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## The (four) video conferences on the Corona epidemic of March/April 2020

New patterns of crisis management?

Analysis and assessment

Lessons for Research and Teaching





Since the outbreak of the Covid-19 pandemic, the members of the European Council have held four video conferences (10 March, 17 March, 26 March and 23 April 2020) to coordinate effective European measures. We observe *new forms* of how the Heads of State or Government try to deal with this 'war'-like (Politico 2020) and most serious crisis since the Second World

War (Merkel 2020). For the academic community these virtual meetings belong to the most fascinating ones.

As to be expected, the political leaders of the member states aimed to find several and different modes of governance to manage the Corona crisis. We observe variations in the form of conclusions and again deep confrontations between groups of countries mirroring the cleavage between the North and South. For the analysis and assessment one main research question is: *Although each crisis that the Union has faced so far is different, can we identify and then explain certain and recurrent patterns of how the members of the European Council's try to manage them?* 

1. A deeper look into the Union's history is stimulating to identify a certain pattern of how and why the EU and especially the European Council (EUCO) has dealt with different crises and challenges. Over the history of the European Community and the European Union, the Heads of State or Government have faced – in different ways – the collapse of the Bretton Woods system, the energy boycotts and what is now called the end of the 'trente glorieuses années' (Fourastié 1979: 45) of the European welfare state in the seventies, the Euro-sclerosis in the early eighties, the deep shock waves of German unification in 1989/90, the Balkan wars in the nineties, the negative referendum on the constitutional treaty in France in 2005, the consequences of the global and the European financial and monetary crisis from 2007 onwards and the migration wave after 2015. Among these crises, the record of the European Council to find common instruments shows considerable variations. In most cases, member states were hit by the respective crises to a different degree which is often described as 'asymmetric shocks' and then tend to pursue different strategies to deal with them, but the EUCO most often was able to frame them as common European challenges for which some kind of joint actions should be taken. In many cases, they reached a consensus on common measures. The European Council was the driver of a process for 'more Europe' by strengthening both intergovernmental and supranational procedures and modes of governance. In our teaching lessons, the approach of a vertical and horizontal fusion of competences and powers might be elaborated and discussed.



**2.** A shared understanding of the fundamental challenges is also apparent during the current Covid-**19-crisis.** Having a look at recent statements by the EUCO, we can identify several key words of common concern: "limiting the spread of the virus", "providing medical equipment", "promoting research", "tackling socio-economic consequences", "joint European Roadmap towards lifting of COVID- 19 containment measures", "Joint Roadmap for Recovery", "strategic autonomy [...] to produce essential good in Europe", "safety nets", "Recovery fund" (and its link to the MFF), "citizens stranded in third countries".

Overall, the European Council addressed:

- joint national measures of common relevance like control of the external borders
- consequences of national measures for the EU's policies like management of the freedom of goods when internal border controls had been introduced
- support of national measures with the help of EU institutions and budgetary appropriations- such the return of EU citizens stranded in third countries
- improving cooperation on 'providing medical equipment' and 'promoting research with the help of EU institutions'
- support of actions by other EU institutions: the Commission, European Central Bank and the European Investment Bank
- supporting proposals for new instruments like a 'coronavirus Response Investment initiative' or the recovery fund
- crisis driven changes of EU rules like facilitating State Aid and 'the unprecedented use of the general escape clause under the Stability and Growth Pact'
- preparing 'a road map' and 'action plan' for an exit strategy
- inviting the Commission to make a proposal for 'a more ambitious and wide raging crisis management system within the EU' or 'tasked the Commission to analyse the needs (for a recovery fund) and clarify the link with the MFF.

**3.** A preliminary record of the activities indicates a mixture of several modes of governance: the EUCO has agreed on a broad and differentiated set of EU related actions and activities. In terms of our conventional categories – intergovernmentalism vs. supranationalism –, it becomes clear that national leaders aim to give national measures a European umbrella and to use EU bodies strategically for actions outside the immediate control of their national government.

Further, compared to other cases of crisis management, the European Council has so far not played the role as a constitutional architect as it has not taken any major steps of upgrading the EU level



during the last four meetings. Though, some formulations open the way for more integrative steps like the one on a new crisis management system or linking the recovery fund to the Multiannual Financial Framework.

**4.** As usually, diplomatic documents hide conflicts. The major point of contention and conflict were joint measures how to deal with the asymmetric social and economic consequences for "sectors and geographical parts of Europe most affected" (European Council 2020d). Oral evidence linked with the typical media gossip tells us a story which started as a battle for and against Corona bonds – a loan to be guaranteed by all Euro states. A group of nine members, with the French President as the most prominent supporter, had put forward the proposal to create such an instrument in order to help member states to overcome serious socio-economic consequences of the crisis. It was also declared as a specific sign for a European solidarity.

At the end of April, the interim state of this debate reads as follows: "we [the members of the European Council] endorsed the agreement [of the Eurogroup in an inclusive format] on three safety nets for works, businesses and sovereigns" and also "agreed to work towards establishing a recovery fund" (European Council 2020d). The recovery fund and its links with the MFF as the main issues thus remained unsolved. For some these agreements were clearly insufficient, as they did not deal with the costs of this 'unprecedented crisis'. As a typical pattern for its way to deal with crises the European Council did not solve the most urgent issue in one step but agreed on compromise formulations which establish procedures and set guidelines for other bodies to deal with the challenges – in this case for the European Commission and the Euro-Group.

5. In terms of the patterns of conflicts, traditional cleavages have returned. We observe confrontations between North and South, or between governments which search for financial support from the EU for their weaker economies against those governments representing stronger economies. Referring to the principle of subsidiarity, more prosperous countries are demanded to show solidarity with the weaker ones. This known cleavage is now reinforced due to the asymmetric consequences: Italy and Spain were hit harder by the crisis than Northern countries. A group of Northern 'frugal countries' is concerned that EU funds for which they have to pay do not solve the needs and that those countries have then no incentives to pursue an effective policy. In this context, further research has to discuss the concept of 'free riders'.

Nevertheless, these cleavages on the budgetary cost are not new. For a detailed historical analysis, read our <u>Policy Brief No. 2</u>.

In the conflict on the Corona bonds, the traditional master narratives apparently dominated the political debate among the leaders, as they were framed as zero sum games with easily identifiable



winners and losers. 'Losing' member states are expected to face negative impacts in national debates and domestic power games. The traditional way of comprehensive package deals from which each member could claim some kind of success for national media could apparently not be yet taken. In view of conventional analyses, it is remarkable that the Franco-German couple has not yet forged a consensus.

6. Given the deeply seated conflicts and the traditional cleavages, it is not surprising that President Michel had difficulties to "facilitate cohesion and consensus" (Art. 15(6c) TEU). For outside observers, he played an active and engaged role with some results in the April conference and a major issue – the size and form of the recovery fund – still disputed.

The observations highlight the weaknesses of the office of the chairperson: the president of the EUCO has no concrete offer at his disposal but can only exert influence as a meditator and moderator to frame a win-win constellation without however any substantial offer to make on his own. In lessons the term 'honest broker' might be elaborated and discussed

7. A specific issue to study the patterns the members get to consensus is the new way to deliberate via video conferences: How is the political culture of the peer group characterized by an "attitude of compromise" (Van Rompuy 2014: 113-116) and direct "peer group pressure" (Van Rompuy 2012: 4). For outside observers it is extremely difficult to capture the difference between sitting together for hours face to face around a table and exchanging views online. The online meetings of the EUCO have been relatively short and have apparently not created the same pressure to get to decisions like usually in long night sessions in the Europe building in Brussels. Online meetings also touch upon the question of confidentiality that is highly important for achieving some compromise. More than before media have reported about direct personal statements. As virtual meetings might become more regular it might be useful to embark on further research identifying and explaining constraints and dynamics of both forms of meetings.

8. A major issue for further studies is how the crisis management affects the inter-institutional balance of power in the Union's architecture. One traditional feature is that the European Council again claims political and procedural leadership: the formulations of the conclusions indicate that members of the European Council continue to initiate or steer further procedures: They 'invite' the Eurogroup, the Commission and the Finance ministers to take further actions. The political leaders also offer some kind of legitimation: They 'support' actions by the ECB, 'commend' the EIB Group's contribution and 'welcome' the Commission's guidelines.



The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein. **9.** Also in view of the inter-institutional balance the relations with the Commission are a matter of high relevance and ambiguity. The formulations tell us that the members of the European Council ask the Commission to pursue further important actions. It 'invites' and 'call on' the Commission to take actions. It empowers the Commission to plan major steps for the future – thus the road map for the exit strategy and the recovery fund. In our teaching lessons, we might test the Principal-Agent approach (Delreux and Adriaensen 2017). In such an exercise, we also should take into account that the Commission president has acted as a 'norm entrepreneur' during the Corona crisis. The EUCO takes up a lot of proposals put forward by the President of the Commission. In our teaching lessons we might discuss if the Commission has turned into a 'hidden principal' referring to Delors' claim to have captured "the intellectual control of the European Council's agenda" (Delors and Arnaud 2004: 226).

**10.** Also in view of the inter-institutional balance we need to look at the weak position of the EP. Crises are often said to be the 'hour of executives' in which governments exercise extra- constitutional powers. Within the European framework, this normally reinforces the role of the political leaders' institution. Like in former cases, although the EP is vocal, it is not part of the European Council's attention. For many actions of the crisis management, the Lisbon treaty does not allocate any legal power to the EP. In others, the members of the European Council implicitly expect no veto from the MEPs. The EP has already agreed on some budgetary allocations. If the EU budget, the MFF, will be used to mobilize more funds for tackling socio-economic consequences of the Corona crisis, the EP would need to give its consent. If the members of the European Council however agree on the use of the ESM or on the creation of Eurobonds, the EP indeed would have no say.

**11.** Analysing the activities and performance of the European Council in the Corona crisis management leads to a broad set of concrete and fundamental research topics. A point of departure might be a look at the formal nature of the public documents. We find 'Conclusions by the President of the European Council'. Like in the first years of the existence of the European Council, it is only the President who can be made accountable for the promises made in the document. On 28 march, we find another formulation: The text is entitled 'a joint statement of the Members of the European Council'. An interesting question for legal experts: do these formulations matter - what makes the difference to the formula of 'conclusions of the European Council', which is normally used since entering into force of the Lisbon Treaty. A first hint might be that these formulations are not a formal "act" of the European Council intended to produce legal effects vis-à-third parties, which 'the Court of Justice of the European Union shall review' (Art.263 TFEU).These formations are also explained as a consequence of just having a virtual meeting which does not meet the legal criteria. Another reading might conclude that the formulation 'joint statement' serves to create some kind of European identity.



**12.** A fundamental issue deals with a perennial question of the integration studies: the sources of the Union's legitimacy. For assessing this dimension, we need to define the notion of 'legitimacy'. In our teaching lessons: we can elaborate and discuss the assessment that this institution "draws upon the collective legitimacy of its leaders" (Van Rompuy 2014: 114) or as the institutional incarnation of the EU "a consensus model of democracy" (Lijphart 1999: 42).

**13.** The case of crisis management pushes us to study the use of 'sovereignty' as a key term of political science. Macron's demand to pursue a European sovereignty (France Diplomacy 2020) meets the famous claim by Carl Schmitt: "Sovereign is who decides on the exception" (Schmitt 2005: 5). In such an approach the European Council unites national leaders who pool national sovereignty to take major drastic measures in the emergency case which adds up to some kind of EU sovereignty.

14. For analysing the role and performance of the European Council in this crisis, a wide and different set of theoretical approaches could be used to identify and explain typical patterns of (international and European) bargaining: We need to identify national interests (including the final flexibility for each Head), the role of the presidency to facilitate cohesion and consensus, coalition (or alliance) building and perhaps some kind of power exercised by a Franco-German couple as a 'hegemon'. Key tasks for our analysis could be to test the theses of the European Council as "the political centre of the new intergovernmentalism" (Puetter 2014: 62) or the "Union Method" (Merkel 2010: 6), as a key institution in the development of "post democratic executive federalism"(Habermas 2012: 12) or as the driver of a vertical and horizontal fusion process (Wessels 2016: 18-20).



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## Find out more...

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