



## The EU needs to step up its response to the COVID-19 outbreak

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**After initially responding slowly and in a haphazard manner, the EU has taken important steps to counter the coronavirus outbreak. But the EU needs to do more if it wants to avoid boosting eurosceptic sentiment. The current crisis offers the EU an opportunity to prove its worth.**

According to the World Health Organisation (WHO), Europe [has now become the centre](#) of the coronavirus pandemic. Member-states have implemented restrictions to ‘flatten the curve’ of the outbreak and several have gone into ‘lockdown’, banning their citizens from all but the most essential activities. National governments have taken centre stage during the crisis, while the EU’s initial reaction was slow and rather haphazard. This, in turn, has encouraged eurosceptics to argue that the EU is incapable of acting effectively in times of crisis, and that the coronavirus pandemic will undoubtedly lead to its weakening, or even break-up. While it is very unlikely that this will happen, the EU needs to move more decisively in the coming weeks to counter the outbreak and prevent eurosceptics’ predictions coming true.

As the outbreak in Italy gathered pace in late February and early March, with the whole country going into lockdown, the EU showed Rome little solidarity. In late February, Italy asked for medical equipment such as masks, asking the Commission to activate the EU’s Civil Protection Mechanism, which provides a framework for co-operation between EU member-states and six third countries (Iceland, North Macedonia, Montenegro, Norway, Serbia and Turkey) in the field of civil protection, including response to disasters. The Commission activated the mechanism, but no member-state responded positively. Instead, many member-states (including France and Germany) banned the export of medical equipment. Worse still, the statement by European Central Bank (ECB) president Christine Lagarde which said the ECB’s job was not “to close spreads” between member states’ borrowing costs prompted a massive sell-off of Italian sovereign debt, as investors feared the ECB would no longer aim to keep Italian bond yields low by buying bonds.

The ECB quickly clarified it would stand behind Italy’s bonds, and announced a €750 billion Pandemic Emergency Purchase Programme (PEPP) on March 18th. Many countries have also now removed restrictions on the export of medical equipment to Italy, and Germany has donated some equipment.

But much damage had already been done. Images of China sending medical teams to help, and being willing to sell critical medical equipment to Italy while other EU partners turned their backs, are already having an impact on Italians' [perception](#) of (a lack of) European solidarity.

As well as mismanaging its initial response to the outbreak in Italy, the EU also struggled to co-ordinate other member-states' actions to suppress the pandemic. The Union has limited powers in the field of public health. Nevertheless, the EU could conceivably have played a greater role in the initial phase, as it was evidently a matter of time before the virus spread from Asia to Europe. Although it has managed to convince member-states to reverse export bans on medical equipment to other member-states, its calls for a coherent EU-wide approach towards internal border management have had little effect. The Commission proposed to ban the entry of third country nationals into the Schengen area for at least 30 days, aiming to encourage member-states to keep their internal borders open. However, some member-states introduced severe entry restrictions on citizens other than their own. Poland has for example allowed only its nationals, their [spouses](#) and children, persons with the right of residence or a work permit, diplomats and foreigners driving a vehicle transporting goods to enter its territory.

Although EU member-states are authorised to reintroduce temporary border controls for reasons of public policy such as protecting the fundamental interests of their society or for reasons of internal security, their actions led to excessively long queues on some borders including that between Poland and Germany (thereby increasing the risk of the virus spreading). Poland's decision made it very difficult for the Baltic states, among others, to bring their citizens back home from Western Europe as other countries imposed restrictions on normal life. Others, like the Netherlands, did not initially introduce such stringent measures like their neighbours (such as shutting bars and restaurants), thereby encouraging Belgians to ignore their government's advice and cross the border in search of entertainment.

Despite the initial shortcomings in its response, it would be unfair to say that the EU has done nothing to support member-states in their fight against coronavirus. The European Commission has activated some unspent funds to support member-states' health sectors and businesses in need. It has also launched joint procurement projects with member-states for essential medical equipment such as ventilators, masks and testing kits, and made funds from the Horizon 2020 research programme available for medical research to develop a vaccine. The European Commission has also decided to temporarily relax current EU state aid rules, to help governments to provide businesses with emergency support. According to the Commission, member-states would be allowed, among other things, to give up to €800,000 to a company through a direct grant or tax advantage, and set up guarantee schemes supporting bank loans for companies.

Furthermore, the Commission has promised to act with national consumer protection authorities to investigate any attempts by traders to exploit the current crisis to sell their products such as masks and disinfection gels at massively inflated prices. The Commission has also triggered the so called 'general escape clause' in the Stability and Growth Pact which relaxes EU budgetary rules so that member-states can provide exceptional spending to fight the economic impact of the pandemic. Meanwhile the ECB's PEPP appears to have succeeded in stabilising yields on government bonds, and may provide member-states with the breathing room they need to enact economic stimulus.

These are all important steps to mitigate the economic fallout, but the EU now needs to act in a much more decisive manner. The unco-ordinated actions of national governments risk undermining some of

its core structures, and making the crisis worse than it already is. Although it is important to severely limit unnecessary travel, to minimise the spread of the virus, internal border controls risk undermining the single market, interrupting the supply chains needed to produce important medical equipment, and worsening the downturn that is already hitting Europe's economy. There is also a real risk that the crisis will lead to an increase in eurosceptic sentiment, if the EU is seen as ineffective and lacking in solidarity. Even though the EU may not be directly responsible, electorates are likely to blame the Union if co-operation between member-states fails.

The EU's efforts to counter the outbreak (and avoid a spike in euroscepticism) should focus on containing the economic costs of the crisis and ensuring that there is no lasting damage to the single market, or increase in protectionism within the Union. The ECB's decision to launch the PEPP programme will help to keep government bond yields stable. But it is not clear if fiscal measures that individual member-states plan will have sufficient impact. This is why EU leaders should adjust financial assistance available under the European Stability Mechanism (ESM) to the unprecedented circumstances.

One idea being floated by the Italian government (among others) is to equip the ESM with new powers to issue so-called 'coronabonds', a common European debt instrument to keep borrowing costs down. Hawkish northern eurozone members, which have so far strongly opposed the idea of any risk sharing in the euro area, should understand that without taking bold steps the entire eurozone may be endangered. While Italy is most heavily affected so far, cases are quickly rising across the EU, and coronavirus is likely to become a severe problem in all member-states.

The Union should take on a more prominent role in co-ordinating member states' responses, in particular border measures. On March 16th, the European Commission issued [guidelines](#) on 'border management measures to protect health and ensure the availability of goods and essential services' but the issue should be a permanent agenda point for the videoconferences that European Council President Charles Michel holds with European leaders to try to co-ordinate the response to the crisis.

The EU should also deploy a new communication strategy in its fight with coronavirus. Millions of Europeans are in lockdown or self-isolation, and relying heavily on the internet for information. The EU institutions should continue working with major technology firms to ensure that official EU websites and those of relevant specialised agencies such as the European Centre for Disease Prevention and Control are highlighted as sources of reliable information. They should use social media to make citizens aware of the measures the EU is taking to support the European economy, and to highlight what the EU can do (for example, to organise common procurement of medical equipment) and what member-states themselves are responsible for. The best answer to criticism from eurosceptics is to show that the EU is doing a good job on the issues for which it has competence, without trying to elbow member-states out of the way when it comes to the organisation of national health care systems.

Finally, as they fight against coronavirus, member-states should not lose sight of the need to reach agreement on the multiannual financial framework for 2021-2027. Finding a consensus on such a highly contentious issue in the current circumstances may appear at first sight impossible. Indeed, the current proposal will almost certainly require substantial adjustments to reflect the latest developments. But if the EU fails to agree a budget before the current one expires at the end of 2020, this will only add to the current turmoil, and further undermine public confidence in the EU's effectiveness.

It is an exaggeration to say that this crisis will lead to the EU's break-up. But the way in which the Union responds to the coronavirus will shape the eurozone's future, and exert a profound influence on how citizens perceive the Union. If the EU fails to rise to the challenge, it will be weakened and lose legitimacy in the eyes of EU citizens. Conversely, if the EU acts robustly and resolutely, co-ordinating member states' actions and adding value to their efforts to counter the outbreak, it has a chance to emerge from the crisis stronger, and with its image greatly enhanced.

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