

Will the Union survive coronavirus crisis?

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In a previous post (January 07, 2020, *The “Conference on the Future of Europe”: towards a “Citizens Union”*) it was held that: “The new year begins for the European Union (EU) in the name of a double challenge... Brexit with its pending issues and the uncertainty of its medium-long term consequences... the announcement of a “Conference on the future of Europe”). It’s time to make, sadly, an updating: **by adding to the two challenges thus evoked a third and much tougher one; the coronavirus pandemic emergency!**

Although this is an unprecedented challenge at least in recent European history, however, a **red thread** can be seen in the fact that, even more than the other challenges each one implying directly or indirectly the condition of European citizens, **this emergency affects the heart of the Union, as it individually hits the health and life of its citizens!**

We can start right here, to note from the outset **how heavy the cost of ‘non-Europe’ can be**, especially in terms of **image damage** caused to people’s eyes by the sight of scenes of death, suffering and desolation, in **an EU that lacks not only specific competences, but also preconditions for the effective coordination (which can only be on a voluntary basis on the part of member states) of public health policies**: to the extent that **one of the most important preconditions should be represented by a true spirit of solidarity and a structured sharing of resources (including of course financial ones¹)** to face a common threat and its disruptive consequences on social and economic life, not least.

Indeed, the **economic side of this crisis seems not less important than the health one**, from a social point of view, not only because of its impact on habits of living (including freedom of movement), but also for its chain-effects in the monetary (public finance, banks and credit), production (enterprises), employment and consumption fields.

Not by chance, **Mrs Christine Lagarde**, novice president of ECB, after a first misstep (with her unhappy declaration: “*We are not here to close spreads, this is not the function or the mission of the Ecb*”), wisely corrected the shot, as she herself wrote on the *Financial Times* in an editorial (published in other European newspapers) where, underling **the risk due to the coronavirus pandemic** that “*economic activity across the euro area will decline considerably*”, she **strongly affirms the Union CB role** in such terms: “*Health and fiscal policies must be front and centre in this response. Monetary policy has a vital role to play in tandem. Monetary policy has to keep the financial sector liquid and ensure supportive financing conditions for all sectors in the economy. This applies equally to individuals, families, firms, banks and*

¹ Reference is here to the Multiannual Financial Framework (MFF) and to negotiations between European Council, the Parliament and the Commission, as regards the issue on the limits dictated by member states to budgetary capacity of the Union to meet needs and objectives of European interest: see, e.g., “MFF: we cannot accept the unambitious approach presented, says ITRE chair - Press Releases”, reporting, in reaction to proposals of the European Council and in view of the summit (Thursday 26, 2020) where the long-term budget will be discussed, this comment (by a representative of the Industry, Research and Energy, ITRE committee): “The cuts suggested across all budget areas compared to both the Commission and Parliament positions are a major setback for a European Union that wants to deliver for its citizens. *It is finally time for EU leaders to match words with deeds: We cannot continue promising policy solutions to citizens and then not provide the funds to finance them.*” (italics added).

governments.” To conclude with a rather ‘unprecedented’ paean of ECB **“commitment to play its role in supporting every Eurozone citizen...”,** because **“the ECB is at the service of the European people”!**

Good news from Frankfurt, then, on the wave of such a crystal-clear statement (though with a bit of declamatory rhetoric, yet justified by the circumstances) which, at least in the intentions, **seems to place the Union in its proper ‘federal mode,’** with a long-sighted look, beyond the crisis, **in tune with the idea of joining monetary policy with fiscal policy centred on the assumption of a democratic European sovereignty,** in order to give **the necessary institutional credibility,** at the basis of a common European budget, **without which the future of the euro will always remain uncertain and unstable (without some form of statehood at its support and guarantee).**

In this perspective, under the pressure of the health crisis **it also seems to gain some more consensus the idea of Eurobonds** (‘corona bonds’) to help common efforts due to be accomplished at both national and Union level to overcome the emergency and to revive the economy, in all EU countries more or less hit by the infectious disease with its load of victims and economic and social damages, present and future.

But all this leads in one direction only: the need for **remodelling the Union politico-institutional shape,** and the related challenge represented by the **ambitious expectations** to this regard spelt out by the Commission and by the European parliament, **concerning the launch of the “Conference on the future of Europe.”** According to such expectations the Conference is called upon **to promote EU citizens** (and civil society actors, movements, environmental groups, etc.) **participation** with the aim to support a **“new push for European democracy”** in which European citizens **“should play a leading and active part”** (according to the expressions of President Ursula von der Leyen, stated in the program of the new Commission).

Indeed, the emphasis of the Conference seems to be on both EU policies (**what the Union does/should do**) and EU institutions (**what the Union is/should be**). But, if a quick lesson can be learnt by the health emergency, is that **policies,** meant in turn as competences and procedures, **need to be properly and effectively carried out** on the basis of **an institutional set of governmental power democratically centred** in terms of **both political and financial credibility and sustainability** (*European democratic sovereignty*).

In conclusion.

What could be the results of the Conference and, more importantly, **if and in what way the conference can be held** in its various phases **as originally planned,** subject to the health emergency and its duration until when will be definitively overcome, **is difficult to predict.**

It is however certain that, **especially as a result of the consequences and perception that this emergency will leave in the life and opinion of the European populations,** the main **issues underlying the Conference** and their prospective solutions together with **a real possibility to afford reforms much needed in order “to promote democracy and European values and ensure a more efficient functioning of the Union and its institutions,”** will be a **real test** on which to verify **whether the Union will survive the coronavirus pandemic and regain momentum and vigour,** or **will close itself even more in a sort of quarantine destined to wear it out in its body and spirit.**