WHAT WILL THE EU LOOK LIKE POST-PANDEMIC?
Ten challenges for a Europe in search of recovery

CIDOB researchers respond

The pandemic has resized geopolitical priorities and challenges for the European Union. Exiting the health, socioeconomic and political crisis of the coronavirus will bring progress on the green and digital Europe. However, no substantial changes are in sight in the Union’s institutional arrangements or treaties after this crisis.

The EU has positioned itself among the very small group of actors with the capacity for vaccine innovation, production and distribution. Some of these actors, like Russia, China and to a lesser extent India, have begun a geopolitical race to consolidate or extend their areas of influence through contracts and donations. Yet, the Union’s priority is to ensure internal cohesion and vaccination of a very elderly and therefore particularly vulnerable population.

The pandemic has strengthened support for a social and employment model that protects Europeans, as the latest Eurobarometers show. With the adoption of the new European Social Agenda at a summit in Porto around the corner (June 2021), the time is ripe to commit to including a social dimension in the recovery plans (at both local and national level).

Future scenarios for the EU: resist or transform

Pol Morillas, Director, CIDOB @polmorillas

Crisis have driven progress throughout the history of the European construction, and the past decade has brought no shortage of opportunities. But more than great leaps forward, the European Union has survived by muddling through, despite many of the crises appearing to pose existential dangers.

The euro zone crisis threatened its survival, but ultimately produced greater coordination and supervision – albeit without reform to fiscal rules or progress on economic union. The 2015 refugee crisis led to arrivals being reduced without destroying the Schengen Area, but a common asylum policy still seems a long way off. Brexit showed that the union can also disintegrate, but the dreaded domino effect did not materialise and the trade agreement with the United Kingdom fits with Brussels’ priorities and procedures.

Exiting the health, socioeconomic and political crisis of the coronavirus will bring progress on the green and digital Europe, with the Next Generation EU funds ambitious in both size and scope. The taboos on fiscal expansion and common debt – such a drag on the recovery a decade ago – have been broken. While in the health field the European Commission has stretched its limited prerogatives to coordinate the acquisition and distribution of vaccines, despite supply issues.

However, beyond vaccination and the implementation of Next Generation EU, there is no sign that sub-
substantial changes either to institutional arrangements or the treaties will emerge from this crisis. Muddling through will remain the EU’s default strategy.

When we are able to look back, these times will show a familiar pattern of action: growing expectations regarding the EU’s role abroad (with a geopolitical Europe that speaks the language of power even if it struggles to practice it); gradual but substantial reforms at home (empowering the green, digital Europe); and some institutional deficiencies and blockages in decision-making resulting from a toned-down Conference on the Future of the EU.

The vaccine puts geopolitical Europe to the test

Eduard Soler i Lecha, Senior Research Fellow, CIDOB
@solerlecha

Before the pandemic broke out, European leaders had already set themselves the goal of making the EU more geopolitical. In 2019 Ursula von der Leyen introduced her work programme and college of commissioners as a “geopolitical Commission”. A few months later, the High Representative for Foreign Affairs and Security Policy, Josep Borrell, also described Europe’s need to “relearn the language of power”. In 2021 vaccines are power.

In just over 12 months we have gone from mask diplomacy to vaccine geopolitics. Shortages of basic personal protective material during the first months of the pandemic and dependence on the Chinese market led to debates on the need to increase strategic autonomy, bring supply chains closer and reindustrialise Europe. The vaccine has allowed the EU to regain ground, positioning it among the very small group of actors with the capacity for vaccine innovation, production and distribution. Some of the members of this select group, like Russia, China and to a lesser extent India, have begun a geopolitical race to consolidate or extend their areas of influence through contracts and donations. The EU is not at that stage. Yet. Its priority is to ensure internal cohesion and vaccination of a very elderly and therefore particularly vulnerable population.

Meanwhile, the pandemic’s other great geopolitical divide – places with and without access to vaccines – is widening. That some of those left out are close neighbours of the EU brings an additional challenge. It may be that a new sense is given to the old notion of “Fortress Europe”: a health fortress. To alleviate this inequality, thus far the EU has joined global distributive mechanisms like COVAX. But if production rates continue to lag and the disparities in vaccination levels continue to worsen, the arguments for temporary patent waivers will gain traction not only at global level but also within European societies.

Economic and social recovery: when will the impact of the post-COVID funds be felt?

Marta Angerri, Consultant
@lamaf75

Economies run on confidence – a factor the pandemic currently inhibits. All member states have imposed measures to address the health crisis that have prevented the growth rate in the EU in the first quarter of 2021 from picking up as hoped. China and the United States appear better placed, with economic stimulus packages assisting the recovery.

The EU’s problem essentially lies in the dysfunction between the measures needed to address short- and long-term challenges. In the short term, a programme of direct assistance to companies that can contribute to their survival and drive economic growth is more necessary than ever, but such aid is not being decisively awarded in all EU states. In the long term, the eagerly awaited Next Generation EU funds may have passed the stumbling block of the German Constitutional Court, but many issues still surround their effective deployment in the bloc’s different countries.

In Spain, although the government has channelled the €27 billion euros NextGenEU funds allocated for this year through the general state budget, distributing them is proving to be much more laborious than hoped. In the best case scenario, the various ministries will issue the first calls for assistance by the summer, meaning effective investments are likely to begin in 2022. The funds’ influence on the economic and social recovery will therefore be felt only in the medium and long term. In the meantime, investment projects should be prioritised based on their knock-on effects and in this sense the commitment to housing renovation policies that are labour-intensive and drive much of the Spanish economy seems logical. But direct aid to companies must not be forgotten, lest we run out of time to save them and make the economic recovery even more costly.

Green acceleration: recovery means building a more sustainable model

Hannah Abdullah, Senior Research Fellow, CIDOB
@hannahabdull

The European Green Deal launched in December 2019 placed environmental concerns at the heart of the EU’s internal policy, and the COVID-19 crisis has accelerated this trend. While the pandemic initially delayed the launch of the Green Deal action plans, the European Commission soon announced its intention to use the ecological transition as a “compass … to rebuild our economies differently and make them more resilient”.

Green acceleration: recovery means building a more sustainable model

Hannah Abdullah, Senior Research Fellow, CIDOB
@hannahabdull

The European Green Deal launched in December 2019 placed environmental concerns at the heart of the EU’s internal policy, and the COVID-19 crisis has accelerated this trend. While the pandemic initially delayed the launch of the Green Deal action plans, the European Commission soon announced its intention to use the ecological transition as a “compass … to rebuild our economies differently and make them more resilient”.

Green acceleration: recovery means building a more sustainable model

Hannah Abdullah, Senior Research Fellow, CIDOB
@hannahabdull

The European Green Deal launched in December 2019 placed environmental concerns at the heart of the EU’s internal policy, and the COVID-19 crisis has accelerated this trend. While the pandemic initially delayed the launch of the Green Deal action plans, the European Commission soon announced its intention to use the ecological transition as a “compass … to rebuild our economies differently and make them more resilient”.

Green acceleration: recovery means building a more sustainable model

Hannah Abdullah, Senior Research Fellow, CIDOB
@hannahabdull

The European Green Deal launched in December 2019 placed environmental concerns at the heart of the EU’s internal policy, and the COVID-19 crisis has accelerated this trend. While the pandemic initially delayed the launch of the Green Deal action plans, the European Commission soon announced its intention to use the ecological transition as a “compass … to rebuild our economies differently and make them more resilient”. 
In recent months, unprecedented political will and the financial might of the funds approved have added momentum to Europe’s ecological recovery. The Regulation on the Recovery and Resilience Facility, the centrepiece of the €750 bn Next Generation EU stimulus package, determines that member states must allocate at least 37% of their national recovery and resilience plans (NRRP) to action on climate and biodiversity and that all investments must avoid doing “significant harm” to the environmental goals established by the EU’s new taxonomy of sustainable investment.

But rebuilding a more sustainable and resilient Europe will require more than just macroeconomic innovations. To ensure that long-term change leaves no one behind, a fair and inclusive transition is needed that addresses the structural injustices brutally exposed by the pandemic. The launch of the EU Climate Pact and the Just Transition Mechanism (JTM) suggest that the Commission is working along these lines, but both instruments leave room for improvement. The JTM’s focus on supporting regions that depend on carbon-intensive industries (especially in Eastern Europe) provides a small slice of climate justice to help ensure solidarity between member states, but it overlooks the more complex socioeconomic impacts of the transition taking place at sub-national level, such as those related to housing and digital connectivity.

The transformative power of the Commission’s ecological agenda will also depend on how it fits with the EU’s foreign and security policy. The recently proposed carbon border adjustment mechanism (CBAM) is one example of where the EU’s climate ambitions will affect its geopolitical relations. Meanwhile, the Green Deal will only achieve global results if it is accompanied by proactive climate diplomacy that empowers the EU to forge new alliances and lead by example.

The EU takes the lead on cyberspace governance

Andrea García Rodríguez, Research Fellow, CIDOB @agarcod

Early in the pandemic, cyberattacks hit European hospitals and supercomputers working on the development of a vaccine against the virus. In July 2020 the EU for the first time imposed sanctions on individuals and organisations it held responsible for cyberattacks on European soil. To improve the bloc’s cyber resilience, at the end of 2020 the EU released a cybersecurity package, along with a new strategy, that included a revised NIS directive (NIS2), a new directive on the resilience of critical entities and a legislative proposal to guarantee a minimum level of cybersecurity in the EU. It also published the conclusions of the risk assessment on 5G in Europe conducted by member states, which had been delayed by the pandemic.

However, the EU’s great digital achievement during the pandemic was the Digital Services Act package unveiled in mid-December 2020, which included measures aimed at combatting disinformation (Democracy Action Plan), digital monopolies (Digital Markets Act) and illegal online content (Digital Services Act).

This entire legislative and cybersecurity package projects the EU beyond its borders. In March 2021, the US Congressional Research Service published a report that examined the impact of these initiatives on the US economy and reflected on new opportunities for cooperation with the EU in order to jointly lead on digital governance.

The European Union thus emerges from the pandemic as a leader on digital governance, with the possibility of extending its rules to other parts of the world and spearheading global efforts in this field. The president of the Commission, Ursula von der Leyen, warned at the last Munich Security Conference that the EU is not prepared to leave “decisions, which have a huge impact on our democracies, to computer programmes without any human supervision or to the board rooms in Silicon Valley”.

More humane cities after the pandemic

Eva García Chueca, Senior Research Fellow, CIDOB @eva_gchueca

The COVID-19 crisis is eminently urban. According to United Nations data, 95% of infections and deaths have occurred in cities, straining the capacities of local institutions and environments. The pandemic’s impacts in the social, economic, labour, educational and public health spheres have deepened pre-existing gaps and urban inequalities that still showed the effects of the 2008 crash.

To what extent can this global situation contribute to a shift towards more humane, caring cities? What role can the European Union play in promoting this change? An unprecedented opportunity lies before us
to reshape the current urban model in favour of greater social and environmental responsibility. The policy proposals are on the table and a number of urban governments are already putting them to the test: the 15-minute city (Paris), reclaiming urban space from cars (Barcelona, Milan) and promoting social housing (Vienna, Amsterdam) are among many such examples in Europe and beyond.

Next Generation EU recovery funds can inject the finance needed to support cities’ efforts to rethink their long-term policies in order to encourage greater sustainability (environmental, but also socioeconomic and cultural). The financial assistance will seek above all to make the ecological and digital transition possible, but also to improve Europe’s social cohesion. When defining their recovery plans, member states must not shirk the need to address the socioeconomic inequalities that have worsened during the pandemic.

With the adoption of the new European Social Agenda at a summit in Porto around the corner (June 2021), the time is ripe to commit to including a social dimension in the recovery plans (at both local and national level). The social agenda must be more strongly linked to the green and digital agendas and the implementation of the European Pillar of Social Rights must be reactivated. Cities can play a key role in constructing a social Europe to achieve just transitions.

The pandemic has given governments a pretext for raising the pressure on migrants.

As many of these mobility restriction policies actually have little to do with COVID-19, it seems likely that some will remain after the pandemic.

The pandemic has sped up the normalisation of the European far right. Electoral strategies and results vary, but in general the emergence of COVID-19 gave right-wing populism an opportunity to broaden its positions, take advantage of the media hubbub of disinformation and in some cases monopolise protest. The increasing heterogeneity of the map of the European far right is reflected in its varied reactions to the pandemic. For the Sweden Democrats and the Finns Party, the political negotiations over the handling of COVID-19 presented an opportunity to be recognised as “serious parliamentary force[s]”, while Marine Le Pen’s denunciation of Macron’s “state lies” in France and Vox’s belligerent attacks on what it describes as “totalitarian abuses” by the Spanish government have allowed them to hog the opposition public space and work away at eroding institutions. In Italy and the Netherlands, on the other hand, a rebalancing of forces has taken place between the different far-right groups. Brothers of Italy gained popularity, while the Dutch far right reorganised itself into Geert Wilders’ (declining) Party of Freedom and Thierry Baudet’s (rising) Forum for Democracy and achieved their best combined electoral results, securing a total
of 29 seats. The Austrian far right (FPÖ), the Danish People’s Party and Portugal’s Chega have also risen in the polls.

As Cas Mudde and Jakub Wondreys warn, all of this shows that Donald Trump’s electoral defeat in the United States amidst a tide of infections was more an exception than the rule.

The pandemic has turned up the heat in the areas where the radical right seeks political confrontation: us vs them (focussing on rights to mobility and migration) and the people vs the elites (during the imposition of lockdown restrictions). The health crisis has provided an ideal breeding ground for polarisation, but a subsequent economic and social crisis may increase the fear and inequality that the far right seeks to profit from electorally.

**May 9th: The discussion of the EU’s political future begins**

Héctor Sánchez Margalef, Researcher, CIDOB
@sanchezmargalef

The Conference on the Future of Europe (CoFoE), which starts on May 9th, is a deliberative exercise launched by the European institutions and based on public support. The intention is for citizens’ contributions to plot the bloc’s future direction and decide what role it should play in the world. The results of these deliberations will be presented in a report to the heads of state and government, who have already warned that treaty reform will not be accepted under any circumstances and that they are under no obligation to implement any of the proposals.

The question then is whether this is a necessary exercise for the future of the European Union. The answer is surely yes. The EU needs strategic reflection that is unconnected to the vicissitudes of crisis. The problem is that the pandemic and the political interests of certain states have ended up influencing the conception of the CoFoE. The Conference was meant to take two years, but COVID-19 has seen it limited to one to ensure that it ends as the French presidential election campaign begins.

Thematic and temporal limitations aside, though, citizens will get another opportunity to express their preferences. The pandemic has strengthened support for a social and employment model that protects Europeans, as the latest Eurobarometers show. Europeans want a social Europe to be developed and implemented; almost half of the citizens consulted believe that the EU should play an active role in ensuring equal opportunities, access to the labour market, working conditions that guarantee a dignified life and access to quality healthcare (still suffering the ravages of the pandemic). Responding to these concerns lies in the hands of the EU but also of the Conference.

**Greater strategic autonomy post-pandemic**

Pol Bargués-Pedreny, Research Fellow, CIDOB
@polbargues

At the start of 2020, when COVID-19 had yet to trouble Europe, Josep Borrell, High Representative of the EU and Vice-President of the European Commission, wrote that the “geopolitical upheavals we are witnessing today underline the urgency with which the European Union must find its way in a world increasingly characterized by raw power politics. We Europeans must adjust our mental maps to deal with the world as it is, not as we hoped it would be”. The ten-
and cooperation to address crises and conflicts that required assertiveness (largely out of an aspiration to be a normative and exemplary power), greater strategic autonomy is needed to increase capacity for leadership, power and influence.

The advantages of greater strategic autonomy are clear, but there are also risks. Increasing activity and unilateralism may provoke more tensions, confrontations, resistance, crises, criticism, contradictions and misunderstandings – multiple new threats for the post-pandemic world.