

Europe's fight for health and unity

László Andor

In March 2020, European countries were suddenly overwhelmed by the Covid-19 pandemic originating from China. The unprecedented nature of this shock may explain why most national governments, together with leaders of the EU institutions, responded to this emergency with delays as well as inconsistency. On the other hand, it was quickly understood that the challenge was to tame a healthcare, economic and social crisis simultaneously. The search for appropriate tools and strategies began.

Covid-19: a medical emergency

What did the world know about the new coronavirus, or Covid-19, in March 2020? Not much, apart from the fact that it probably started to spread from a market in the city of Wuhan in China, and that various animals may have played an important part in transmitting it to humans. It was feared, and then quickly proven by statistics, that Covid-19 was much more dangerous than, for example, the better-known influenza virus. Covid-19 would spread faster, and it would also be deadlier. Five to six times deadlier.

As more and more people fell ill also in Europe, and Covid-19 became the top issue of public discourse, our daily life changed. More frequent hand washing was recommended to all, and hand sanitising gels appeared in public and workplaces. People dropped the habit of the handshake, occasionally replacing it with fist or elbow contact. Kisses have been counter-advised, even in intimate relationships. Wearing face masks became increasingly common, and often mandatory in closed spaces.

While all such behavioural adjustments played an important part, the central element in the anti-Covid strategy of European governments is the enforcement of social (or rather physical) distancing, and the 'lockdown', at least in the first phase when the spread of the virus had to be brought under control with courage and determination. Quick and comprehensive lockdown paid off where it was applied, and the failure to cancel major sports events or mass rallies resulted in an explosion of the disease in Italy and Spain, as well as in the United Kingdom. Not preventing the domestic travel of the population (from North to South, from urban to rural locations) was also a sign of initial policy failure, especially in France and Italy.

The emergency measures were inevitable to the extent that there was no known vaccination to prevent Covid-19 or treatment to cure it. And in the absence of effective vaccination, our society has to be prepared for further lockdowns if needed. However, the patterns of the various lockdowns can differ, depending on many factors, including the intensity of the pandemic, the resilience of healthcare systems, and economic considerations. Whether and how exactly to limit shopping, and to what extent standard schooling should be suspended, have represented major dilemmas for governments. When taking emergency measures, governments have to factor in the lack of adequate attention to other (conventional) diseases in case the fight against coronavirus is prioritised. They also have to factor in the consequences of lockdowns and other restrictive practices on mental health.

Since those contracting Covid-19 do not show symptoms for about a week (on average), the availability and intensity of testing became a strategic factor in the phase of taming the pandemic and also when the name of the game was pushing it back. It was understood that eliminating coronavirus requires tremendous coordination and collective sacrifice, while eradicating it is practically impossible. According to top US expert Anthony Fauci, 70-85 per cent of the population would need to be vaccinated to reach herd immunity (or population immunity), meaning that a large portion of a community becomes immune to the disease thus making the spread of it from person to person unlikely.

Trial and error

In Spring 2020, government policies as well as public expectations were aligned on a model dubbed 'Hammer and Dance'. This assumed that in the first phase, when the pandemic finds societies and their governments unprepared, infection would skyrocket, and only be pushed back by severely enforced distancing and lockdown. This might be a relatively short period, a matter of a few months. However, it would be followed by a much longer period, when various lockdown measures would be gradually eased but reinforced again if the spread of the virus accelerates again. The general assumption was that the scale of the problem would never return to the level experienced in the first period. However, in the last quarter of 2020, we saw that this expectation was wrong, at least as concerns Europe and North America, and not without consequences.

In other words, it was not only in the first phase of the crisis response that 'trial and error' became a widespread phenomenon, but also (and perhaps even more) in the second half of 2020. It was understood that countries that pushed back Covid-19 effectively, especially in East Asia (South Korea and Taiwan to be mentioned first of all), applied rigorous testing and contact tracing. This did not, however, result in a unique best approach that could have been copied in other countries. Some in Europe (eg, Slovakia) embarked on comprehensive testing of the population, but this, just like contact tracing, remained a matter of capacity and subject to various other considerations.

The most well-known example of a failed attempt is the short-lived British strategy of herd immunity without vaccination, which became unpalatable as soon as it was understood that it

is based on the calculable death-ratio of the older generation. And the UK was not alone in this approach. It could be found in the Dutch as well as the Swedish anti-Covid-19 policies, and in every other country where the enforcement of the lockdown strategy was not too forceful. Sweden remained committed to a public trust-based policy which, by the end of 2020, had produced a higher level of fatality than comparable European countries.

Herd immunity without mass vaccination was surely not the only flawed idea. For example, some governments attributed great importance to contact tracing, ie, a process of identifying the people who may have come into contact with someone already known to have been infected, but without mass testing or adequate restrictions on mass gatherings and meetings. The military was rolled out here and there either to help with logistics or with control, and the autumn period also saw curfews of various types becoming popular. Travel restrictions became widespread, with attempted selectivity linked to the presence of coronavirus in various countries or regions of origin.

The first lockdown in the spring was essentially about saving the health systems of EU member states by avoiding a sudden rise in coronavirus cases, which would have been unmanageable by the hospitals. The most frightening situation was observed in March 2020 in (North-) Italy, where doctors had to decide who received treatment and who had less chance of surviving. Within a few months, the pandemic in Europe was tamed and health capacities were restored, so a new phase with fewer restrictions was allowed. However, the virus came back after the holidays, and the 'dance' began anew, with another round of restrictive measures.

The second lockdown cycle in the last quarter of 2020, however, was different from the first. What was at stake this time around was not so much the healthcare but the education system, and especially primary education. We all turned to online teaching and learning in the spring, but this forced experiment showed that the performance was inferior to conventional schooling. Without an effort to partly restore standard forms of education, the next generations would suffer, and knowledge and skill inequalities would grow enormously. For schools to be reopened, and parents to be allowed to focus on work if they could, there would need to be sacrifice elsewhere. This not only had to be coordinated but also publicly consulted.

The first lockdown in the spring was essentially about saving the health systems of EU member states by avoiding a sudden rise in coronavirus cases, which would have been unmanageable by the hospitals

Economic and social consequences

The impact of the coronavirus crisis on economic growth was immediate and heavy. Among the OECD member countries, GDP dropped substantially in the first quarter of 2020, despite the fact that most governments in OECD countries had put meaningful containment measures in place as early as the second half of March. The second quarter of 2020 recorded a dra-

matic fall in all OECD countries, without exception. On average, GDP was expected to fall by 13.2 per cent in the second quarter of 2020 across the OECD, exceeding the rate of decline at the time of the Great Recession (2009). GDP fall was expected to be particularly severe in Spain and in the UK (-19 per cent), but also in France and Ireland (-18 per cent).

Some specific sectors, like tourism, (long-haul) transport, hospitality, and entertainment, suffered massively in 2020 and these sectors contributed disproportionately to rising unemployment. By contrast, digital products and services saw a rise in demand, which meant that the digital giants experienced further growth and rising market shares as a result of Covid-19. The need to continue certain types of economic activity despite the health emergency gave rise to a new term: key workers. Very often those key workers originated from other countries, which required special transfers to get them to their workplaces, after the first phase when they were simply sent home due to medical concerns.

In 2020 one could detect a significant, if not compelling, contrast between the austerity-focused answer to the eurozone debt crisis in the 2010s and the willingness to engage in counter-cyclical policies, job as well as income protection during the current 'coronavirus recession'

In 2020 one could detect a significant, if not compelling, contrast between the austerity-focused answer to the eurozone debt crisis in the 2010s and the willingness to engage in counter-cyclical policies, job as well as income protection during the current 'coronavirus recession'. This time around it is not only progressives but also most liberal and conservative forces that have adopted or advocated Keynesian policies. Fiscal restrictions but also competition rules were sidelined very quickly. The rise in public debt as a result of Covid-19 was a given, suddenly making the somewhat controversial Modern Monetary Theory (MMT) the intellectual winner of the day. But even outside the cult of MMT, it had to be recognised that public investment had suffered just too much in the previous (neoliberal) decades, and a major correction was needed.

Suddenly, what Richard Nixon had said 50 years earlier became very true: "we are all Keynesians now" (even if this was a kind of emergency-Keynesianism, in many cases one without conviction). But allowing public deficits to grow well beyond standard ceilings was not the only policy: practically, all European governments introduced either short-time work schemes (STW, or *Kurzarbeit*), or wage subsidies, or new income protection schemes, or a combination of them. These schemes varied greatly in terms of generosity, but in most cases, they had to be extended well into 2021.

A variety of studies looked into the effects of Covid-19 from the point of view of intergenerational and gender balances. It was established without difficulty that as a life-threatening virus, the new coronavirus is particularly dangerous for the old generation. Younger people can also fall victim to it, but mainly if there is an underlying health condition, like diabetes or obesity. The threat to youth was more indirect: even though the elderly died disproportionately, the economic burden on the young increased, due to their high representation in essential jobs and the gig economy. Similarly, significantly more victims of Covid-19 have been men

than women. But again, the burden on women, especially on those working in the health and care sectors, grew disproportionately in 2020.

The Covid-19 health crisis and the resulting economic recession provided an opportunity for progressive governments to demonstrate their added value, and this indeed became widely acknowledged, especially in cases like Finland, Denmark, or New Zealand. Sensitivity to the gender aspects of the crisis is one of the most important features of this special performance. The key is to emphasise policies that ensure the most vulnerable members of society have a safety net on which to rely during the crisis, and policies that ensure that the restart of the economy is done with more social fairness and improving income distribution patterns.

The Covid-19 health crisis and the resulting economic recession provided an opportunity for progressive governments to demonstrate their added value

Budget revolution: solidarity reborn

In two recent crises, the European Union spectacularly failed to produce coordination and solidarity. First, with the euro area debt crisis, almost all the wrong policies were tried before the path of shared recovery was found in 2012. Then in 2015, the refugee crisis exposed deep divisions that prevented the EU from acting forcefully and saving the lives and dignity of migrants. The reputation of the EU suffered both internally and worldwide as a result.

It is vaguely right to say that the pandemic is a symmetrical crisis, but in the imbalanced context of the Economic and Monetary Union, the coronavirus-driven recession can lead to hugely asymmetric consequences, further increasing the vicious (path-dependent) polarisation between North and South. The nasty spats in the Eurogroup were quickly foiled, but a sustainable solution that would represent a win-win arrangement for the entire EU requires a grand bargain, which eventually came about in July 2020. Although many steps still have to be taken for the implementation and effectiveness of the new recovery instrument, May 2020 saw a spiritual change which, if sustained, can turn out to be a game changer not only for the short-term economic recovery but also the longer-term reconstruction of the EU.

After discussing the subject in a record storming 100-hour long meeting, the European Council of July 2020 decided to create an effective fiscal capacity against the recession that has been triggered by the Covid-19 pandemic. The main products are the newly conceived anti-crisis fund (NextGenerationEU, or NGEU), and the seven-year EU budget (Multiannual Financial Framework, or MFF) to which the NGEU is attached. In terms of size, the most significant component of the package is the Recovery and Resilience Facility, which consists of large-scale financial support (up to €310 billion in grants and up to €250 billion in loans) to both public investments and reforms, focusing on green and digital transformations.

But a breakthrough in one area does not necessarily mean progress everywhere. Quite the contrary: sometimes there is a price to be paid for a critical advance, and we saw an

example of that here. The European Council was about to include a decision on a serious and effective rule of law mechanism as part of the MFF deal, but eventually the adopted language did not go beyond the usual generalities. The main reason is that the European Peoples' Party (EPP) is unable to sort out its internal divisions on this question. But another reason is that the so-called frugal four (Netherlands, Austria, Sweden and Denmark, later followed by Finland to make it the frugal five), decided to misuse their political capital, and instead of focusing on improving the functioning of the EU budget they were keen to achieve symbolic victories.

While this could be portrayed as prudence, and the democratic representation of taxpayers' interest, the frugal group did cause significant damage to the EU budget and through that to the community spirit. Instead of using the post-Brexit opportunity to bury the poisonous practice of rebates, they asked for them to be increased even further. In the conventional budget (MFF), the frugal group weakened the tools that represent a clear European added value in resource allocation and that deliver European added value (eg, Erasmus, Just Transition). And in the new budget component (NGEU), they insisted on reducing the transfer share in favour of the loan share, making it a little bit less effective to help the regions that suffer most from the pandemic-driven recession.

Eventually, the new budget package was adopted at the end of 2020, after the European Council and Parliament agreed on all elements of the jigsaw puzzle. However, given the deeper than expected recession, and the stubborn divergence within the euro area, it was already doubted by experts (eg, Philipp Heimberger) whether the funds would be sufficient to counteract the risk of economic and social polarisation.

German leadership and presidency

The repositioning of Germany in the European debate was a precondition for the new fiscal approach to emerge at EU level. Chancellor Angela Merkel, who had already brought about major U-turns in German domestic politics (on family policy and nuclear energy, as well as immigration), now orchestrated another one that has extraordinary significance for the survival of the European Union. The fact that Germany, thanks to SPD politicians and intellectuals, shifted away from its own frugal legacy in time, makes it possible today for Berlin to be the driver of this process.

The repositioning of Germany in the European debate was a precondition for the new fiscal approach to emerge at EU level

In May 2020, one week before the Commission's MFF proposal, Angela Merkel publicly aligned herself with Emmanuel Macron's position on economic governance, who had not received adequate response from Germany for years.

Ironically, the controversial decision of the German Constitutional Court on ECB competences contributed to the shift of position in Berlin, by setting limits on ECB action and, perhaps unintentionally, prompting fiscal policy into action to avoid the risks of over-reliance on the ECB.

The German presidency of the EU Council in the second half of 2020 was an additional, very favourable, circumstance that facilitated the necessary political decisions. The German coalition government took over the rotating presidency of the Council of the European Union on 1st July, at a critical time which, even without the Covid-19 crisis, would have been a decisive juncture. Coronavirus and its aftermath allowed the German government to play an extraordinary role in shaping the future of the EU, and the earlier presidency plans had to be adapted accordingly.

The preparations of an EU presidency take several years and thus the German priorities for the second half of 2020 had to be developed well before the actual start. In a larger basket of policy issues, resetting EU-UK and EU-China relations stood out as major items. It was also assumed that Germany would have a deal-making role to play on the Multiannual Financial Framework (MFF), should earlier attempts fail to deliver the EU's seven-year budget. And the German agenda just grew and grew as the preceding presidency, that of Croatia, became engulfed by the coronavirus pandemic and its consequences exactly at half-time. It is also true that the community expects less from smaller and newer member states holding the presidency.

The Covid-19 crisis quickly showed that the minimalist approach of the EU's role in emergency management was not sustainable. This role involves not only ex-post solidarity coordination, but also the establishment of greater safety and stabilisation mechanisms, including in finance. Consequently, the German presidency did not simply have to broker a new budget for the European Union, but to create consensus on one that had to be reinvented within only a few weeks. This is the area where the Covid-19 crisis triggered the most profound paradigm shift for Europe, which could also be called the Copernican revolution of EU public finance.

Besides fiscal affairs, the social dimension of the German presidency is also worth mentioning. The German coalition government was preparing for Council conclusions that would endorse minimum standards at EU-level for national minimum wages. The idea is not to define a uniform level of minimum wages in all EU countries, but to make setting minimum wages transparent and predictable and to ensure the involvement of social partners. A general requirement is that the institution of the minimum wage should contribute to a decent standard of living for all workers in the EU. The German presidency's ambition, on the other hand, went beyond the question of minimum wages and stretched to minimum income schemes. More precisely, Germany wanted to see minimum standards at EU-level for minimum income protection schemes, in order to protect people from poverty and social exclusion everywhere in the EU, and to facilitate labour market inclusion and serve as an economic stabiliser in times of crisis. In the current circumstances, the importance of minimum income schemes is also highlighted by the need to combat the socio-economic consequences of the Covid-19 pandemic. Overall, the German presidency helped bring about significant steps forward in the social dimension, and also helped prepare the ground for the ambitious Portuguese presidency of the Council.

An EU that does not blink

Although widely celebrated during the summer holiday period, the EU's new fiscal package was not a done deal until December. The seven-year financial framework (MFF) and the recovery budget (NGEU) of the European Union were taken hostage by a bitter dispute over the rule of law. The European Parliament established itself as a guardian of EU values, imposing its requirements at least on the spending machinery of the Union.

Following the July European Council, the German presidency was working on a smooth solution, which the majority of MEPs considered too light to be able to deal effectively with certain rogue governments in the East. However, once the European Parliament had ensured that the mechanism would be equipped with real teeth, the two most affected governments, Hungary and Poland, expressed their readiness to veto the fiscal package altogether. But it became clear that the Parliament's position was indeed rooted in popular support: over three quarters of European citizens wanted to see a connection between rule of law requirements and EU spending, including more than 7 out of 10 Hungarians who also agreed with this conditionality.

Out of the two countries in focus, Hungary in particular infuriated the democratic-minded majority in 2020, since it was just too striking from the very start of the spring lockdown that Prime Minister Viktor Orbán would use the health emergency as another opportunity for a power grab for himself, and also an asset grab in full daylight for his entourage. The Polish government, on the other hand, faced a series of street demonstrations against its overreach on reproductive rights, while also experiencing some instability within its ruling coalition. The standoff ended with an agreement on the conditionality mechanism that followed the demands of the European Parliament, while at the same time allowing for some delay in implementation of the mechanism (due to the need for legal checks by the Court of Justice, and guidelines on procedural details by the Commission).

Those who had thought this process was exclusively targeted at Viktor Orbán, and that the EU could somehow instantly punish him with discretionary measures, voiced their disappointment.

The rule of law stand-off demonstrated that the European institutions can achieve what they want, and that they do not blink in a political poker game when giving in would pose a high risk to the integrity of the EU

But they were hoping for something that was not on the cards anyway. Essentially, the question was whether meeting rule of law standards was simply among the EU accession criteria, or if it should be something constantly monitored and consistently sanctioned during membership as well. Enacting this definitely is a breakthrough, even if much remains to be decided how exactly the practice of all this would develop.

The rule of law stand-off demonstrated that the European institutions can achieve what they want, and that they do not blink in a political poker game when giving in would pose a high risk to the integrity of the EU.

A similar skill was necessary to face down the right-wing demagogue prime minister of the UK, Boris Johnson, who was trying to negotiate a Brexit that at least partly delivers what he had always promised: the UK having its cake and eating it

at the same time. But the consistency of the EU position, as represented ever since the appointment of Michel Barnier as chief Brexit negotiator, remained firm and paid off. Following the announcement of the EU-UK deal just before Christmas, Martin Kettle, a columnist for *The Guardian*, commented: “Britain leaves the EU with its sovereignty compromised, its economy weakened – and its leader walking a tightrope”.

Leaving the EU was always an emotionally charged political proposition, and not an economic one. However, the effects of Brexit were not only the subject of speculation on the UK side but also on the side of the remaining 27 member states. The lose-lose nature of Brexit left no doubt that economic damage would be caused not only in the UK, but also on the continent. On the other hand, losing the most reluctant member of the European integration process raised some hope about a greater readiness of the remaining member states to pull together and deepen solidarity.

Already under the Juncker Commission, the Permanent Structured Cooperation (PESCO) was launched to develop cooperation in the field of defence policy. And the European Pillar of Social Rights was also adopted as an all-EU framework as opposed to applying only to the euro area, which was an option floated while there was still some optimism the UK could remain in the EU. Arguably, the lack of UK participation (and its obstruction) was an important factor behind the relatively rapid creation of the new fiscal framework in the EU, and promoters of ideas like the Health Union had found the development of a new policy area – where hitherto the subsidiarity mantra applied – much more difficult when they were facing fierce English euro-scepticism.

Towards a Health Union

The idea of a Health Union had already been raised before Covid-19, but the pandemic made it truly irresistible. It was reflected in the first State of the Union speech delivered by Commission President Ursula von der Leyen in September 2020, when she took the royal road to thank all the frontline workers of Europe and gave a positive response to the July decision of the European Parliament regarding the creation of a Health Union. As compared to the time until recently when those who wanted to shrink the Brussels bureaucracy routinely pointed to the health portfolio as one to be culled in the absence of real competences, this is now the territory of real breakthrough.

Needless to say, a Health Union would not mean that the EU would take over the healthcare services or health insurance within the member states. However, a shared health response mechanism could make a difference in case of future shocks, and a strengthened joint procurement mechanism would result in significant economies. Minimum standards in healthcare enshrined in a directive would help to prevent Eu-

**A shared health
response mechanism
could make a
difference in case
of future shocks,
and a strengthened
joint procurement
mechanism would
result in significant
economies**

ropean healthcare breaking up into first and second (and possibly third and fourth) classes, and the stress-testing of national healthcare systems could help spot weaknesses that require reform and investment to deliver according to citizens' expectations. The setting of minimum standards and stress-testing have to take place by paying attention to the fact that the Eastern enlargement of the EU, together with some of the asymmetric recessions, triggered large-scale migration of medical staff, including doctors as well as nurses, from the East towards the West and the North. Without some rebalancing effort, these tendencies could cause irreversible damage to the capacities in the countries of origin, and thus contribute to more general EU-sceptic sentiment there too.

However, the first practical task of the EU is to push back vaccine nationalism, which is a real danger highlighted by many, including Pope Francis. In his Christmas message, the pontifex opined that political and business leaders must not allow market forces and patent laws to take priority over making Covid-19 vaccines available to all, and he condemned nationalism and "the virus of radical individualism". Assuming a new role in coordination, the European Commission has made a great effort to ensure that all member states receive vaccine based on a fair distribution principle, and also that the roll-out began simultaneously everywhere in Europe. EU High Representative Josep Borrell has also outlined a vision for an international coordination role. In his view, vaccines must be treated as a global public good and distributed based on medical needs. In the Covid-19 context, the EU has had to assume a role in the coordination of the development and dissemination of the vaccine, the roll-out of which started at the end of December 2020.

What happened in 2020 demonstrates that healthcare as well as public education are central parts of our civilisation, or the 'European way of life'. It is therefore not primarily the overall consumption levels that will have to be restored after the pandemic, but the systems that support our social cohesion and enlightened values, with equality at the centre. The EU institutions, now committed to promoting the European way of life, have to play a role in forging consensus around this strategy. European coordination can help establish similar policies and similar practices in social behaviour, by which the legitimacy of crisis response measures can be strengthened, and by which our chance to survive the pandemic and preserve our European civilisation at the same time will also improve.

Pondering the future of Europe

Finally, we need to mention the greatest non-event of 2020, which is the launch of the long-awaited Conference on the Future of Europe (or CoFoE). The idea of a conference was developed at the time of the 2019 European Parliament elections, and the subsequent establishment of the Commission and the election of various leaders. European liberals were seen as the main promoters of the conference, and this was also confirmed by the designation of the former Belgian prime minister Guy Verhofstadt to chair it. According to the original timetable, it would have been launched on Europe Day 2020, but due to the Covid-19 crisis, it also suffered delays.

On 30 June 2020, the presidents of the European Commission, the European Parliament and the Council officially kicked off the negotiations on a joint declaration (JD) for the CoFoE. By outlining the objectives, content, scope, composition and governance structure of the conference, the JD will provide the cornerstone of an inter-institutional mandate for a complex two-year process. This process will determine whether the conference eventually leads to much-needed reform of the EU. The positions already set out by the three institutions overlap in some parts. Nonetheless, there are at least three key issues where the three institutions diverge profoundly, and compromise will probably be hard-fought: firstly, determining leadership; secondly, the question of treaty change; and thirdly, the post-conference follow-up. The positions of the Parliament and the Council, in particular, have remained diametrically opposed to each other on these issues, while the Commission has been much more cautious. The German presidency showed no enthusiasm at the start on the CoFoE, and remained consistent on this position until the very end.

Irrespective of the dynamics of the conference, a different European Union is already emerging from the Covid-19 maelstrom – first of all, in matters related to the EU budget, since a new type of fiscal capacity has emerged. This was only possible by breaking some taboos. To start with, the 1 per cent ‘ceiling’ has been broken, since the combined share of the new instruments as compared to the total EU gross national income amount to 1.8 per cent. Second, the EU countries will borrow jointly, and will do so for the sake of counter-cyclical stabilisation. And third, although you might have heard a thousand times in the past decade that the EU was not a transfer union, cross-country transfers will now be implemented from borrowed resources (to be repaid by 2058).

The EU performed better in 2020 than in the previous crisis partly because it immediately connected the economic crisis response with a social agenda. Already in March, the Commission had put forward a proposal for the creation of a European instrument for temporary support to mitigate unemployment risks in an emergency, or SURE, as it is called in short. But the social crisis response did not stop at offering loans in support of *Kurzarbeit* schemes. The Commission also came forward with a reinforced Youth Guarantee initiative, which was followed by a Child Guarantee initiative, inspired by the Youth Guarantee concept. In the following rounds of consultation, the Commission also put forward a legal instrument for minimum wage coordination, and another one to ensure pay transparency and thus promote gender equity in the economy. Unemployment re-insurance, which appeared in the von der Leyen programme in 2019, and among the tasks of two EU commissioners (Paolo Gentiloni and Nicolas Schmit), had to wait for the right momentum.

However, the question is not only about short-term relief but about the longer-term trajectory of the post-Covid era. The EU must therefore ensure that the environmental and social commitments outlined before the crisis do not get lost, but are instead reinforced in this new era. In the first phase of her mandate, Ursula von der Leyen highlighted the Green Deal, with

A different European Union is already emerging from the Covid-19 maelstrom: first of all, in matters related to the EU budget, since a new type of fiscal capacity has emerged

a single target to be attained by 2050. She then came forward with a robust social agenda. She entrusted these policies to Social Democratic commissioners: the first one to Frans Timmermans and the second to Nicolas Schmit. Together, they have to ensure that the Green Deal and the social agenda mutually reinforce each other and show the way to recovery. At the same time, a third progressive commissioner, Paolo Gentiloni, has the task of orchestrating the reform of EU economic governance and protecting the recovery from premature cuts.

With a well-engineered reconstruction strategy, the EU can find a way back to the spirit of “smart, sustainable and inclusive growth”. Its leaders will find partners in the new American leadership, which also considers the Covid-19 pandemic a reminder that our most critical challenges do not stop at national borders and can only be dealt with through coordinated action. Through transatlantic cooperation, a new chapter of multilateralism can be opened, with a strong focus on global sustainability and resilience.