavi.org/node/104446>. For updated figures see Gavi website: *COVAX Vaccine Roll-out*, <https://www.gavi.org/node/99581>.

"Europe [will] be built through crises, and [will] be the sum of their solutions" Jean Monnet famously wrote.¹⁶ Over the past year, the Union has proved it is able to exit its comfort zone and approve policies and measures thought unthinkable only some months prior. Now, the Union's future will depend on the choice of wilfully reverting back to 2019 or looking onwards, labouring to imagine and establish a brighter future for its members and partners alike.

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¹⁶ Jean Monnet, *Memoirs*, London, Collins, 1978, p. 417, <https://archive.org/details/memoirs0000monn>.

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