



## How is EU cooperation on the Covid-19 crisis perceived in member states?

by Sophia Russack and Steven Blockmans

The crisis caused by the spread of Covid-19 has demonstrated how difficult European cooperation can be, especially in policy areas where the EU has only a legal competence to support member states. Some commentators have suggested that this marks the death knell of European integration, and even the most optimistic of them recognise it as one of the greatest challenges the EU has ever faced in terms of crisis management and demonstrating supranational added value.

In general, all member states were initially inward-looking in their reactions; they unilaterally closed borders and focused on crisis management at home. European solidarity has largely been absent. Ultimately, however, the lockdown realities across Europe are quite similar.

This instinctive self-preservation tells only one side of the story, however. As the virus affected all EU countries – albeit at different stages on the infection curve – it began to threaten the basics of the European economy and its financial system.

In this second phase of the crisis there is a need for crisis management at the European level. But the measures decided so far appear marginal – at least in terms of their impact on public opinion in member states, as the EPIN country reports show. All that the EU's 27 national leaders were able to agree upon so far was a joint bid to improve the procurement of personal protective equipment, increased funding for vaccine research, and relaxed regulatory enforcement. The Commission has also proposed the Coronavirus Response Investment Initiative (CRII), to be financed through unused cohesion policy funds, but this requires approval by member states.

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The European Commission's proposal to trigger an 'escape clause' in fiscal rules was a foregone conclusion after most finance ministers had already decided they needed to go for unprecedented deficit spending. Similarly, the temporary framework for state aid ratified what member states had already been doing on a large scale, namely to provide companies with sufficient liquidity during the coronavirus crisis.

More importantly – but little noticed – 'Brussels' also set out its guidelines for establishing 'green lanes' to allow the free circulation of goods in the single market, which have helped to reduce border backlogs.

The most important initiative has come from the European Central Bank, which committed up to €750 billion in interventions – equivalent to 7% of GDP – via its Pandemic Emergency Purchase Programme. Discussion on how the EU could contribute to mitigating the fall-out from the crisis for the hardest hit member states has yet to produce concrete initiatives.

In the third phase of the crisis, one in which most member state governments have turned their attention to lockdown exits and economic recovery, acrimonious discussions in the Eurogroup and the Council have centred on whether coronabonds or a fund should be created to issue common debt with a common guarantee. Amid allegations of hypocrisy by the more frugal countries, and a lack of solidarity likely to fuel populist anger in the states that advocate cohesion, the limits of internal solidarity in the eurozone and beyond are being tested. To the point where the Covid-19 crisis has been framed as 'existential' for the EU. It is a 'moment of truth' that will define whether the EU was just a single market or a political project where the human factor is prioritised over economics.

Drawing on the expertise of researchers in our EPIN network, we asked how EU cooperation was perceived in the respective national context. Nineteen institutes from 15 different countries, from a representative cross-section of member states (plus Iceland) responded to our call.

What emerges from our expert poll is a general perception that the EU's response has been too little, too late. However, *what* exactly was expected and *how much* EU involvement was envisaged varies considerably. Here are some key observations.

So far, the Nordic countries have been quite self-sufficient in dealing with the crisis and the EU's involvement has largely been absent from the public debate. How much European coordination is now needed varies across these countries: while Finland demands more EU cooperation, Sweden hardly looks for any communitarian solutions, and Denmark demands more EU involvement in the second phase of the crisis (economic recovery). Overall, the Nordic countries seem to require less steering by the EU than Eastern and Southern EU member states, which have formulated more concrete demands, especially in terms of economic and financial burden-sharing. The fear of a

post-pandemic financial and economic crisis is acute in Italy and great in Spain, Greece and Eastern member states. In Bulgaria, for example, this is compounded by the fear of neglect or even discrimination against non-eurozone members by the rest of the eurozone. Hence the higher level of expectations of EU actions in those countries.

In many member states, the economic growth potential generated through the process of European integration is perceived as one of the major assets of EU membership. But as economic policy remains very much in the hands of member states, many tensions arise. In Austria, a country that traditionally has concerns about the transfer of additional competences to the EU, the population demands bolder actions in the realm of public health – and even a transfer of the exercise of sovereign powers in this area. This does not extend to economic measures, however. Mutualisation of debt, for instance, remains taboo. It is perhaps revealing that there has been a shift in Germany on this very issue: also against any mutualisation of debt, there are national voices that increasingly demand more solidarity, including in the economic sphere. Not so in the Netherlands, where the government's tough stance against coronabonds is criticised for its lack of empathy and the tone of the communication, but is otherwise supported by parliament and citizens.

What becomes evident is that the north-south divide that emerged during the economic and financial crises a decade ago is still ominously present. It is true that the current situation is different: all countries are affected and the spread of the virus is no single member state's 'fault'. Nevertheless, the massive gap between debtor and creditor states on questions about the need and nature of supporting EU measures, in particular to prop up unsustainable levels of public debt in Italy, whose populist-led government seems unwilling to engage in fundamental reform, has stirred up the dangerous sentiment that EU membership might only be beneficial in times of prosperity.

The crisis has demonstrated how crucial are the four freedoms of the internal market. Many countries struggle to function without the free movement of labour and goods across Europe. The rapid and uncoordinated closure of borders affected some more than others, especially the geographically peripheral ones and/or those that rely on the remittances of posted workers, such as the Baltic states, Bulgaria and Romania. The coordinated travel restrictions on the EU's external borders also impacted non-EU Schengen countries, like Iceland, which deemed this measure to be an unhelpful and desperate attempt to demonstrate EU unity. While the free movement of persons is largely suspended within and across borders for the moment, there is great interest in keeping the other freedoms alive, as far as possible. For this reason, the Commission's 'green lanes' effort to ensure the flow of goods is appreciated.

The initial perception that third countries (mainly Russia and China) were more supportive than the EU and its member states continues to prevail, predominantly in Italy and Greece. The Commission's sanitary initiatives, such as the coordinated EU effort to

produce, procure and distribute vital medical equipment, have so far failed to gain traction in the (geo)political battle of narratives.

What emerges from our expert poll is that citizens' opinions about the EU's crisis response vary greatly. The Czech population, for instance, is generally quite Eurosceptic anyway and this has not changed during the corona crisis. But unlike previous crises, in particular the one over refugees and migration, Czech citizens now expect the EU to take more action. Among the most affected countries, the populations of Italy and Spain feel abandoned by other member states and the EU institutions. Yet public perception in Spain remains largely positive about EU integration, and the Italian population has become increasingly Eurosceptic because of how the corona crisis has been (mis)handled.

What is the post-crisis expectation? That the EU should now take the lead in coordinating exit strategies across Europe. But for this to happen, member states' governments will need to allow the EU institutions to play their role. At the time of writing, it seems that the Commission's Easter efforts in this respect have been impaired by capitals and even regional authorities taking different approaches to the relaxation of their lockdown measures. Such realities might hamper the coordination of future Europe-wide economic recovery efforts. Having an EU approach to easing lockdown restrictions, facilitating labour mobility across borders and widening green lanes could overcome the current and foreseeable restrictions to the free movement of persons and goods. Coordinated solutions of this kind would not only complement national approaches to the exit strategy, but also promote more solidarity between member states. Public support for greater EU competences in dealing with this public health emergency should encourage member state governments to put more energy into finding ways of sharing both the benefits and the burdens of EU membership.

See [here](#) for the brief reports of each country survey.



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