

ISPI REPORT 2021

THE WORLD AND THE PANDEMIC EUROPE'S HOUR?

edited by **Alessandro Colombo** and **Paolo Magri**
conclusion by **Giampiero Massolo**



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THE WORLD AND THE PANDEMIC: EUROPE'S HOUR
Edited by Alessandro Colombo and Paolo Magri

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Introduction

In 2020, the Covid-19 pandemic inevitably captured our full attention. Of course, the year did not lack for other significant events bound to leave a deep mark on the international system: the completion of the Brexit process; the so-called Abraham Accords between Israel, the United Arab Emirates, and Bahrain in the Middle East; and at the global level, the end of the Trump presidency and Joe Biden's victory in the U.S. presidential elections. But they all faded into the background before the pandemic, so that a full awareness of these and other changes is only slowly emerging over the months.

Like all crises, the one triggered by the pandemic laid bare pre-existing tensions and vulnerabilities. Instead of being a turning point, the worldwide spread of Covid-19 has so far accelerated processes that had already been ongoing for at least fifteen years. The first chapter, by Alessandro Colombo, examines the processes that affected the international system as a whole. Much like the two other global crises of the early XXI century (the one triggered by the attacks of September 11, 2001 and the one that followed the financial crack of 2007-08), the pandemic led to globalisation being questioned once again. On the one hand, the pandemic produced the consequences expected by both the apologists for and the critics of the transition to globalisation: nation states lost political and decision-making independence, relinquished part of their ability to control communications, as well as transnational flows of capital, goods, and people. Meanwhile, borders became more porous,

prone to infiltrations and ‘contaminations’ of various types. On the other hand, the global nature of the pandemic served as a reminder of how states continue to hold significant powers of mediation, as they can facilitate or limit globalisation, their own sovereignty, or a balance between the two. Indeed, the role of the state and of national sovereignty has already become the political fulcrum of the matter, starting with the lessons drawn from the pandemic – if, as supporters of globalisation argue, it is proof of the urgent need to establish supra-national forms of governance, or, as its critics reply, the pandemic has shown once and for all that globalisation cannot be governed.

Secondly, the pandemic has already provided more fodder for the other crucial issue that will accompany us in the coming decades: the great struggle for the redistribution of power and prestige that will drive the political, economic, and ideological contents of the 21st century international order, an order that will be at least partly post-liberal, and even more likely post-Western. This competitive spiral will inevitably blend together with the “race for efficiency” in the fight against the pandemic. It is no surprise that initial signs of deterioration in the U.S.-China relationship already emerged in 2020, with Washington busily blaming Beijing as the initial culprit for the pandemic (Donald Trump’s “China virus”) and China showcasing its prowess both in its domestic management of the emergency and the external projection of health care and, later, economic aid.

The pandemic’s impact on the multilateral fabric of international coexistence appears more ambivalent. On one hand, the very nature of the pandemic should provide strong arguments for the re-launching of multilateralism: since the emergency seems to affect all actors equally, regardless of power, political regime, and location; since no single actor, no matter how strong, can attempt to solve the problem without the help of the others; and since only concerted efforts can contain the spread of the virus and keep its economic impact in check. On the other, 2020 once again laid bare the reasons behind the fragility of the current multilateral fabric, symbolised by the

controversies and clashes revolving around the World Health Organization, the international institution most directly involved in the management of the pandemic.

The volume explores the role and room for manoeuvre of the European Union in an international context disrupted by the pandemic; or in other words, whether the time for re-launching the EU is at hand. The signals coming from 2020 are mixed. On the one hand, the EU has certainly been weakened by Brexit. The last-minute agreement on future economic relations between London and Brussels cannot offset the scope of the loss of a country which, as recalcitrant as it might have been, was still a key point of reference in many fields, from economics and trade to military capacity. On the other, the EU seems to have managed not to squander the opportunity engendered by the crisis, reawakening from the immobilism that had tied it down for so many years, and managing to show unity and solidarity, perhaps even beyond the expectations of Europeans themselves. In this perspective, from the second chapter onwards, the impact of the pandemic on international political and economic relations is analysed from the specific viewpoint of Europe, both as a subject of international relations and as an object in the struggle between great powers. Europe is a subject because it has been called upon to respond to the health and economic emergency, hopefully driven by a renewed intra-European spirit of solidarity, or at least by the awareness of being faced with a decisive test. But it is also the object of a struggle between great powers that risks relegating the EU and its Member States to the margins, all the while forcing them to make increasingly demanding decisions about which side to take.

Europe as a subject is the topic of the second part of the Report. Franco Bruni examines the economic response to the crisis, which unlike many others was not rooted in the EU's shortcomings and weaknesses; and yet, shortcomings and weaknesses can impact the EU's resilience and its ability to withstand the trauma. For the time being, the European response has been positive and encouraging. In particular,

the scope of the measures adopted by the European Central Bank is unprecedented, as is the activism and the urgency of the Commission's response, which has been surprising both quantitatively and qualitatively. Under the leadership of its new President Ursula Von der Leyen, the Commission quickly put together a complex and highly ambitious plans, and closely followed its discussion in the Council, the search for compromise, and the wishes of the European Parliament, detailing each time the requested adjustments until its decision to use the EU budget and the 2021-27 Multiannual Financial Framework (MFF) to heal the wounds from the pandemic and, more importantly, to define a recovery plan to "re-launch the economy and ensure the EU's solidarity with the countries hardest hit". This plan, tellingly named Next Generation EU (NGEU), was approved by the Special European Council of 17-21 July for a total amount of €750 billion, and after painstaking discussions in the European Parliament in fall and several significant modifications, it was officially launched at the end of the year.

Due to its intergovernmental nature and the veto rights of individual countries, the Council often seemed to act as a brake on the structural progress that NGEU was fostering upon European integration. But discussions between national governments exploited French and German leadership, made it possible to flesh out the worries and objections of Member States, and tackled the incisive positions of the Parliament, with which the Council eventually came to an agreement on a bold and innovative programme. The main obstacles, which were eventually partly overcome, came from two groups of countries: the so-called frugal countries (Austria, Denmark, Sweden, and The Netherlands, later joined by Finland), and the Poland-Hungary pair. Whether all of what the EU managed to build in 2020 will actually translate into concrete results is something we will only know in 2021. The speed with which these investments will be made, along with their quality, will be the crucial test of the EU's renewed economic activism.

It thus appears best to suspend judgment and wait a few months before attempting to take full stock of the situation, especially since this will be affected by developments related to three factors. The first is that the pandemic is not yet over, and most of the policies to face it have not yet been implemented. Then there is the fact that the shock engendered by the pandemic, which interrupted entire sectors of the economy, has already affected both aggregate supply and demand and threatened to hinder the payment system, creating a sudden and serious liquidity crisis in households, businesses, and financial intermediaries. Finally, there are the hazards related to the fact that the subsidies that have been given, in addition to cash and credit provided to avoid liquidity crises, merely delayed the solvency crisis for many businesses, who will soon have to tackle it with new strategies.

Most of all, we must acknowledge that the final outcome of these measures will depend on the behaviour of the Member States. The NGEU and MFF were launched in spite of the obstacles that Poland and Hungary threw in their way, which concerned the matter of tying payments to respect for the rule of law, and the objections of the so-called frugal countries on the scope, composition, and governance of the payments. We can expect that both groups of countries will continue to raise objections to the implementation of the decisions that were made, and more generally to European integration. Whether frugal or transformative, these countries could cause problems to arise in the management of Community policies. And Italy's position with regards to these problems is particularly delicate.

The impact of the pandemic on internal mobility and the external borders of the EU has been more negative than positive, as Matteo Villa's chapter details. In recent years, EU Member States seemed to have gradually ironed out their differences on the governance of migrations at the European level, helped in part by very low flows of irregular migration, which made the issue politically less salient. In 2020, instead, the crash in regular flows – whether temporary or long-term – was accompanied

by a significant increase in irregular flows along certain routes, particularly those from Africa. A global recession such as the one caused by the pandemic may end up strengthening this trend: contracting salaries in low-income countries may induce more people to migrate towards regions where the quality of life is generally higher, in spite of the recession. The increase in migrant arrivals on the coasts of Spain and Italy seems to be a prelude of what might take place this year as well: under the looming threat of the worst global economic crisis since World War II, and with early estimates showing that income inequalities both within and between countries have widened, many people could decide to migrate to another country. The migratory pressure on Europe, driven by longstanding economic and demographic trends, may increase even more.

In the face of this, the European Union continues to appear unprepared for the challenge of governing migratory flows in a coordinated and collective manner. In addition to being extremely controversial from a legal standpoint, from a political standpoint the breakdown of the Schengen agreement along national fault lines reveals the failure of the *quid pro quo* that had always underpinned the existence of the free-movement area: internal border controls are eliminated on condition that the countries at the external borders of the EU strengthen theirs. In light of this political and legal impasse on internal borders, the Commission's remaining proposals focused mostly on those few aspects of migration policies that everyone agrees on: the strengthening of external borders, and where possible, the outsourcing of border controls to third countries.

Paolo Segatti's chapter analyses more broadly the impact of the pandemic on democracy. As in all major crises, Covid-19 has put every country under a stress test, first and foremost on the ability of the state to effectively fight the spread of contagion. Additionally, societal mores are also put to the test. The latter are important sources of consensus which leaders turn to both to mobilize the citizenry in the fight against the virus and to justify the choices made during the emergency. In other words,

they represent both constraints and opportunities to be taken into account.

What's more, Covid-19 emerged at a time when democracy – including in Europe – was already under stress. Hence the questions at the heart of the chapter: to what extent did the emergency measures taken by governments starting in March 2020 affect democracy levels, and in which types of regime have violations been more frequent? Has there been a rollback of democracy compared to 2019, and in which types of political regimes has this happened? Available studies suggest that about one-third of all countries and one half of all democracies have seen no or minimal violations of democratic standards. In nearly one hundred countries, however, measures to fight Covid-19 seriously affected democracy levels in one or more of the seven areas examined. This has been particularly true in electoral autocracies. Broadly speaking, Covid-19 strengthened trends towards authoritarianism, especially in countries where democracy was already shaky. But we have not yet entered a democratic emergency.

While Paolo Segatti's chapter deals with domestic developments within individual countries, Beda Romano's focuses on the evolution of relations between European countries. The historic decision to give the European Commission a mandate to borrow from the markets €750 billion to finance the re-launching of the economy marked a step forward in European integration, and within Europe, in the cooperation between France and Germany. For decades, Berlin had been very wary of taking on debt together with its partners, or even worse, mortgaging existing national debt. The economic crisis provoked by the pandemic forced it to profoundly rethink its stance.

By the same token, the health and economic crisis blew the lid off an imbalance in the Franco-German relationship that had been brewing for years. Germany clearly prevails on the economic, demographic, and political fronts. France defends her position thanks to her nuclear weapons, her permanent seat

on the Security Council, and the grandeur of its past, which the country continues to flaunt on the international stage in spite of its anachronism. In the eyes of the French, more European integration achieved through more shared debt is a way to water down and re-channel Germany's new strength.

But the strengthening of the Franco-German couple will not solve all of the cohesion issues within the European Union. From a political standpoint, the exit of the United Kingdom from the European Union has shattered a decades-old equilibrium. France and Germany have lost a partner that allowed Berlin to have an ally when it came to defending the free market from economic dirigisme, while Paris could rely on Britain to counterbalance Germany's strength. Other countries have also lost a traditional ally: Dutch and Polish nationalists will no longer be able to play the British card to justify controversial choices. From an economic standpoint, the pandemic risks creating new imbalances both between and within European countries. Social crises at the national level could accentuate political tensions at the European level, in spite of increasingly shared resources. The fact that the pandemic has emerged as the world outside grows more uncertain and aggressive can only exacerbate the situation.

The third part of the Report shifts its focus from the internal sphere to the external one, namely Europe's relations with the other main stakeholders and areas of the international system. It begins with a general overview by Davide Fiammenghi and Andrea Locatelli of Europe's re-positioning within the international context. It is currently difficult to estimate the effects that the pandemic might have on Europe: the EU's efforts to adapt to a post-Covid-19 strategic context will depend on factors external to the Union (or at least factors over which European institutions will have limited influence), such as competition between the United States and China or the economic impact of the pandemic. In other words, the scope of this re-positioning will be proportional to the changes in the international order, especially if the pandemic should end up

accelerating the geopolitical competition between the United States and China.

In light of this perspective – which is admittedly unfavourable for the Union and its Member States – the EU will have to strive to be prepared for the challenge: while on the one hand a determined effort to ensure procurement of strategic resources suggests improved resilience in the future and greater economic and strategic autonomy, on the other the EU risks being dragged into a rivalry between the two superpowers in spite of its limited ability for intervention, with a focus on civil rather than military missions.

Indeed, the pandemic will probably have a significant impact on Europe's defence. As difficult as it is to make predictions at the moment, while uncertainty still reigns over the duration of the emergency and its economic consequences, we can reasonably expect cuts in defence spending. As much as we can legitimately assume that some countries (such as France) will not be affected as much, the outlook suggests an increase in the military gap between Europe and the United States, and as a result, increased dependence on NATO.

The chapters that follow focus on the evolution of Europe's relations with the three key actors on the current international political stage: United States, China, and Russia. Mario del Pero examines the evolution of transatlantic relations as they grapple with the transition from the Trump to the Biden administrations. The Trump years saw the open questioning of the pillars of U.S.-Europe relations, and a crisis – partly apparent, and partly real – in every sphere of the relationship: ideological, cultural, economic, strategic, and military. The American attack on Europe was driven partly by the hyper-realist and “sovereinist” philosophy of the Trump administration, which shaped its view of international relations. On the other hand, these cracks in the relationship reflected some historical criticisms that had long characterised the U.S. position on transatlantic relations (and on NATO in particular), and which Trump simply took up again, albeit in his usual coarse and aggressive tone.

Nevertheless, transatlantic relations held up to the challenge. In spite of Trump's threats, NATO continue to operate as if on autopilot, which often limits its efficacy, but does preserve its stability. Trump's promise to reset relations with Russia clashed against the opposition of much of the U.S. political landscape, with the revelations about Moscow's interference with the 2016 elections, and with the preservation of a firm line with regards to the Russian rival. The theoretical reduction of Europe's geopolitical centrality in Asia's favour may have spurred the EU's efforts to search for a greater degree of strategic independence, but it also created the conditions for establishing a new potential Euro-American front against the Chinese giant.

This strategic triangle will remain relevant in the expected re-launching of Euro-American collaboration under the new Biden administrations. The dilemmas and problems of the last four years are destined to persist during the Biden era as well. At the same time, within the United States there is strong resistance to re-launching forms of free-trade multilateralism that have been partly discredited, unless new clauses are added. This was evidenced by the revision of the North American Free Trade Agreement (NAFTA), in which Democrats played a key role, which brought about the new United States-Mexico-Canada Agreement (USMCA) that entered into force in July 2020. These clauses provide more protection for the environment and workers, and most importantly, they target transnational production and distribution chains, with the ultimate aim of reducing China's role. It is highly likely that such an approach – perhaps the only truly viable one to re-launch trade negotiations – will characterise any Euro-American dialogue as well. This would put Europeans in front of a clear conditionality linking the strengthening of transatlantic integration with its use in terms of containing China.

Relations with China are the topic of the next chapter by Guido Samarani. The most striking change that took place in 2020 regarded the overall status of these relations, and particularly the drastic worsening of China's image in the eyes of the European media and public opinion. Nevertheless, the

very last days of the dramatic year of 2020 brought the positive and important news of the adoption of the Comprehensive Agreement on Investment on the part of Brussels and Beijing. Negotiations for this agreement had begun seven years earlier, and its conclusion should make the European and Chinese economic blocks more interdependent, while guaranteeing European investors unprecedented access to numerous market sectors in China (telecommunications, finance, electric and hybrid automobiles). While Beijing emphatically celebrated the agreement, there was no shortage of criticism and discontent – which will undoubtedly continue in the future – coming from a number of quarters, especially, and predictably, from the United States.

Relations between Europe and Russia, examined in the chapter written by Aldo Ferrari, are even more fraught. Since 2014, they have embarked on a downward spiral of mistrust and reciprocal recriminations. The changes brought about by Trump's unorthodox presidency, with his tendency to treat Europe with little sympathy, were unable to cast the relationship between Moscow and Brussels in a new light, and neither was China's impetuous growth. In fact, after the crisis of 2014, when Russia found itself isolated from Europe and under its sanctions, it stopped considering it its main strategic partner and significantly turned its eyes eastwards, and particularly towards China, further accelerating a process that had begun several years earlier.

This negative trend continued in 2020, with the health crisis unable to mitigate it. Instead, the pandemic drastically reduced student exchanges, tourism, and business trips, compounding the current difficult situation with limited personal interactions. Additionally, the recent constitutional changes adopted in Russia, which perpetuate Putin's hold on power, the poisoning of leading opponent Aleksej Naval'nyj, and the support given by the Kremlin to Lukašenko in Belarus further widened the gap between Moscow and Brussels, introducing new causes of friction without smoothing out existing ones.

Finally, the last two chapters re-trace the evolution of Europe's relations with two of its key areas of interest: the Mediterranean and Middle Eastern area and Sub-Saharan Africa. There have been both negative and positive developments, especially since the European Union still appears unable to speak with a unified voice during major crises, due not only to the different ways its Member States perceive threats and interests, but also by the fact that foreign policy still remains very much in the hand of national governments. The Mediterranean and the Middle East is the focus of the chapter authored by Armando Sanguini and Ugo Tramballi. Broadly speaking, in the Mediterranean area the pandemic, which caused tourism and energy demands to crash, compounded pre-existing problems including conflicts, social and economic hardship, and weak governance. The main new development of 2020 concerned the so-called Abraham Accords, which seem to be about to usher in a revision of the region's geopolitical map. Saudi Arabia's adhesion to this revision is pending, but it has been one of the driving engines of the normalisation of relations with Israel, towards which it has long adopted a more open stance, as part of a broader anti-Iranian and anti-Turkish effort.

What is Europe's role, then? Considering that two U.S. presidents (Barack Obama and Donald Trump) over the course of three terms have tried and failed to extricate the United States from this region of "endless conflicts", and that Putin's Russia has attempted to exert power politics with little to show for it, it is difficult to imagine that the European Union could do better. This is all the more true since one of its Member States, France, seems to act as if it were still the power it once was, far more interested in its own national interest than in the collective European one. On top of this, the region's countries continue to prioritise their own political, economic, and security relations with individual European countries instead of using the shared filter of Brussels. This is especially true with regards to the most important actors: France, the United Kingdom, Germany, and Italy.

In Libya, the oil blockade imposed by Haftar has been lifted, followed by the signing of a permanent ceasefire (on October 23, 2020 in Geneva), and finally by the launch of the Libyan Political Dialogue Forum for the creation of “transitional institutions” and the drafting of the dispositions related to the national elections scheduled for late 2021. The European Union gave much-appreciated political and operational support, within the limits imposed by its internal disagreements, especially on issues related to migration and energy. Nevertheless, it remained a step behind other actors, Russia and Turkey in particular.

The EU has played a more visible role in its complex, see-saw relations with Turkey. The eastern Mediterranean plays host to two European priorities: the millions of refugees attempting to reach the old continent, and the oil fields whose exploitation directly involves two EU Member States (Greece and Cyprus) and affects economically many others (France and Italy foremost among them). For this reason, the key to the solution of the former and the latter problems lies mainly with Turkey, and in the coming months, relations with Ankara will probably be the measure of the success or failure of Europe’s foreign policy.

Finally, Giovanni Carbone looks at the evolution of relations with Sub-Saharan Africa, which are crucial for the stated and ambitious goal of making the EU and the Commission a “geopolitical actor” on the global scene. Europe needs African countries as allies in multilateral fora (in particular to defend a “rules-based international order”) as contexts in which to begin flexing its muscles as a geopolitical actor. For the EU, African countries are expanding markets for trade and investment, whose development should be accelerated in part to stem the impulse to leave on the part of an extraordinarily fast-growing younger generation of Africans.

These are the premises underpinning Brussels’ official launch of a “New comprehensive strategy with Africa” on March 9, 2020, as a basis upon which to draft a shared document to be adopted at the next AU-EU summit. The summit, originally

scheduled for October 2020, was subsequently postponed to 2021 due to the Covid-19 pandemic.

In spite of the initial good intentions, the proposed strategy immediately encountered a series of obstacles, even before its adoption. There was no lack of criticism concerning its contents, due only partially to their substance – the fight against poverty, for instance, is essentially left out – and in large degree to the breadth of its scope and its inability to select and identify priorities. Secondly, African states themselves have been rather cold – albeit not negative – in their initial reactions, especially given their suspicions that Brussels would persevere in its vice of unilaterally coming up with “packets” that are then presented as shared initiatives. Additionally, in spite of much common ground, there are still differences in the strategies of individual EU Member States with regards to Africa. In particular, the larger countries continue to pursue their own individual interests in the region, at least to a certain degree. Finally, the explosion of the Covid-19 pandemic exactly as the draft of the new strategy was being announced made it even more difficult to drum up enough genuine political support within the EU.

The question around which the entire Report revolves thus remains open: will the pandemic finally usher in Europe's time? Although it is not yet possible to predict the final impact of the crisis, the preliminary balance as of today is rather ambivalent. On the one hand, the launch of the great “recovery plan” to “re-launch the economy and ensure the Union's solidarity to its hardest-hit members” (with the ambitious name Next Generation EU) appears to testify to the Commission's ability to take the initiative and to do so with urgency. On the other, the new and old problems that have plagued the Union for years remain: different interests and even political cultures between Member States, which have barely been kept in check by the re-launch of Franco-German cooperation, and the divisions they engender in terms of managing major common issues such as the economic crisis, the management of migratory flow, the development of a common European defence, and even

relations with other major world powers, the United States, Russia, and China foremost among them; and the struggles of liberal democracy itself, even within Europe. That all these vulnerabilities are all manifesting themselves in an increasingly unstable international context, in which Europe is struggling to carve out a role for itself on par with that of the other key players, only makes things more difficult.

Alessandro Colombo
Paolo Magri

PART I

THE INTERNATIONAL CONTEXT

1. COVID-19 and the International System

Alessandro Colombo

Like all major crises, the Covid-19 pandemic has unmasked what was hidden, latent or missing in the depths of domestic and international societies: fundamental antagonisms, hidden ruptures, and parties deceiving themselves about their identities, values and interests.¹ As political realism has taught us, a crisis is like a flash of light that illuminates what has been forgotten, overlooked or even deliberately buried in calmer times.² In this case, light has been shone on the fictitious nature of identities (of “national” States, “regional” or “universal” international organisations, the “international community”), inequalities in economic and political power, the residual legitimacy and efficiency of institutions, the true vulnerability of peace and the internal cohesion of all political units.

However, although the crisis triggered by the pandemic certainly reveals many things about social and economic balances in all countries, it is hardly a defining factor. This is precisely why one should not be caught in the glare of the poor analogy between the fight against Covid-19 and a war. For good or bad, wars are moments of simplification.³ The results

¹ On the meaning and impact of major crises, I will take the liberty to suggest A. Colombo, *Tempi decisivi. Natura e retorica delle crisi internazionali*, Feltrinelli, Milan 2014.

² K. N. Waltz, *Theory of International Politics*, Reading, Addison-Wesley, 1979, in the version translated into Italian as *Teoria della politica internazionale*, Il Mulino, Bologna 1987, p. 283.

³ For this “constituent” interpretation of war, see for example R. Gilpin, *War and*

of wars determine who has the power and who grabs the right to lead what we normally emphatically (and hypocritically) call the international “community”. This is also why the outcome of a war determines the political, economic and ideological order of the next rulers, what will be considered as “normal” and “abnormal” and what *lingua franca* will best express the new gospel of normality. Of course, war also paradoxically creates an evident and reassuring interpretation of oneself and subsequent events in history because, by placing all the blame on the defeated side, war provides the basis (and the continual renewal of this basis) for the innocence of the victor’s power. The post-Covid period will see none of this. Indeed, rather than clearing the playing field for the emergence of some new blend of politics, ideology and institutions, the pandemic will most likely only accelerate the trends towards disaggregation and competition that have been around for at least the last decade and a half, since the political, economic and ideological architecture of the New World Order forged in the wake of the Cold War began to break apart.

Pandemic - The Third Global Shock of the XXI Century

It is still too soon to predict the political and economic consequences of the pandemic, but it is already possible to define what the pandemic was and what it continues to be. Covid-19 was the third major global shock of the XXI century. The first was clearly the terror attack of 11 September 2001 and, more importantly, the consequent global War on Terror. The Twin Towers attack also stands symbolically at the beginning of the century. The effects of this trauma on globalisation were ambivalent. On the one hand, by literally foregrounding the catastrophic side, the attack on America was the first major

Change in International Politics, Cambridge, Cambridge University Press, 1981; tr. it. *Guerra e mutamento nella politica internazionale*, Bologna, Il Mulino, 1989.

sign of an inversion in the triumphal rhetoric of the previous decade. On the other hand, the War on Terror did not cause globalisation to slide backwards. In fact, it militarised it and gave it a hierarchical form, providing legitimation for the strongest to constantly monitor the areas “at risk”, encouraging the extension of various ways of enforcing internal rights in other lands, and geographically and functionally broadening traditional policing roles well beyond state borders.

The second shock was caused by the financial and economic crisis of 2007-08. This time, the political and economic organisation of globalisation was genuinely upended. Indeed, the reasons for the spread of the crisis were the complete opposite. In 2001, the shock was caused by an attack *on* the United States, this time the crisis started *from* the United States because of domestic imbalances. Rather unsurprisingly, the reputational impact of this trauma was also practically the opposite. The 11 September attack, at least initially, reinforced the leading and guiding role of the United States in the international community. But the financial collapse of 2007 put the “American model of free-market capitalism under a cloud”,⁴ as the former Treasury Undersecretary of the United States Roger Altman realised only a few months later. The great crisis of 2007-09 was not followed by any “joint” mobilisation of the international community that could be compared – at least rhetorically – to what had happened against terrorism. This time, each player interpreted and reacted to the crisis in its own way, causing much breaking apart of the international political and economic system.

Like these two previous shocks, the most recent shock shares both the characteristics that are entailed – but almost always confused – by the adjective global. The first is about space or, more precisely, its extension. In this first sense, “global” refers to the geographic dimensions of the international system. For

⁴ R.C. Altman, “The Great Credit Crash, 2008: A Geopolitical Setback for the West”, *Foreign Affairs*, vol. 88, no. 1, January/February 2009, p. 2

the first time in history, it is planetary in extent. The various different places and regional areas covered by this use of global are economically, diplomatically and strategically connected. The number of peoples and communities is greater than at any time in the past, with the magnitude of trade, investment and movement of people having increased. Plus, the time to move across this space has been reduced (which is the geopolitical notion of “distance”).⁵ As happened with “global terrorism” – but on an unprecedented scale – Covid-19 has turned this extraordinary increase in the “interaction capability”⁶ into vulnerability. In previous pandemics, it took months or even years for the spread to reach the other part of the world, but in the current pandemic, it took a matter of weeks.

Yet, the adjective “global” has a second, more telling meaning. This is the usage, in recent years, found in terms like the “global” flow of capital, “global” population movements, “global” warming or the “global” War on Terror. In recent months, one has heard of the “global” spread of the virus from one region to another and from one country to another. The notion of space still applies here, at least in the sense that each one of these processes involves the movement of someone or something from one place to another. However, the key – hence their global nature – is that these processes no longer respect the “modern” separation between “domestic” and “international” space. Global processes and phenomena glide over borders and cannot be contained by them. In this meaning, the opposite of “global” is no longer “local” but “international”. In this case, globalisation becomes a form of international coexistence that cannot be reduced to the “old” politics between states and that is not indifferent “to

⁵ S. Kern, *The Culture of Time and Space 1880-1918*, Cambridge, Harvard University Press, 1983; tr. it. *Il tempo e lo spazio. La percezione del mondo tra Ottocento e Novecento*, Bologna, Il Mulino, 1995.

⁶ B. Buzan e R. Little, *International Systems in World History. Remaking the Study of International Relations*, Oxford-New York, Oxford University Press, 2000, pp. 80-84.

space in general, but only to the modern political space”.⁷ The latter focuses on the succession of territories, borders and, above all, the ability of the state to filter any disorder in the external environment (act of terror, migrant flows, movement of capital) to turn it into domestic peace and normality.⁸

The Covid-19 pandemic has once again highlighted the ambivalence of such a “disintegration”. On the one side, this has produced the consequences commonly expected, albeit from opposing sides, by both champions and critics of globalisation: (i) the loss of political autonomy and decision-making power of individual states; (ii) a decline in state control over communication; (iii) the difficulty of monitoring the transnational flow of capital, goods and people; (iv) how permeable borders are to infiltration and various forms of “contamination” (cyber-warfare, organised crime, terrorism, viral agents etc.); and (v) the lack of availability of protective and prophylactic devices from within a country (such as masks, so hastily imported from China in the early weeks of the epidemic). On the other side, the Covid-19 pandemic has provided a reminder of how States still have, in reality, significant power to mediate, with the ability to encourage or limit globalisation, their sovereignty and the balance between the two.⁹ The first signs of this tension were already visible in 2020. There was the drive, which was more political than economic, to “bring home” activities that had previously been moved abroad, at least in sectors that were once again deemed to be “sensitive” (with healthcare at the top of the list). There was also the promise to “enclose” and “secure” the borders of individual States and regional organisations (including the European Union). More generally, 2020 also saw renewed emphasis on the notion of “vulnerability” and its collective representation in a form that is arguably exacerbated compared

⁷ C. Galli, *Spazi politici. L'età moderna e l'età globale*, Bologna, Il Mulino, 2001, p. 135.

⁸ C. Galli, *La guerra globale*, Roma-Bari, Laterza, 2002, p. 48.

⁹ I. Clark, *Globalization and Fragmentation. International Relations in the Twentieth Century*, Oxford, Oxford University Press, 1997.

to what happened in the face of the imperfectly global threat of terrorism. In the coming months, the core of this political tension will impact the very role of the state. The basis for this will be the lesson people choose to take from the pandemic. The champions of globalisation will see the obvious need and urgency to build supranational forms of governance; its critics will see the pandemic as proof, once and for all, that globalisation cannot be governed.

Impact on International Competition

The real sphere in which the full difference between post-Covid and post-war will become evident is the politically crucial terrain of the hierarchy of power and prestige. Following every major war, this hierarchy is, at least for a period of time, unequivocally settled because that is precisely what the war did. By contrast, the Covid-19 pandemic will not settle any such matters. In truth, it will bring new energy to an issue that will be with us for the coming decades. This is the major matter of the redistribution of power and prestige, which will form the basis for the politics, economics and ideology of the international order in the XXI century – an order that will be at least in part post-liberal and, even more likely, post-western.

This is actually a battle that has been going on for the last fifteen years or more. The factors that caused it are not hard to recognise: *(i)* the gradual dismantling of the pyramid of power and prestige from the immediate post-Cold War; *(ii)* the ever more pronounced decline of the hegemonic desire and capacity of the United States; *(iii)* the spectacular growth of China and the – at least partial – revival of Russia; and *(iv)* the growing disaggregation of the international system into ever more distinct regional areas, with clearly different key players, alignments, conflicts and languages of conflict. Similarly, the consequences of this competition were clear even before the pandemic arrived so suddenly: *(i)* increased opportunities for conflict between the United States and Russia in Europe, and between the United

States and China globally;¹⁰ (ii) the proliferation of security spirals at regional level; and (iii) the inevitable overlaps between the former and the latter in diplomatic issues and in economic and military agreements. Looking at this issue from the heart of a global crisis, it might serve well to remember that it was the previous global crisis, from 2007-09 (and its unfortunate coming together with the war in Iraq failing at the same time) that provided the final trigger for competition, both globally and in the various regional theatres.

To the degree it takes the form of an “efficiency battle”, the fight against the Covid-19 pandemic will in all likelihood exacerbate this competitive spiral. It is no accident the first signs of deterioration in U.S.-China relations were already seen in 2020, with the U.S. blaming China for being primarily responsible for the pandemic (Donald Trump’s the “China Virus”), while China sought to highlight its leading role in the domestic containment of the virus and its international provision of aid – initially healthcare, but subsequently also economic. A similar redistribution of power and prestige is underway, albeit less conspicuously, in the relations between the various regional areas. In this sphere, the fundamental unknown seems to be how far Europe will slip from its now definitively lost role at the centre of the world. In parallel, as happened during the financial and economic crisis of 2007-08, the Covid-19 pandemic has already increased competition in the various regional areas. This has been seen in a disorderly and chaotic form in the most fragile areas (such as the Middle East and North Africa), in a traditional diplomatic and strategic form in the most State-centric areas (such as the dispute between Australia and China in the Asia Pacific region) and in a less conspicuous form in the most institutionalised areas (such as Europe). Finally, the

¹⁰ G. Allison, *Destined for War. Can America and China Escape Thucydides’s Trap?*, London, Scribe, 2017. Various authors have argued for the inevitability of the worst outcome, including K.M. Campbell e J. Sullivan, “Competition Without Catastrophe. How America Can Both Challenge and Coexist with China”, *Foreign Affairs*, vol. 98, no. 5, September/October 2019.

Covid-19 shock could precipitate the crisis of legitimacy and cohesion of individual States, including the most powerful ones. What will make this worse is that, contrary to any naive view of security as a zero-sum game, any political and economic collapse of only one of these would create the risk of a chain reaction in all the others, with unimaginable consequences for the international political and economic order.

Ambivalent Impact on Multilateralism

The impact of Covid-19 on the multilateral fabric of international coexistence seems more ambivalent.

On the one hand, the nature of the pandemic would seem to provide powerful arguments in favour of renewed multilateralism: (i) because the crisis seems to affect all actors equally, regardless of any differences in power, political system or spatial collocation; (ii) because no country, including the most powerful nations, can manage to solve this problem without the help of others; and (iii) because, as such, only concerted action can stop the spread of the virus and minimalise its economic impact.

On the other hand, 2020 once again exposed the reasons why the current multilateral fabric is so fragile.¹¹ This is best symbolised by the polemic and confrontation that has hit the international organisation most directly involved in handling the pandemic: the World Health Organization (WHO). The first and most obvious of these reasons is linked to the redistribution of power and prestige mentioned above. In international relations, cooperation is seen generally as more problematic than domestically because of two problems: first, the fear of being tricked, because of the lack of a superior third party to turn to if one needs to get back what one is due;

¹¹ These frailties have been evident for at least two decades. ISPI has already focused two of its annual reports on it: A. Colombo and N. Ronzitti (Eds.), *La politica estera dell'Italia*, Bologna, Il Mulino, 2009; A. Colombo and P. Magri (Eds.), *Le nuove crepe della governance mondiale*, ISPI, Milan, 2016.

and secondly the sensitivity to relative rather than absolute benefits, which can be stated as worrying not about how much one gains, but how much one gains compared to the others. Such problems do not have the same weight in every historical context but, precisely for this, they are likely to increase in importance during times of heightened competition. Thus, it comes as no surprise these were the two main arguments used by the Trump Administration against multilateral organisations – and against WHO in 2020. Chances are, this will be the precise stumbling block on which the Biden Administration's renewed multilateralism push falls.

These worries are even more pressing because, at a secondary level, of the “introversion” that has been happening for a number of years in the main players, with the consequent loss of willingness to sacrifice additional portions of sovereignty for the good of the multilateral context to which one belongs. The economic and social impact of the pandemic will inevitably increase this battle of priorities, which tends to be trivialised, in public parlance, as the dispute between souverainism and anti-souverainism. The overall economic slowdown and, even more importantly, the exposure of the inequalities accumulated over the last thirty years will weigh on the political balance of all States. This will push the focus more to domestic demands, leading to a consequent drop in the room for investing in major external projects.

In addition to all these destabilising effects, one must also factor in – and this is the third reason – those effects that derive from the parallel transformation of the international political sphere.¹² The increasing breakup into regional spheres of the international system is having a distorting effect on the global (and ideologically universalistic) architecture of the main multilateral institutions – including the World Bank and the

¹² For two different formulations of this thesis, see B. Buzan e O. Waever, *Regions and Powers. The Structure of International Security*, Cambridge, Cambridge University Press, 2003; A. Colombo, *La disunità del mondo. Dopo il secolo globale*, Milan, Feltrinelli, 2010.

International Monetary Fund, the World Trade Organization and the United Nations. On one hand, this seems to be a clash of perspectives between the global vision of these institutions and the increasingly evident regional nature of what such organisations need to regulate or combat. On the other hand, as the hierarchy of power and prestige grows in the respective regions, so does the sensitivity of actors to relative benefits to the detriment of absolute ones. This makes them more prudent or suspicious when it comes to granting concessions to others.

The fourth reason is the repercussions of the above on laws and regulations. Starting in the immediate post-Cold War period and continuing until at least the great financial and economic crisis in 2007-09, the multilateral architecture for international coexistence remained unequivocally inspired by the principles and norms of liberal democracy and free-market capitalism. Since the 2008 crisis, the gradual redistribution of power away from the old Euro-American nucleus has been accompanied by a dramatic reduction in the consensus (the Washington Consensus that was so emphatically celebrated in the 1990s) about these principles and rules. At the same time, the challenges from alternative models have grown. The key examples are Vladimir Putin with his “sovereign democracy”, Viktor Orban and his “illiberal democracy” and, especially, the symbiosis of democracy, state capitalism and communism touted by China. Interestingly, China does not oppose multilateralism, but it does propose its own version, such as the grand Belt and Road Initiative, that contrasts with the American vision.

This leads to the final, most elusive reason for the weakness of multilateralism, a weakness that can be summed up as a problem of translation. Many people expect the new American administration to return to multilateralism, but this does beg the question as to what form multilateralism will take in the future and whether it will truly be the same as the version spoken about after 1945 and, particularly, after 1990. Even before the pandemic exploded, the crisis of the “old” form of multilateralism seemed to have three exit strategies: (i) the

maximalist approach focused on revitalising and adapting the current multilateral fabric, with corrections to account for the changed hierarchy of international power and prestige; (ii) the “minilateralism” approach focused on creating less extensive, but more coherent multilateral links, or “the smallest possible number of countries needed to have the largest possible impact on solving a particular problem”;¹³ and (iii) a more radical solution built on cutting the new form of multilateralism out of the geopolitical disaggregation of the international system, shifting the barycentre for cooperation to regional international institutions and systems built around one or more hegemonic powers (China in the Far East, South Africa in Sub-Saharan Africa, Russia in part of the old Soviet world and so on). But this would come at the cost of having to rethink the relations between the various regional institutions.

Covid-19 and, especially, its foreseeable economic and political impact create the real risk of fully bringing to completion this change of significance. In the period immediately following the Cold War, an inclusive vision of multilateralism prevailed, tending towards universalism and evident in the unitary notion of the “international community”. Today, the trend that is starting to impose itself is the coexistence of alternative multilateralisms that generally compete among themselves. Such multilateralisms are built around dominant global or regional powers. “Western” multilateralism centres on the United States and the European Union. Chinese-led multilateralism has already brought major cooperation projects in economics and trade on a regional level, and even beyond. Finally, there are also regional multilateralisms around other pivot or leading countries,¹⁴ with such multilateral groupings open, in turn, to cooperating with the larger multilateralisms.

¹³ M. Naim, “Minilateralism. The magic number to get real international action”, *Foreign Policy*, July/August 2009.

¹⁴ R. Chase, E. Hill, and P. Kennedy, “Pivotal States and US strategy”, *Foreign Affairs*, vol. 75, no. 1, January/February 1996.

PART II

**THE EUROPEAN REACTION.
THE INTERNAL SIDE**

2. Recovery (Fund): Europe's Economic Reaction to the Pandemic

Franco Bruni

The Reaction of Key EU Bodies

“L’Europe se fera dans les crises et elle sera la somme des solutions apportées à ces crises”.¹ In 2020, this statement from Jean Monnet was truly put to the test. The pandemic emergency did not originate in Union weaknesses, as it was completely external, but its weaknesses influenced its ability to react to this trauma. As the year draws to a close, it would be fair to say 2020 failed to provide any arguments for Monnet’s detractors² as the EU took advantage of the crisis to try to grow. Yet, such a judgement really needs to be divided into four parts, one for each of the EU’s key bodies: Commission, Council, Parliament and European Central Bank (ECB).

The quality and extent of the Commission’s action was surprising. It swiftly drafted an ambitious project and then closely followed its progress through the Council and the search for compromises and the will of the Parliament, each time detailing the required adjustments. After making rules on state aid more flexible and proposing the suspension of the

¹ J. Monnet, *Mémoires*, Paris, Fayard, 1976.

² L. Guiso, P. Sapienza, and L. Zingales, *Monnet’s Error?*, NBER Working Paper No. 21121, April 2015.

Stability Pact from 20 March,³ the Commission had, by early April, drawn up an outline for a new instrument (SURE) to combat unemployment⁴ and for other ideas that were adopted by the Council on 23 April,⁵ namely European Investment Bank programmes for companies and the new credit line for healthcare costs via the European Stability Mechanism (ESM). In the meantime, support grew to use the EU budget and the Multiannual Financial Framework 2021-27 (MFF) to heal pandemic wounds and to roll out a grand “recovery plan” in order “to kick-start the economy in line with European priorities and ensuring EU solidarity with the most affected Member States”.⁶ This plan, re-examined at length, is worth 750 billion and has the meaningful name of Next Generation EU (NGEU). It was approved by the Council at its meeting from 17-21 July. After a delicate period in Parliament during the autumn, the plan was finally launched at the end of the year.⁷

The nature of NGEU make it a step on the European integration pathway, regardless of the pandemic. The *size* of the programme is startling. In a mere few years, it can use 4.5% of the EU's annual GDP, with the country that was initially hardest hit and most helped – Italy – allocated more than 10% of its GDP. The *solidarity* imprint of the plan is evident, emphasised

³ European Commission, COM(2020) 123 final, “Communication from the commission to the council on the activation of the general escape clause of the Stability and Growth Pact”, Bruxelles, 20 March 2020,

⁴ European Commission, “Questions and answers: Commission proposes SURE, a new temporary instrument worth up to €100 billion to help protect jobs and people in work”, Bruxelles, 2 April 2020.

⁵ European Council, “Conclusions of the President of the European Council following the video conference of the members of the European Council, 23 April 2020”, Bruxelles, 23 April 2020

⁶ European Council, “Report on the comprehensive economic policy response to the COVID-19 pandemic”, Bruxelles, 23 April 2020.

⁷ European Council, “A recovery plan for Europe. Council and Parliament reach provisional agreement on the Recovery and Resilience Facility”, Bruxelles, 18 December 2020; and European Council, “Recovery Plan for Europe”.

by the aid being *divided between loans and grants*. This does not mark a break from the *strategic approach* in which aid not only reflects the usual reformist nature of Brussels recommendations, but also the new frontier of environmental and technological goals. The link to the budget is equally remarkable. Given this also marks the next period for the MFF, it can help improve the quality of the budget and the analysis of the latest extensions, with a view to EU fiscal integration. NGEU will increase EU costs by 75%. In response, by June 2021, the Commission will put forward proposals for new revenue sources that are not simply transfers from national accounts.⁸ The budget will have a *deficit* for the first time, with *Eurobonds to be issued on world markets*.⁹ This could increase the global role of the euro and the EU's financial market.

The conduct of the Council, because of its inter-governmental essence and the veto rights of individual nations, often seemed like a handbrake on European integration progress driven by NGEU. Still, its debates did clarify the objections and worries of various countries, and it was able to deal with parliamentary positions finding a way to jointly forge a bold, innovative programme. The main objections were from the countries that came to be labelled as “frugal”¹⁰ (Austria, Denmark, Sweden, The Netherlands, and with Finland later joining them), and from Poland and Hungary. The frugal nations sought to limit

⁸ A digital levy, a carbon border adjustment mechanism, a financial transaction tax, a financial contribution linked to the corporate sector, a new common corporate tax base (https://ec.europa.eu/info/strategy/recovery-plan-europe_en)

⁹ Of course, some trepidation remains about using this term. The word “Eurobond” pre-dates the pandemic when the concept of issuing bonds to cover an EU deficit was unthinkable and it was used to mean the pooling of existing national bonds, mediating the risks and returns.

¹⁰ The “frugal four” was a title from the Financial Times used as early as 16 February 2020, before the pandemic even exploded into our world, when publishing a letter from the leaders of the four EU Member Countries announcing the position they would adopt at the European Council meeting to be held four days later to examine the EU's multiannual budget: “[The ‘frugal four’ advocate a responsible EU budget](#)”, *Financial Times*, 16 February 2020.

allocations¹¹ and wanted stricter governance of any pay-outs. Poland and Hungary fought to avoid any aid being denied to those countries that failed to uphold the civil rights guaranteed by the Treaties.¹²

A compromise was reached in July,¹³ although it lacked transparency and credibility, despite not being “zero sum”.¹⁴ This meant: increased rebates for the frugal nations from the budget; cuts to some costs for European public goods, including research and education; the frugal nations acquired an “emergency brake” on any pay-outs deemed inappropriate;¹⁵

¹¹ The frugal nations’ objection to the Commission’s proposed amount for NGEU was deep rooted as they wanted to avoid increasing the overall value of the MFF 2021-27, an objection that proved tricky to overcome prior to the July summit. Yet, without an increase, NGEU “simply could not exist” because the budget must “guarantee the shared issuing of instruments that will finance the Recovery Fund. Efforts to reach an agreement for the EU budget had already failed in February because the frugal nations had no intention of giving in to an increase (not even a zero point) or to the ‘discounts’ they receive compared to what they should pay to Brussels based on their GDP”. These nations feared ending up in a situation, when the bonds became due, “of having to put their hand into their own wallet if the new revenue sources for the EU budget (taxes on pollution, on tech giants and so on) failed to be found or ended up being insufficient”. See A. Villafranca, *Recovery Fund: negoziati ad oltranza*, ISPI Commentary, 20 July 2020, in which one gets a clear picture of the problems overcome at the end of the negotiations, because it was written on 20 July, the day before the Council agreement.

¹² The position adopted by Poland and Hungary, which eventually used a veto at the Council on 16 November, is illustrated, for example, in M. Tacconi, *Recovery Fund: il veto di Polonia e Ungheria che mette a rischio l'UE*, ISPI Analysis, 19 novembre 2020.

¹³ <https://data.consilium.europa.eu/doc/document/ST-10-2020-INIT/en/pdf>

¹⁴ F. Bruni, *Recovery Fund e bilancio UE: ci guadagnano tutti*, ISPI Commentary, 22 July 2022. See also *Consiglio Europeo: ecco l'accordo sul Recovery Fund*, ISPI Commentary, 21 July 2020.

¹⁵ Since a certain lack of faith in Italy’s financial rigour worries the frugal nations (and others) when it comes to the governance of NGEU, it is important to keep in mind section A19 of the Conclusions from the Council in July, which is not totally straightforward, but threatening and it remained valid in substance in the end-of-year agreement. More specifically: “The Commission shall ask the opinion of the Economic and Financial Committee on the satisfactory fulfilment

and setting aside using civil rights conditionality for payments. The widespread dissatisfaction for this solution was evident in Parliament, which fought back until its co-decision with the Council on 10 December that restored some of the sacrificed funding and reintroduced the option to suspend payments to countries that failed to uphold civil rights.¹⁶ This reintroduction remains the subject of criticism¹⁷ because it has been seen as weak and because, on the back of rather sad electoral opportunism, it postponed the actual introduction of conditionality until at least 2023, following the elections in Hungary and Poland. However, the principle of linking budget payments and civil rights was adopted, and a change that could see further development. Thus, the role of the Parliament was decisive in the reaction to the crisis caused by the pandemic. The co-decision procedure, with the European Commission's prodding and flexible assistance, proved its worth.

of the relevant milestones and targets. The Economic and Financial Committee shall strive to reach a consensus. If, exceptionally, one or more Member States consider that there are serious deviations from the satisfactory fulfilment of the relevant milestones and targets, they may request the President of the European Council to refer the matter to the next European Council. The Commission shall adopt a decision on the assessment of the satisfactory fulfilment of the relevant milestones and targets and on the approval of payments in accordance with the examination procedure. If the matter was referred to the European Council, no Commission decision concerning the satisfactory fulfilment of the milestones and targets and on the approval of payments will be taken until the next European Council has exhaustively discussed the matter. This process shall, as a rule, not take longer than three months after the Commission has asked the Economic and Financial Committee for its opinion. This process will be in line with Article 17 TEU and Article 317 TFEU”.

¹⁶ The final agreement is summarised in: “[Conclusioni del Consiglio europeo su Quadro Finanziario Pluriennale post 2020 e NextGenerationEU \(11 dicembre 2020\)](#)”, *EuroConsulting*, 11 December 2020. In the dossier of the Italian parliament, the agreement is analysed on p. 28 and following of [Consiglio europeo - Bruxelles, 10 e 11 dicembre 2020](#), Senate of the Republic, Chamber of Deputies, Assembly documentation, Examination of EU Acts and Documents.

¹⁷ For a summary of the agreement with Poland and Hungary, and its weaknesses: M. Bonomi, “[Il compromesso con Polonia e Ungheria: una vittoria di Pirro](#)”, Osservatorio ISPI-IAI sulla politica estera italiana no.13, ISPI, 14 December 2020.

In late November, a Eurogroup agreement was reached on the reform of the European Stability Mechanism,¹⁸ which had been blocked by a veto from Italy, but which the Italian parliament had also ratified on 9 December. The reform is a subsequent, bolder step than the new ESM credit line for healthcare costs, which Italy had not yet decided to access by the end of 2020. One part of the reform is the function of the backstop for the Single Bank Resolution Fund, which is essential for completing the European Banking Union.¹⁹

Partially Suspended Judgement

Assessing the overall reaction of the EU is complex. The shock to most Member States was more or less symmetrical, but the starting point and capacity to respond was anything but uniform. Thus, ultimately, the shock to the EU was not symmetrical. The NGEU project recognised this. The nature of how the EU institutions are structured might make a judgement less positive than the actual merit would deserve. Which is beyond doubt.

In truth, any proper assessment of success needs to be postponed because the pandemic is not over and part of the policies adopted to combat it have not yet come into effect. Moreover, as was recalled by the G30,²⁰ the remedies and aid

¹⁸ Eurogroup, [To President Charles Michel from Paschal Donohoe](#) (Minister for Finance and President of Eurogroup), Bruxelles, 4 December 2020; European Stability Mechanism (ESM), [ESM Reform Documents](#), 11 December 2020; [Agreement amending the treaty establishing the European Stability Mechanism](#), 30 July 2014. For two comments, A. Villafranca: *Fondo salva-Stati (MES): sì o no?*, ISPI Commentary, 4 December 2020; and A. Villafranca and C. Mongini, “[Il MES, la sua riforma e il dibattito italiano](#)”, Osservatorio ISPI-IAI sulla politica estera italiana, no. 13, 14 December 2020.

¹⁹ F. Bruni, “[Ripresa post-Covid: perché l’Unione bancaria europea è una sfida centrale](#)”, Osservatorio ISPI-IAI sulla politica estera italiana, no. 13, ISPI, 14 December 2020.

²⁰ G30, “[Reviving and Restructuring the Corporate Sector Post-Covid: designing public policy interventions](#)”, December 2020.

provided have only put off the solvency crisis faced by many companies – a crisis that will have to be prevented and tackled using new strategies. The overall outcome will also be dependent on how the Member States implement NGEU funded projects. They will need to truly take responsibility to achieve joint action with benefits far outweighing those that can be tallied up in any single country. The attempted cooperation seen towards the end of the year in the purchase and distribution of vaccines was largely symbolic, but still a good sign. Plus, the preparation for the new large-scale issuing of Eurobonds to fund NGEU almost makes hope mandatory. So, one can start to say the Covid-19 crisis has provided further proof of Monnet's belief that crises drive the EU forward, but a little more time is needed before this is certain.

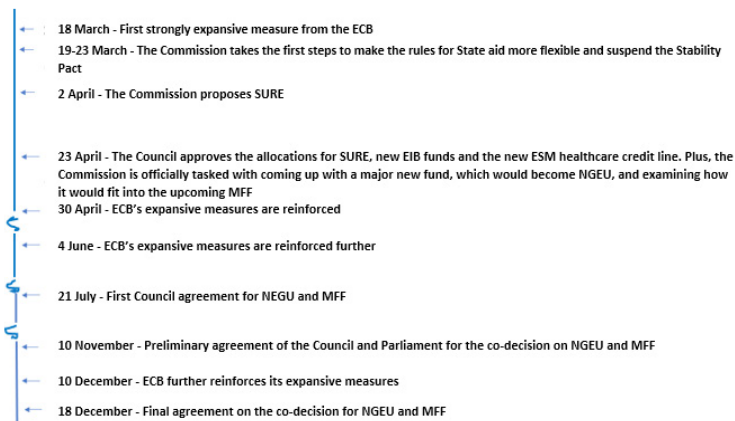
Should 2021 provide further proof of the success of the European response to Covid, then the EU can take this opportunity to play a more proactive role in the G20 hosted by Italy, even finding global resonance for its digital, technological and environmental transition strategy. The election of Biden would seem to facilitate the inclusion of the EU in the new multilateralism. Such inclusion is complicated; however, some encouragement might have come from the new sense of self-esteem the EU found with its joint response to Covid. In fact, in the closing weeks of 2020, Europe seemed to have its mind in this direction, with the Commission's announcement of a new transatlantic strategy²¹ and the signing of a controversial investment agreement with China,²² shortly after the latter finalised a major new trading agreement with 14 Asia-Pacific countries but not, for now, the U.S.²³

²¹ European Commission, “[Joint communication to the European Parliament, the European Council and the Council. A new EU-US agenda for global change](#)”, JOIN(2020) 22final, Bruxelles 2 December 2020.

²² European Commission, “[EU and China reach agreement in principle on investment](#)”, Press Release, Bruxelles, 30 December 2020.

²³ “[Asia-Pacific countries sign one of the largest free trade deals in history](#)”, *Financial Times*, 15 November 2020.

TAB. 2.1 - TIMELINE FOR THE MAIN EU ECONOMIC AND POLITICAL REACTIONS TO THE PANDEMIC EMERGENCY IN 2020



TAB. 2.2 - MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027 AND NEXT GENERATION EU: TOTAL ALLOCATIONS PER HEADING

	MFF	Next Generation EU	TOTAL
Single Market, Innovation and Digital	132.8	10.6	143.4
Cohesion, Resilience and Values	377.8	721.9	1099.7
Natural Resources and Environment	356.4	17.5	373.9
Migration and Border Management	22.7	-	22.7
Security and Defence	13.2	-	13.2
Neighbourhood and the World	98.4	-	98.4
European Public Administration	73.1	-	73.1
Total MFF	1074.3	750.0	1824.3

Source: European Commission

https://ec.europa.eu/info/sites/info/files/about_european_commission/eu_budget/mff_factsheet_agreement_en_web_20.11.pdf

An ECB Problem?

The pandemic disrupted entire business industries, hitting both supply and aggregate demand, and leaving companies, families and financial intermediaries facing liquidity issues. Inevitably, the prudential monetary policy of the central bank had to be the first to react. While fiscal measures, international solidarity and industrial policies will be decisive in the medium-long term, the ECB had to take the most immediate steps.

After some initial hesitancy,²⁴ in March the central bank took action decisively,²⁵ partly in the wake of major stock market drops and increases in spreads,²⁶ by rolling out, among other measures, a special 750 billion pandemic purchase programme. It then expanded its measures through to June, maintained them in the summer and reinforced them at the end of the year.²⁷

With short-term interest rates having been zero or negative for years, monetary policy had to use other instruments. In addition to the new purchase programme, the increase in the existing programmes and the subsequent maturity extensions, greater purchasing flexibility was introduced to help those countries struggling the most, such as Italy. At the same time, the criteria governing acceptable securities to guarantee funding from the central bank were relaxed and increased funding was made available to banks. Emphasis was also placed on announcing to

²⁴ European Central Bank, [Introductory Statement, Press Conference](#), Christine Lagarde, President of the ECB, Luis de Guindos, Vice President of the ECB, Frankfurt am Main, 12 March 2020.

²⁵ European Central Bank, Press Release, [ECB announces €750 billion Pandemic Emergency Purchase Programme \(PEPP\)](#), 18 March 2020.

²⁶ In the first half of March, the spread between Italian 10-year BTP bonds and German bonds doubled, going over the 300 basis point mark.

²⁷ For the details of the monetary policy decisions taken during subsequent meetings of the Governing Council, see: <https://www.ecb.europa.eu/press/govcdec/mopo/html/index.en.html>. European Central Bank, Monetary Policy Decisions, Press Releases, <https://www.ecb.europa.eu/press/govcdec/mopo/html/index.en.htm>.

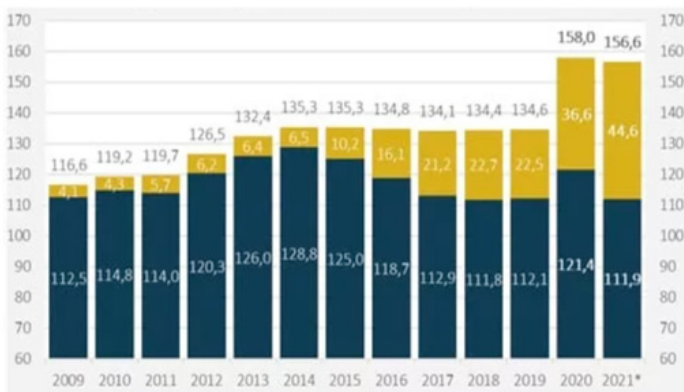
the market that the reinvestment in maturing securities in the central bank's portfolio and the setting of rates at zero would continue for a long time, "until it has seen the inflation outlook robustly converge to a level sufficiently close to, but below, 2% within its projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics"²⁸.

In December, as the euro strengthened against the dollar, the normally hidden attention of monetary policy for this exchange rate was mentioned²⁹. In essence, the ECB has pulled out nearly all the stops to keep flooding liquidity into the market and to sustain government securities for the foreseeable future, following a number of years in which it was already doing this. This really swelled the central bank's balance sheet, growing from about 40% to 60% of Eurozone GDP in about a year.

²⁸ Point (6) of the Decisions on 30 April.

²⁹ The opening statement at [Christine Lagarde's press conference](#) on 10 December says: "We will also continue to monitor developments in the exchange rate with regard to their possible implications for the medium-term inflation outlook". On the assumption that an overly strong exchange rate, with the consequently lower importation costs and inflation, could be countered by further expansionist monetary policy action. The evidence of how unimportant the exchange rate was previously to the ECB comes from it never before being mentioned in such a sense in the bank's press releases. For more on this: F. Bruni, *Nel motore di un euro sempre più forte*, ISPI Commentary, 18 December 2020; and idem, "Il problema del super euro che danneggia le esportazioni si cura con più Europa", *Domani*, 15 December 2020.

GRAPH. 2.1 - ITALIAN PUBLIC DEBT IN % GDP
ACCORDING TO HOLDERS OF DEBT



Yellow: Financial Market

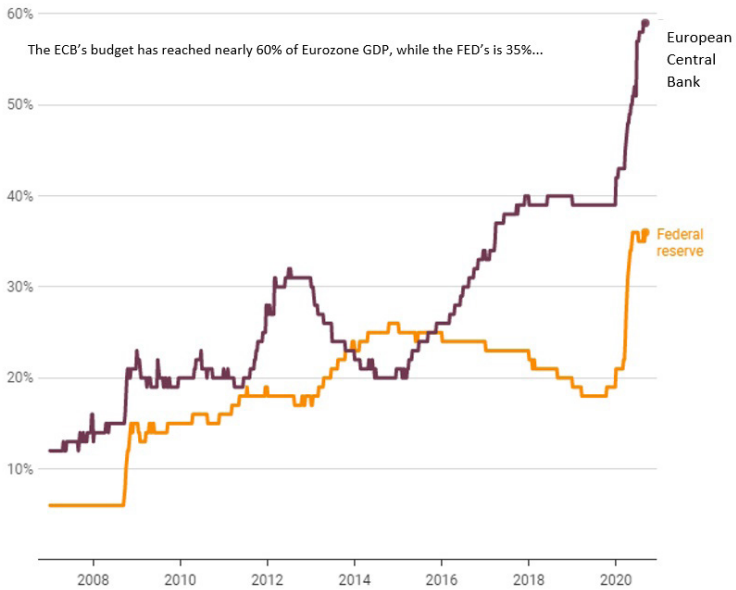
Blue: ECB, Bank of Italy and other EU institutions

Source: Observatory on the Italian Public Accounts (OIPA).

* OIPA forecast on the 2020 NADEF framework

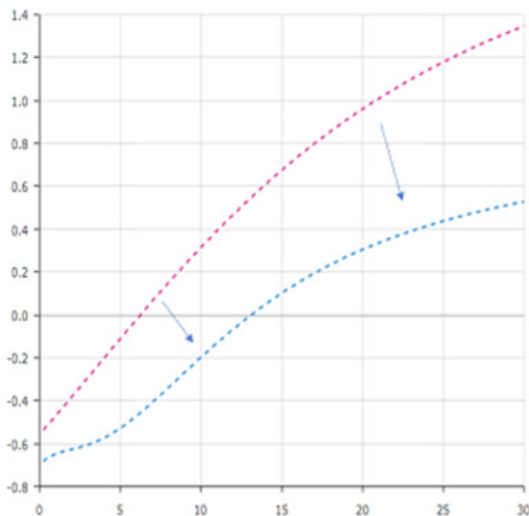
Source: <https://osservatoriocpi.unicatt.it/cpi-cpi-Fabbisogno2021.pdf>

GRAPH. 2.2 - CENTRAL BANK BUDGETS IN RELATION TO GDP



Source: <https://www.editorialedomani.it/politica/italia/le-banche-centrali-hanno-perso-il-controllo-bec97vob>

GRAPH. 2.3- YIELD CURVE FOR EUROZONE GOVERNMENT SECURITIES BY MATURITY



The vertical axis shows the yield, the horizontal axis the residual years before maturity (average of securities on the market)

Red: 30 December 2019

Blue: 30 December 2020

In a year, the curve flattened notably: at the end of 2019, positive yields started to be at 7 years; and at the end of 2020, at 15 years.

Source: www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_area_yield_curves/html/index.en.html

GRAPH. 2.4 - SPREAD BETWEEN ITALIAN 10-YEAR BTP BONDS AND GERMAN BONDS WITH THE SAME MATURITY IN 2020



Source: https://mercati.ilsole24ore.com/obbligazioni/spread/btp-10a-bund10a?refresh_ce

The interest rate curve by maturity has flattened and dropped. The spread between Italian and German rates has narrowed.³⁰ Yields on Italian 10-year BTP bonds dropped from 1.4% to 0.5%,³¹ greatly easing Italy's burden of a public debt, which has been estimated will be roughly 1/3 owned by the Bank of Italy, the ECB or other EU Institutions at the end of 2021.

At the same time, supervisory regulations were eased for bank balance sheets and risks,³² for the calculation of minimum

³⁰ The difference between the 10-year yield on Italian BTP bonds and German bonds dropped from over 250 basis points in April to just over 100 at the end of the year.

³¹ At 5 years, from 0.6% to -0.1%; at 2 years, from 0% to -0.5%. On average, 10-year yields on Eurozone government securities went down from 0.27% to -0.15%; for 5 years, from -0.15% to -0.5%.

³² For more on the details of the banking supervisory decisions through the year: European Central Bank, Banking Supervision, Press Releases, <https://www.ecb.europa.eu/press/pr/>

capital requirements for banks in relation to loan disbursements, for market risks and for the rules regulating the treatment of NPLs. However, dividend pay-outs were initially banned and then limited to improve bank capitalisation.

Monetary expansion is undoubtedly essential in the face of an emergency such as the one created by the pandemic. However, given that such policies have been in place for a number of years, the new 2020 measures have really taken things to quite extraordinary levels. The sustained efforts to enhance confidence in the idea that such expansion will remain in place for the next few years tends to encourage more public and private debt than the prudent, judicious use of money would suggest. Worries might emerge about the feasibility of a future inversion of such expansionism. No matter how gradually it happens, a reduction in the ECB's balance sheet, with decisions not to reinvest in maturing securities or even their sale prior to maturity, could be traumatic, leading to a rapid rise in rates, spreads and inflation expectations. Rising spreads would tend to push the Eurozone apart, leading to a deterioration in the ratings for the Eurobonds the EU is about to issue to finance the NGEU programme. Given such worries, some people have suggested that future operations will end up "cancelling" the debt purchased by the ECB, with the inherent risk of the Eurozone losing credit worthiness at the precise time when it is taking steps to issue Eurobonds.

When monetary policy moves in the same direction as fiscal policy, optimists might note the utility of "coordination" between the two. Yet, the parallelism between the two sources of stimulus can lead to accusations such as the serious one made on 5 May 2020 by the German Constitutional Court against the entity of the purchases of government securities by the ECB, which was seen as exceeding the bank's mandate through action that was fiscal in essence.³³ Such parallelism

bankingsupervision.europa.eu/press/pr/html/index.en.html

³³ https://www.bundesverfassungsgericht.de/e/rs20200505_2bvr085915en.html. Thus far, the Court's ruling has neither had evident consequences nor an

could threaten the independence of the central bank. In the Eurozone, the independence of the ECB could be upended by what a European Parliament document called the inability to choose between “a more comprehensive and effective fiscal union or [moving] in the direction of reviving the principle of fiscal self-responsibility embedded in the Maastricht Treaty”.³⁴ Parallelism makes public borrowing easier and, through the creation of liquidity and bank credit, also private borrowing. This could increase the *quantity* of debt to a point it becomes unsustainable, while the *quality* drops, thus leading to funds being used less optimally. The large-scale involvement of the ECB in purchasing national bonds might mean less need for the planned EU issuance to fund NGEU. The global importance of this innovation would lessen even if the EU bond issuances were purchased largely by the ECB instead of global markets.

It is already clear the continual reduction in market rates is making it less worthwhile to use the new ESM credit line for healthcare costs, which no country has actually yet accessed. Monetary expansion causing countries to be less willing to join NGEU programmes would be very serious indeed. This could lead to a postponement or reduction in Eurobond issuances to finance such programmes, which are vital for nourishing the new role of the Euro-market globally and for replacing national risk with EU risk. Likewise, the structural reallocation of resources as part of the strategy for “new generations” could also be jeopardised. And this would lead to less quality both in public spending and debt.

explicit response from the ECB. When it was issued, on the one side, there was the fear of an interruption in monetary support, especially for Italian public debt; on the other side, there was the hope that this precise fear could accelerate the introduction of explicit EU measures of fiscal solidarity: F. Bruni and A. Villafranca, *Dopo la sentenza tedesca sulla BCE: i rischi per l'Italia*, ISPI Commentary, 6 May 2020. In practice, fiscal solidarity has arrived, but ECB support has further increased.

³⁴ European Parliament, “[Blurred Boundaries between Monetary and Fiscal Policy](#)”, in depth analysis requested by the ECON committee, Monetary Dialogue Papers, November 2020, p. 6.

Sovereignists, Frugalists and Italy

The launch of NGEU and MFF both required getting around the Polish and Hungarian objections to payments being conditional on upholding civil rights, and the “frugal” nations’ issues with the size, composition and governance of pay-outs. It seems reasonable to assume both groups of countries will continue to cause problems.

The 1 December agreement with Poland and Hungary restricts the substance and application timeframe for this conditionality. The two countries obtained a reaffirmation of respect for “national identities of Member States inherent in their fundamental political and constitutional structures ...”.³⁵ Such rhetoric would seem to lend itself to any dispute as to the legitimacy of using the mechanism. The same can be said about the stated goal of the mechanism: “the protection of the Union budget”; the “causal link between such breaches and the negative consequences on the Union’s financial interest will have to be sufficiently direct” as the “Regulation does not relate to generalised deficiencies”. Moreover, such measures will only be considered if “other procedures set out in Union law ... would not allow to protect the Union budget more effectively”. In terms of the actual adoption, it will have to be postponed for at least a few years because the Commission has “to develop and adopt guidelines on the way it will apply the Regulation” and should “an action for annulment be introduced” it will be necessary to wait until “after the judgment of the Court of Justice” to finalise those guidelines. Until these guidelines are actually finalised, “the Commission will not propose measures under the Regulation”.

Poland and Hungary would have vetoed approving the budget and NGEU without a change to using conditionality to ensure respect for civil rights that have already allegedly been infringed, such as the independence of the judiciary and the freedom of the press. Prior to the veto being withdraw, the

³⁵ Taken from section I.2 of the Council’s conclusions.

question as to whether it was a bluff floated around. On the one side of the argument, European funds are undoubtedly fundamental for both nations, but on the other side, a failure to approve the multiannual budget would have meant the 2020 budget could have been used, resulting in even greater costs for other Member States and a major political defeat for the Union. In turn, the EU could have responded to the veto bazooka with its own weapon: using a method to adopt NGEU with 25 countries, side-lining Poland and Hungary.³⁶ Such a scrummage would have harmed everyone involved, but there is some merit in the idea the compromise reflects Germany's special interests in the relations with central Europe.³⁷ Those who argued Newton's first law would be proven, might have been right: an object in motion remains in motion unless acted on by a suitable powerful external force.³⁸ The whole question of civil rights might flip back round soon to become dangerously divisive for such motion.

As for the 5 "frugal" nations, their positions were hardly upended in the final agreement and they will have considerable influence in NGEU governance. Other countries share their worries, particularly Germany, and a significant part of the public opinion across the Union is largely on the same wavelength. Moreover, their diplomacy and the image they desire to give off to other Member States is evolving.

A European Council on Foreign Relations survey³⁹ found that: the term "frugal states" does not "reflect public sentiment

³⁶ Three alternatives to achieve this result were examined by S. Merler and F. Nicoli, "[Beyond the Veto of the EU Recovery Fund](#)", *VetfBlog*, 27 November 2020.

³⁷ This idea was expressed with particular vigour in the English-speaking world by the American Enterprise Institute: D. Rohac, "[A European compromise not worth making](#)", American Enterprise Institute (AEI), 11 December 2020.

³⁸ Charlemagne, "[Poland and Hungary enjoy a physics lesson courtesy of the EU](#)", *The Economist*, 26 November 2020.

³⁹ S. Dennison and P. Zerka, "[The transformative five: a new role for the frugal states after the EU recovery deal](#)", Policy Brief, European Council on Foreign Relations (ECFR), 25 November 2020.

in” these 5 countries; nearly “eight in ten voters in the frugal states do not believe that the European Union is spending too much money on its Covid-19 recovery fund”; their “bigger concern appears to be about waste and corruption linked to Member States’ use of the fund”; and the “governments of the frugal states should reinvent themselves as the ‘transformative five’”.

The issue is really about confidence in how the funds will be used. On this front, Italy truly is a key case. In commenting on the July agreement, the *Economist* noted:⁴⁰ “To open a motor-repair business in Italy, you need 86 permits. Opt for something simpler, like selling pizza by the slice, and things may not stay simple for long: your firm will be subject to checks by 21 different government agencies. Get into a commercial dispute and you can expect it to drag on for three years on average, twice as long as in Spain. These facts and figures ... also help explain why this month’s European summit lasted five days as a quartet of flinty countries resisted approving a landmark deal to fund the EU’s recovery from the Covid-19 pandemic”. In other words, the poor quality of regulations, which foster corruption and conflicts of interests, the excess of red tape, and the inefficiency of the public administration and justice are, to some degree, at the root of the “frugal” approach, which is ultimately about a lack of confidence in the fruitfulness of the planned allocation of EU resources.

Italy being hit first by the pandemic led to a burst of solidarity from Brussels and various governments that resulted in Italy being granted a greater share of EU programmes and ECB support. A degree of admiration for the severity with which the government responded in the spring was also evident, along with respect for how Italians took up the challenge in the opening part of the year. Yet, this did not dissolve the perplexity, expressed by the “frugal states” as to how our country actually

⁴⁰ “Italy has to work out what to do with all its new EU money”, *The Economist*, 1 August 2020.

works. Such incomprehension was compounded in the second wave when the question of accumulated debt raised its head once again – not only in Italy – along with the problem of bolstering growth and productivity, aspects that have been missing in Italy for a quarter of a century. Matters were not helped by an ideological unease that prevented access to the new ESM healthcare credit line, by the relatively poor budget law and by the governing coalition growing weaker. This means that we opened the new year with a problem of reputation that could have repercussions for our access to European aid.

For Poland and Hungary, the need is simply for our top politicians to avoid taking stances that strengthen their sovereignty and unscrupulous approach to the EU. But when it comes to our reputation problem, as highlighted particularly by the “transformative” group, the matter is less easy to handle. As per the title of a study by Silvia Merler, Italy seems rather like the “black sheep” of the Eurozone, an “outlier in the conception of optimal economic policy”. We must make sure inefficiency in using NGEU funds does not “nip in the bud the first timid step in the direction of European fiscal union which politicians and commentators in our country often invoke as a panacea for our country’s problems”.⁴¹ As such, we need to swiftly and credibly draw up a plan with three related goals: recognise and correct the structural problems that hampered productivity and fostered financial imbalance in the country prior to the pandemic; make specific, credible decisions on the allocation of ESM and NGEU funds, taking steps to provide reassurances about their implementation; prepare, in advance, the policies that will gradually reduce the public and private debt accumulated prior to the Covid emergency. In the final days of the year, the Economy Commissioner had a specific warning: “the risk of missing a historic appointment must be

⁴¹ S. Merler, “La pecora nera. L’Italia di oggi e l’Eurozona”, Milan, Università Bocconi Editore, 2020, p. 24 and p. 167. On this topic, see also F. Bruni, “La pecora nera Italia usa il Covid per dimenticare i suoi guai”, *Domani*, 31 October 2020.

avoided. The quality of the plan and its implementation are challenges that could become very difficult”.⁴² While Prof. Sabino Cassese reiterated: “I believe there is a danger of not meeting the deadlines set by Europe”.⁴³ Were Italy to stall a major project, designed with its problems in mind, the resultant damage would hit the entire Union.

⁴² M. Molinari, “Gentiloni sul Recovery plan: ‘Per accelerare l’Italia deve introdurre procedure straordinarie’”, *La Repubblica*, 28 December 2020.

⁴³ G. Foschini, “Sabino Cassese: ‘I ministeri usino i migliori funzionari. Il monitoraggio al Tesoro’”, *La Repubblica*, 29 December 2020.

3. Migration and Covid-19: Europe at a Standstill

Matteo Villa

The outbreak of the pandemic in 2020 brought to light most of the unresolved tensions relating to the governance of migration at European level. In recent years, the EU Member States had gradually – although never completely – defused these tensions, partly because very low levels of irregular migration had helped lower the political profile of the issue. Unlike in other recent migration crises, the virus came into play this year and attenuated the political repercussions that the rise in irregular migration along certain Mediterranean routes might otherwise have triggered. The lack of effective solutions to the shared management of international migration flows at European level is palpable, however, and suggests that migration will remain one of the major unresolved issues of the European integration project for a long time to come.

In March, as infection rates began to rise, many observers promptly (and unsurprisingly) predicted a fall in migration to Europe, as one European country after another steadily closed its borders. So, the forecast proved correct, but not entirely, because the collapse in regular migration (whether temporary or more lasting remains to be seen) was offset by a noticeable increase in irregular flows along certain routes, particularly from Africa. This increase highlights the paradox of the pandemic: while its public health effects were prompting governments to restrict travel, its economic effects were driving cross-border

relocations, while at the same time “regionalising” them, thus reducing the average distances travelled.

In Europe, the coronavirus crisis came 5 years after the “refugee crisis,” which prompted over a million people to seek settlement on the continent in 2015. Half a decade on, European governments are still looking for a shared solution to the problems of solidarity and coordination raised by a combination of that crisis and the increase in migration from Africa between 2013 and 2017. Put forward in September, almost 6 months behind the pre-pandemic schedule, the European Commission’s proposals for reform of the common asylum and migration system look less like the umpteenth expression of an expected failure, and more like an affirmation that border management remains primarily a national prerogative. So, although the issue appears to require a collective response, it inevitably attracts an intergovernmental approach, based on voluntary adherence or, at best, internal political calculation and moral suasion, rather than a community approach. In 2020, this was all the more interesting because the pandemic set another clear precedent, namely that the primacy of the nation-state applies not only when efforts are made to manage the influx of people from outside the European Union, but also when efforts are made to undermine one of the key principles of European “communitarianism”, i.e. the free movement of people within the EU.

The Pandemic and Regular Migration

As expected, the spread of new coronavirus infections in Europe and worldwide, combined with the accompanying public health response, immediately reduced regular migration flows by a substantial margin. Early estimates suggest that the fall in international relocation (and relocation within individual countries) could be the largest to have happened since the outbreak of the Second World War.¹

¹ J. Camie, “[International Migration amid a World in Crisis](#)”, *Journal of Migration*

Last April, 7.1 billion people – equating to over 90% of the world's population – lived in countries that had imposed restrictions on the arrival of people from other countries, including tourists, business travellers, students and new long-term immigrants.² Many advanced-economy countries suspended or postponed regular migration programmes, both for people planning to move for study or work purposes (for example, in 2020, Italy postponed the publication of its annual “immigration decree” – a document that regulates the inflow of workers from non-EU countries – until October), and for asylum seekers (by postponing the assessment of applications and cutting the number of places reserved for the resettlement of refugees currently hosted by poorer countries).³

In a globalised world, whose economic system is increasingly dependent on the international exchange of people (as evidenced by the “key worker” debate triggered by border closures⁴), there are two possible interpretations of the fact that “national communities” chose to dig in behind their own borders, both of which are probably correct in part. Firstly, it is entirely logical from the point of view of public health to limit movement at a time of extreme uncertainty over the prevalence of infections in other countries, all the more so during national lockdowns prohibiting or restricting the internal movement of a country's own citizens. It is plausible, however, that a second, more political and moral factor also came into play, based on the reflexive belief that it is more morally and politically acceptable for contagion to be spread by people living in one's own country (or better still by native citizens alone) than for

and Human Security, vol. 8, no. 3, 2020, pp. 230-245.

² Compiled by the author on the basis of data published by T. Hale et al., [Oxford COVID-19 Government Response Tracker](#), consulted on 15 December 2020.

³ M. La Corte and H. Hamblin, *2020 Sees Record Low Refugee Resettlement From COVID-19 and Previous Policy*, Niskanen Center, 26 June 2020.

⁴ For example, see B. Anderson, F. Poeschel, and M. Ruhs, *COVID-19 and systemic resilience: What role for migrant workers?*, International Organization for Migration (IOM), 2020/049/L*, 2020.

it to be “imported” from other countries.⁵ Further evidence for this lies in the fact that in several countries, including Italy, foreigners were first suspected of “falling ill less” (or even being immune)⁶ and later suspected of being the main carriers of the infection.⁷

Regardless of whether the primary cause was political or driven by public health concerns, the border closures left many potential migrants (including those planning to return to their countries of origin) stuck, against their will, in a manner that has few precedents over the past two centuries. While it is still too early to quantify precisely the effect that these measures have had on international movement to and within Europe, we can use economic theory and the latest data to start building an initial picture.

At a macroeconomic level, recessions have always had a significant deterrent effect on regular migration, by discouraging people from moving to other countries in search of work. A global recession like the one triggered by the pandemic, however, could also have the opposite effect: wage contraction in low-income countries could prompt people to move to destinations where average standards of living are better, even under conditions of recession. In fact, economic theory is not overly helpful in explaining the phenomenon, because of the uncertain direction of the effects it suggests.⁸

In practice, however, the effects of the recession and border closures were clear and distinct. Figure 3.1(a) shows that air traffic in Europe in 2020 came to an almost complete standstill at the peak of the continent’s first wave of the pandemic in April

⁵ See I. Krastev, *Is It Tomorrow Yet? Paradoxes of the Pandemic*, 2020.

⁶ De Gasperis, “[La bufala sui migranti che non si ammalano di coronavirus](#)”, *Linkiesta*, 28 March 2020.

⁷ C. Del Frate, “[C’è un nuovo boom di migranti? E rischiamo un aumento di contagi?](#)”, *Corriere della Sera*, 27 July 2020.

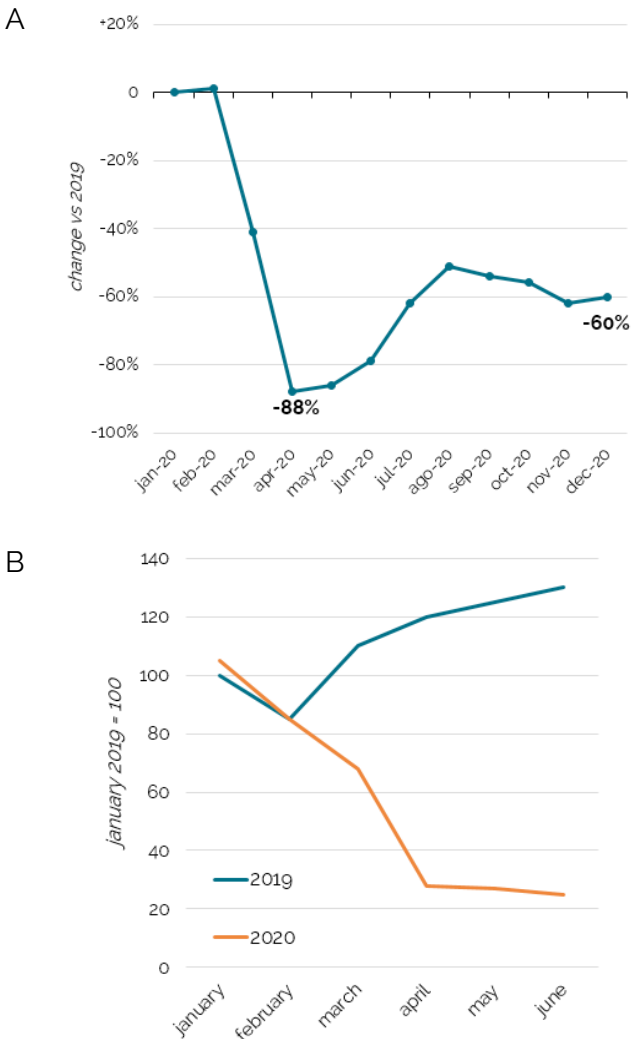
⁸ To give an idea of the proportions concerned, average per capita income in the European Union in 2019 was \$46,565, at purchasing power parity, as against \$3,930 – almost 12 times less – in Sub-Saharan Africa.

(down 88% compared with the same month in 2019), was down by 51% even at the peak of the recovery in August and shrank again during the second wave (down by approximately 60% year-on-year in November and December).⁹ Figure 3.1(b) shows the number of residence permits issued by advanced-economy countries belonging to the Organization for Economic Cooperation and Development (OECD) in 2019 and 2020, taking the number of permits issued during 2019 as a baseline.¹⁰ As you can see, the figure rose by over 25% between January and June 2019, before falling by 75-80% in the first 6 months of 2020. A comparison of the 2 trends suggests an overall decrease of 85% compared with pre-pandemic expectations. Projecting this trend for 9 months, from March to December, across the EU as a whole (plus the UK), a comparable decrease would result in the issue of 1 million new residence permits in 2020, compared to 2.8 million in 2018. In percentage terms, this would be a 65% decrease, meaning that 2 out of every 3 residence permits normally issued would be left unissued.

⁹ Eurocontrol (2020), “COVID-19 Impact on the European Air Traffic Network”, consulted on 5 January 2021.

¹⁰ OECD, *International Migration Outlook 2020*, October 2020. Eurocontrol (Supportin European Aviation), *COVID-19 Impact on the European Air Traffic Network*, consulted on 5 January 2021.

FIG. 3.1 – (A) AIR TRAFFIC IN EUROPE IN 2020 AND (B) VARIATION IN THE ISSUANCE OF RESIDENCE PERMITS IN OECD COUNTRIES



Source: Compiled on the basis of data published by (a) Eurocontrol and (b) OECD

The residence permits curve illustrates the scale of the shortfall in regular migration by people who would have come to Europe from third countries. But once the data become available, we are likely to see a similarly significant decrease in internal mobility, i.e. movement between countries belonging to the Schengen passport-free travel zone. By mid-March, at the height of the crisis, no fewer than 18 out of 26 countries had invoked emergency clauses to close their borders even to citizens of neighbouring countries.¹¹ This figure is even more striking if compared with the height of the “refugee crisis” between 2015 and 2016, when the number of countries that decided to close their internal borders never exceeded 7.

In view of the ambiguous effects on regular migration suggested by macroeconomic models, the cause of the drastic reduction in travel (air traffic) and longer-term migration (residence permits) probably lies more in the policy decisions of European States, which closed their national borders, than in the dynamics of labour supply and demand. It is probably no coincidence, in fact, that at the same time as regular channels of migration ceased to exist, two of the three irregular migration routes from the Mediterranean Sea to Europe saw sharp increases.

The Pandemic and Irregular Migration

While regular migration to Europe fell dramatically, the impact of the pandemic on irregular migration was less uniform. Approximately 94,000 people reached Italy, Spain, Greece or Malta via irregular routes across the Mediterranean in 2020, down 24% on the 2019 figure of 124,000.¹² This significant

¹¹ European Commission (2020), Member States’ notifications of the temporary reintroduction of border control at internal borders pursuant to Article 25 and 28 et seq. of the Schengen Borders Code, consulted on 3 January 2021.

¹² UNHCR, “[Mediterranean situation](#)”, online dashboard consulted on 5 January 2021.

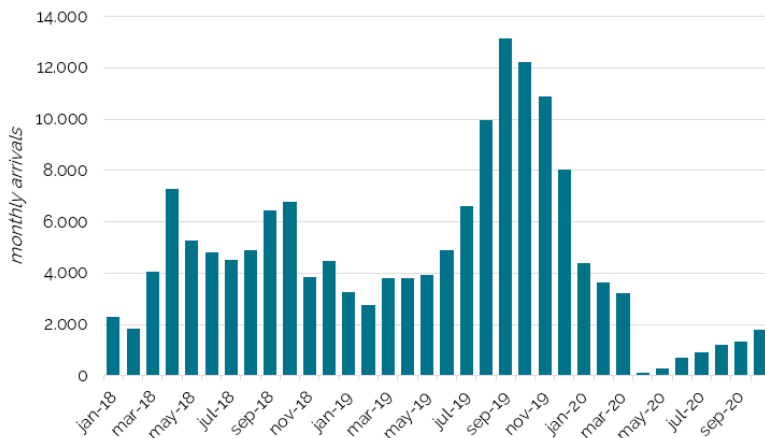
reduction is in line with the steady downward trend that has emerged over the past 5 years (2019 saw a fall of 13% on 2018). But it is not the almost total stoppage that we might have expected in view of the border closures and the fear of travelling caused by the public health emergency.

So, while the month that saw the lowest number of irregular arrivals on Europe's shores in 2019 was February, due to adverse sea and weather conditions, it is not surprising that the month with the lowest number of arrivals in 2020 was April (down 75% on 2019), at the height of new coronavirus infections during the first wave. Over the months that followed, however, irregular migration to Italy and Spain started rising again, and reached 10,000 in July alone – fully in line with 2019.

So, the “fear” effect of the pandemic seems to have been transient, and indeed disaggregating the arrivals along the three Mediterranean routes (the eastern route from Turkey to Greece; the central route from Libya, Tunisia and Algeria to Italy; and the western route from Algeria and Morocco to Spain) and the Atlantic route (from West Africa to the Canary Islands) reveals a mix of trends. This mix points to how other forces (interacting with Covid-19) have continued to act below the radar and influenced irregular flows into Europe during 2020 as well.

In Greece, after the sharp fall in arrivals that followed the EU-Turkey declaration in March 2016, the number of people who continued to arrive on the islands remained relatively low. Before coronavirus reached Europe, however, the trend was rising again, particularly since the second half of 2019 (see Fig. 3.2), in parallel with Turkey's requests to renegotiate the agreement signed in 2016 and, if possible, increase the sum of €6 billion that Europe had already committed in aid to refugees and asylum seekers in Turkey.

FIG. 3.2 – IRREGULAR ARRIVALS IN GREECE



Source: Compiled on the basis of Frontex data

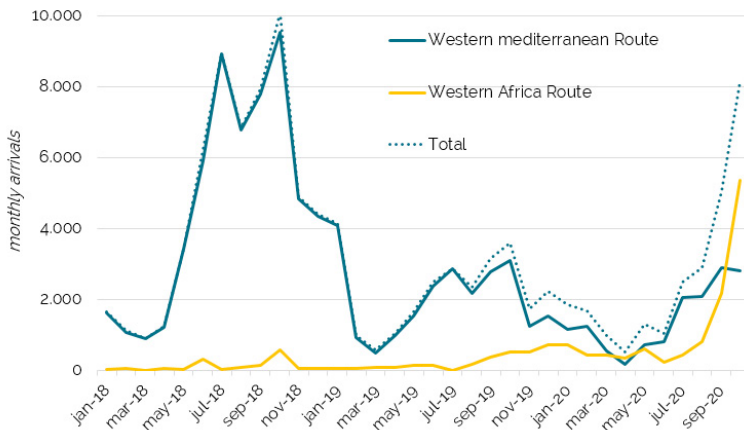
A few months later, right at the end of February 2020, Erdoğan resumed his threat to “flood the EU with migrants”, announcing that the borders between Turkey and Greece were “open”.¹³ The reality, however, could not have been more different: the arrival of the new coronavirus in Europe coincided with one of the most dramatic falls in arrivals on the Greek islands ever recorded (in April), and numbers remained very low, although gradually rising, throughout the year. Bearing witness to the tension that still characterises the European Union’s response to irregular migration, even against the backdrop of these almost insignificant numbers of arrivals by sea, the Greek government has stepped up the controversial practice of *pushback*, which consists in intercepting irregular migrants while still on-board vessels, not allowing them to claim asylum and sending them back by sea.¹⁴ Meanwhile, the fire that destroyed the Moria

¹³ M. Stevis-Gridneff and C. Gall, “Erdoğan Says, ‘We Opened the Doors,’ and Clashes Erupt as Migrants Head for Europe”, *New York Times*, 1 March 2020.

¹⁴ K. Kallergis, “Pushbacks: Migrants accuse Greece of sending them back out to sea”, *BBC*, 12 December 2020.

refugee camp on the island of Lesbos in September shone the spotlight on the deteriorating conditions in which the centre's 12,000 asylum seekers were living, in a camp designed to accommodate 3,000.¹⁵

FIG. 3.3 - IRREGULAR ARRIVALS IN SPAIN



Source: Compiled on the basis of Frontex data

On the other side of the Mediterranean, the post-pandemic picture is very different. As Figure 3.3 shows, irregular arrivals in Spain rose significantly in the second half of 2018, while remaining much lower than the peak arrival numbers recorded in Greece and Italy between 2014 and 2017. Arrivals in Spain had already collapsed in the first half of 2019, however, thanks in part to the cooperation of Morocco, which had stepped up the level of controls carried out by its coast guard in return for over €500 million worth of aid from the EU.¹⁶ As was the case

¹⁵ A. Camilli, “L’inferno senza speranza dell’isola di Lesbos”, *Internazionale*, 11 September 2020.

¹⁶ European Commission, “The EU is boosting its support to Morocco with new programmes worth €389 million”, Press Release, 20 December 2019. In the first half of 2019, the EU had already paid out €148 million in aid.

in Greece, the irregular route via the western Mediterranean practically closed in April, at the height of the first wave in Europe, but quickly grew busier again and reached 2019 levels by September. In the meantime, a second route – the direct route from West Africa to Spain's Canary Islands – has reopened since September. The high number of arrivals recorded in 2020 (over 21,000, 80% of which were concentrated in the last quarter of the year) is reminiscent of the “Cayucos crisis,” which brought about 35,000 irregular migrants to the archipelago between 2005 and 2006, and prompted the Spanish government to open the same detention and repatriation centres that have been reopened or extended in recent months.¹⁷

Like their counterparts to Spain, irregular migration routes to Italy also came to a standstill before surging again. The surge in Italy was even sharper than in Spain, although the total numbers involved were slightly lower: by the end of the year, about 34,000 people had landed on Italy's shores, more than three times the figure for 2019 (11,000) and a third more than in 2018 (23,000).¹⁸ Figure 3.4 sets this increase within a framework that starts from the period of high inflows to Italy by sea, when the number of arrivals ranged from 150,000 to 190,000 per year, and includes the rapid and substantial fall in arrivals that started in mid-July 2017, when the Libyan coast guard stepped up its work and many traffickers decided to keep migrants waiting for longer rather than shipping them north straight away. By 2018, arrivals had already fallen back to their average levels for the period 2000-10, before the crisis in Tunisia in 2011 and the civil war in Libya in 2013 had set the stage for higher inflows.¹⁹ The trend seen in the second half of 2020, from July onwards, however, appears to be a much more

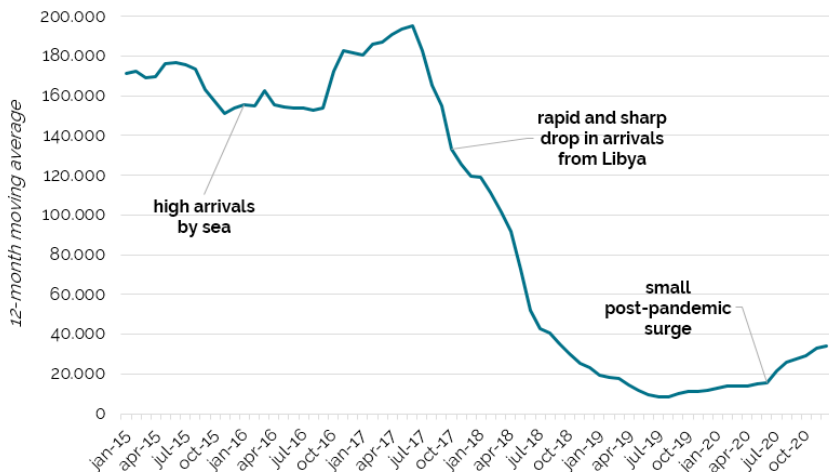
¹⁷ M. Martín, “España vuelve a ser la principal puerta de entrada de la UE para la inmigración irregular”, *El País*, 2 gennaio 2021.

¹⁸ Italian Ministry of the Interior, “Cruscotto statistico giornaliero”, consulted on 4 January 2021.

¹⁹ According to data published by the Italian Ministry of the Interior, average arrivals for the period 2000-10 were 19,000 per year.

marked increase than in the previous 12 months, and suggests that more attention needs to be paid to what might happen in the Central Mediterranean in 2021.

FIG. 3.4 – IRREGULAR ARRIVALS IN ITALY



Source: Compiled on the basis of data published by the Italian Ministry of the Interior

The increase in irregular migration to Italy in the post-pandemic period appears to be driven by two main factors, partly linked with the reasons for leaving (to take refuge or seek work) and the two main routes (from Libya or Tunisia). Large numbers of migrants from Libya have been living in very poor conditions for a long time, regardless of whether they are held in detention centres or live in urban environments. It is not surprising, therefore, that even in March, at the peak of the pandemic in Italy, many migrants and asylum seekers in Libya boarded boats just the same, in the hope of reaching Italy. As Rome ordered its first lockdown, landings plummeted (to just 241 in March, down 80% from February), but almost 1,300 migrants still attempted the crossing in the same period. The majority

were intercepted and returned by the Libyan coast guard.²⁰ Departures from Libya then picked up again as time went by, to the extent that the number of arrivals in Italy from Libya reached 9,875 between January and October, as against 2,826 in the same period of 2019.²¹

In addition to the poor conditions of migrants in transit, the Italian case provides an opportunity to consider and measure (at least initially) the importance of the pandemic's economic impact on irregular migration. A glance at what has happened to inflows from Tunisia speaks volumes. For years, Tunisia has been plagued by chronic unemployment, compounded by a volatile socio-political climate since the Jasmine Revolution of 2011. Border closures and the collapse of air traffic have struck a serious blow to a country whose economy is heavily dependent on tourism, which accounts for about 8% of national GDP and provides employment for 400,000 people, i.e. about 10% of the work force. This serious blow also comes just a few years after the terrorist attacks that had already been reducing the country's attractiveness as a tourist destination since 2015.

According to the latest official data, tourist arrivals in Tunisia suffered an almost total wipe-out between April and June last year, and in October were still down by 90% on the corresponding figure for 2019.²² Meanwhile, tens of thousands of Tunisian seasonal migrants found themselves unable to reach Italy and other European destinations through regular channels. This was followed by a rapid increase in irregular inflows from Tunisia, which surged as from July: between January and October, the number of irregular migrants from Tunisia saw an almost four-fold increase, from 3,491 in 2019 to 12,243 in 2020. Between July and November, over two thirds of seaborne arrivals in Italy came from Tunisia, in marked contrast to the situation during the period of high inflows of irregular migration between 2014 and 2017, when about 90% of migrants reaching the Italian

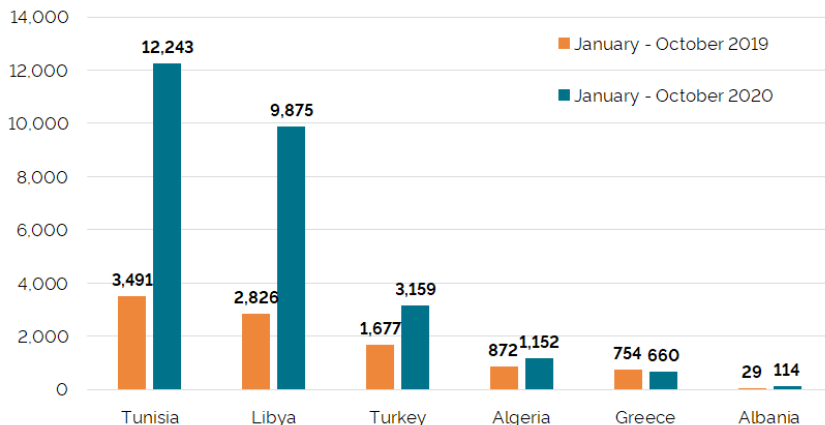
²⁰ UNHCR, [Update Libya](#), 27 March 2020.

²¹ UNHCR, [Italy Sea Arrivals Dashboard October 2020](#).

²² UNWTO, "[World Tourism Barometer](#)", vol. 18, no. 7, December 2020.

coast started their journey in Libya. Moreover, whereas the migrants landing in Italy (or Malta) from Tunisia between 2013 and 2019 represented a broad mix of nationalities, in 2020 over 90% of them were Tunisian.²³

FIG. 3.5 - IRREGULAR SEA ARRIVALS TO ITALY
BY COUNTRY OF EMBARKATION



Source: UNHCR

Europe's Non-Response: The Problems Come to the Fore

Between the shutdown of regular inflows and the rise in irregular inflows, on 23 September, after several months of delay, the European Commission presented its “New pact on migration and asylum”.²⁴ In the face of the legislative impasse of recent years, caused mainly by the stark differences of opinion of the governments of the 27 Member States in terms of responsibility

²³ UNHCR, *Italy Sea Arrivals Dashboard October 2020*.

²⁴ European Commission, “*Communication from the Commission: on a New Pact on Migration and Asylum*”, COM (2020) 609 final.

and solidarity between countries, the Commission's proposals are a clear snapshot of a Europe that remains divided on the issue of migration.

Although it does not say so explicitly, the Commission knows that the question of cooperation between Member States on migration cannot even be discussed until the internal free movement area, i.e. the Schengen zone, has been restored to full operation. In a free movement area where 7 out of 26 Member States reinstated emergency controls at their internal borders at the end of 2015 and have not lifted them since, and a further 11 introduced them between March and April 2020, the exception has become more or less the rule. As well as being extremely controversial on the legal front, from a political point of view, the splitting of the Schengen zone along national lines reveals the failure of the *quid pro quo* that has always underpinned the existence of the free movement area: in other words, I dispense with internal border controls on condition that you, the "border" country, guarantee close control of the external borders.

Whenever there is an increase in migration flows from outside the Schengen zone, in the absence of binding, structural compensation mechanisms designed to relieve pressure on border states, there is a parallel increase in the risk of border states having recourse to informal relief valves, by "facilitating" the transit of irregular migrants towards other Schengen zone countries further north. At the same time, the more northerly countries lose confidence in the agencies formally tasked with ensuring effective control and surveillance of the external borders. The contradiction, of course, lies in the fact that at maritime borders, every person turned back potentially equates to a denial of a claim for asylum (*refoulement*), which is prohibited under numerous international conventions.

In view of this complete political and regulatory impasse on internal borders, the Commission's remaining proposals focus essentially on the few areas of migration policy with which almost every country agrees: reinforcing external borders and, where

possible, outsourcing border control to third countries. This is a continuation of the same policy established in 2015, when the Trust Fund for Africa was launched as a financial instrument designed to help obtain the cooperation of third countries in the control of irregular transit through their territory, as actually happened with Niger, Sudan, and Morocco. Reinforcing external borders is also a continuity policy: while 2016 saw the approval of a proposal to transform Frontex from the European Agency for the Management of Operational Cooperation at the External Borders into the European Border and Coast Guard Agency, a proposal was made in 2020 to further tighten the screening of any irregular migrants entering the EU, and to strengthen the mechanisms for their repatriation.²⁵

Conversely, the proposals on internal solidarity measures (relocation of persons seeking asylum after landing, or compensation mechanisms in place of relocation) remain voluntary, and the criteria for determining the need for such measures are still only indicative, thus enabling all non-border Member States to avoid cooperating with requests for assistance in the event of a crisis. This approach is informed by the failure of the emergency measures launched in 2015 to relocate asylum-seekers: these measures, which led to the transfer of just 35,000 migrants from Italy and Greece to other countries in 3 years (equating to a mere 6% of the total number of irregular migrants who landed in the 2 countries during the same period), were hampered at every turn (including by action at the European Court of Justice) by a group of recalcitrant countries. So, it is no coincidence that, once again, despite their much more limited scope, such as assisting any country under pressure in the repatriation of people who are not entitled to remain on European soil, the Commission's proposals have already met with resistance from the "usual suspects" (first and foremost Hungary, Poland, and Czech Republic).²⁶

²⁵ European Commission, "Proposal for a Regulation introducing a screening of third country nationals at the external borders", COM (2020) 612 final.

²⁶ "Hungary, Poland and Czech Republic 'oppose EU's new migration pact'",

Conclusions: Has Europe's Time Come?

The global pandemic has had a profound impact on regular migration flows all round the world, including in Europe. As we have seen, it is possible that the annual number of migrants to EU countries has fallen by as much as 2 thirds in 2020, from 2.8 million to 1 million people. As legal options have dried up, irregular migration has seen a commensurate increase, particularly from Africa.

The increase in arrivals on the Spanish and Italian coasts may be a presage of what could happen this year: under threat from the worst global economic crisis since 2009, and with early estimates showing that income inequality between and within individual countries has deepened, many people may decide to relocate to a different country. Migratory pressure on Europe, which has already been boosted by decade-long demographic and economic trends, could see a further increase.

In the face of this, the European Union still looks unprepared for the challenge of taking a coordinated, collective approach to managing migration. The damage inflicted by the pandemic, which is now broadly similar across the whole of Europe (according to the data available at the end of 2020), has provoked thought about the continent's common destiny, but the question of borders has proved far more intractable than the question of economic and fiscal solidarity. For these reasons, the border countries, in particular Italy, Spain, Greece, and Malta, find themselves alone yet again, caught between the pressure of irregular migration on the eastern and southern borders of the EU, and their northern "neighbours", who expect them to act as watchdogs, while at the same time frequently criticising their methods and actions, largely to appease domestic audiences in those northern countries concerned.

So, despite the pandemic, it is still far too early, on the migration front, to start announcing that Europe's time has come.

4. Covid-19 and Democracy

Paolo Segatti

Little or nothing will ever be the same after Covid-19. Many people are saying so, and they may well be right, though it is difficult to predict exactly what is likely to change. One more or less widespread expectation is that catastrophic events, as Covid-19 is, will have an impact on democracy. If we look to the great economic crises of the past, however, this has not happened, as the classic teachings of Juan Linz demonstrate. How social and political élite think and act plays a far greater part in determining the direction taken in the aftermath of an external shock to a political system. This does not mean that the opinions of common people do not matter. They do, since a transformative event like a pandemic can easily alter a nation's mindset. And whether it expresses a desire for democracy or not, public opinion merely determines the nature of the opportunities offered to leaders, who may be intent on consolidating democracy or determined to play by other rules.

Anybody wondering whether Covid-19 will have an effect on democracy should look first at the measures implemented by government leaders during the emergency. Have they violated democratic standards or not? Have they aggravated the democratic backsliding? They should then ask what changes in cultural and not just ideological attitudes Covid-19 has caused. The current pandemic is subjecting all nations to a stress test. According to Fukuyama,¹ what is on trial today

¹ F. Fukuyama, "The Pandemic and Political Order", *Foreign Affairs*, vol. 99, no.

is not so much the democratic nature of the regime, but the state's capacity to contain the spread of the disease effectively. Society's cultural orientations are being put to the test at the same time. These represent important consensual resources that leaders can tap to mobilise citizens in the fight against the virus and to justify the decisions they make during the crisis. In effect, attitudes represent both constraints and opportunities that must be taken into account. For example, the citizens of some countries could assign more blame than is due to the actions of a democratic political class simply because these are more visible than limitations or failures of the state. One consequence of this could be a growing opinion that democratic procedures are ineffective and that greater discretionary powers need to be granted to the very leaders whose failures have actually aggravated the country's difficulties in dealing with the catastrophe in the first place. This paradox is common in many countries, including Italy. Catastrophic events can also give rise to multiple cognitive, emotional and motivational attitudes, many of which are characterised by great ambivalence as to their effects on behaviour.² For example, combatting the virus requires willingness to behave in a way that helps contain its spread. Cultural attitudes that focus on the community of which the individual is a member are far more useful in this than those which emphasise personal freedom. But these same attitudes can lead to hostility towards those who are not members of the group or even grow into a form of exclusive nationalism opposed to overarching identity like European one.

This chapter therefore deals with two themes. The first concerns the measures introduced by different governments to contain the pandemic, to assess whether or where democratic norms have been violated. The second concerns the reactions the pandemic has triggered in public opinion regarding matters of democracy, security, and freedom.

4, July/August 2020.

² J.J. Van Bavel et al., "Using social and behavioural science to support COVID-19 pandemic response", *Perspective Nature Human Behaviour*, May 2020, pp. 460-477.

Emergency Measures and Their Consequences

Covid-19 appeared at a moment when democracy was already facing challenges. This is supported by the findings of all institutions involved in measuring levels of democracy, from Freedom House as reported by Diamond³ to the Economist Intelligence Unit, an organisation associated with *the Economist*.⁴ It is also confirmed by studies based on data collected by a vast research project by Goteborg University entitled Varieties of Democracy (Vdem), which looks into the functioning of political institutions in various countries between 1900 and 2019. On the basis of such findings, Lührmann and Lindberg believe that we are seeing a third wave of democratic decline after those of the 1920s and '30s, and 1960s and '70s.⁵ This third wave of “autocratisation” began in the mid '90s and is characterised by the erosion of democratic institutions by leaders actually elected in free and fair elections. In the previous two periods of decline, democracy entered crisis as the result of violent events like the coups in Athens in 1967 and Santiago, Chile in 1973. The recent coup in Myanmar does not fit this model. But as in geology, sooner or later even erosion can lead to collapse. After a certain level of decline, democratic standards are weakened to such an extent that a political regime leaves the ranks of democracies to join the autocracies. Democracy and autocracy should therefore be seen as the poles of a continuum along which regimes can be arranged in four groups: fully democratic, electorally democratic but no longer liberal, electorally autocratic, and fully autocratic.

³ L. Diamond, “Democracy Versus the Pandemic. The Coronavirus is Emboldening Autocrats the World Over”, *Foreign Affairs*, 13 June 2020.

⁴ “A pandemic of power grab”, *The Economist*, 25 April 2020; “Global democracy has another bad year. But popular protests show potential for democratic renewal”, *The Economist*, 22 January 2020.

⁵ A. Lührmann and S.I. Lindberg “A third wave of autocratization is here: what is new about it?”, *Democratization*, vol. 26, no. 7, 2019, pp. 1095-1113.

To what extent have emergency measures introduced since March 2020 affected levels of democracy, and in what kind of regime have violations been most frequent? Have emergency measures reduced levels of democracy compared to 2019, and if so, in what type of regime?

A recent report by the Vdem research group provides early answers to both these questions.⁶ The report looks at emergency measures taken by the governments of 144 countries between March and December 2020 in seven areas (discriminatory actions towards part of the population, the violation of basic rights, abusive methods of applying the law, the proclamation of unlimited states of emergency, administrative decisions restricting the role of parliament, disinformation campaigns and restrictions on media freedom).

In 34% of all the countries examined, and in 55% of all democracies, there have been no or only minimal violations of democratic standards. In the remaining 66% of cases, 95 countries in all, measures for combatting Covid-19 have seriously impacted the level of democracy in one or more of the seven areas under consideration. Degradation has been most common in electoral autocracies. It must be pointed out that of the 95 countries concerned, only 30 can be classed as democracies and some these only as electoral democracies. Problems were recorded in Brazil, India, Mexico, South Africa, and various other African and Asian states. According to the report, some of the actions taken by President Trump during the pandemic have made even American democracy less liberal. The most serious violations concern media freedom and the active use of disinformation campaigns. Another clear example is the law introduced in Hungary on 30 March 2020, punishing with up to five years of prison anybody spreading news considered by the state to obstruct its efforts to contain the virus.⁷ Other less frequent violations include the recourse

⁶ P. Kolvani et al., *Pandemic Backsliding: Democracy Nine Months into the Covid-19 Pandemic*, Policy Brief no. 26, V-Dem Institute, 14 December 2020.

⁷ L. Bruszt, “Viktor Orban: Hungary’s Disease Dictator”, *Balkan Insight*, 23 April

to emergency powers with no stated end date, the weakening of parliamentary oversight, and the limitations of privacy rights through the introduction of contact tracing apps that in reality monitor the movement of citizens, as illustrated by an MIT study.⁸ The report, however, also indicates that the number of violations declined in the last part of 2020.

Moving on to the second question, the report identifies nine countries that emergency measures have placed at serious risk of backsliding with respect to the level of democracy recorded in 2019 (El Salvador, India, Malaysia, Mexico, Nepal, Philippines, Serbia, Sri Lanka, and Uganda). Another 27 nations are found to be at moderate risk of democratic erosion. Both the first group and the second, however, already appeared in the grey zone between fully democratic and fully autocratic even in 2019. This means that emergency measures have effectively reduced democratic standards only in countries whose democratic institutions were already weak. In Europe this has been the case only in Poland and Hungary, which can now be considered well on the way to becoming electoral autocracies. Given these findings, it is significant that very few countries have actually put off elections indefinitely. Where this has happened, it is reasonable to believe that fragility of the state apparatus in general rather than Covid-19 has been behind the move. This confirms that elections remain a source of legitimisation that authoritarian leaders cannot afford to do without. We can therefore conclude that Covid-19 has indeed provided many leaders with an excellent opportunity to acquire greater power.

People's Attitudes

Research into the effects of the Covid-19 pandemic on people's attitudes towards democracy and certain aspects of democratic

2020.

⁸ S. MIA, "Why some countries suspended, replaced, or relaunched their covid apps", *MIT Technology Review*, 23 December 2020.

life has only been conducted in a few, mainly Western countries. Comparative studies are even fewer. Furthermore, nearly all of these projects were completed during the first wave of the pandemic. A lot of work therefore remains to be done to understand how people have reacted to the emergency. Certain common trends can nevertheless be identified.

The first was an increase in support for the government as soon as news of the pandemic began to circulate.⁹ This indicates that the initial reaction to the emergency was a classic “rally around the flag” of the kind normally seen in international crises, when a wave of patriotism is felt well before the government’s performance can be evaluated.¹⁰ A study based on experiments with representative samples of American and British citizens shows that people in both countries are willing to accept restrictions on personal freedom only when these are clearly aiming to curb the spread of the infection (for example, face masks and social distancing). Acceptance does not extend to measures that limit the individual’s basic rights, even if they are proposed by a respondent’s own political party.¹¹ Research in Taiwan has shown that shared democratic values prevent public acceptance of Covid-19 containment measures that allow the government to publish the address of infected individuals identified by tracing apps.¹² This is an important finding as it indicates that the right to privacy is highly valued even in a

⁹ K. Arceneaux, B.N. Bakker, S.B. Hobolt, and C.E. De Vries, *Is COVID-19 a Threat to Liberal Democracy?*, 2020.

¹⁰ D. Bol, M. Giani, A. Blais, and P.J. Loewen, “The Effect of COVID-19 Lockdowns on Political Support: Some Good News for Democracy?”, *European Journal of Political Research*, 2020; M. Baekgaard, J. Christensen, J.K. Madsen, and K.S. Mikkelsen, “Rallying Around the Flag in Times of COVID-19: Societal Lockdown and Trust in Democratic Institutions”, *Journal of Behavioral Public Administration*, vol. 3, no. 2, 2020.

¹¹ K. Arceneaux, B.N. Bakker, S.B. Hobolt, and C.E. De Vries, *Is COVID-19 a Threat to Liberal Democracy?*..., cit.

¹² Yang, Wan-Ying and Chia-hung Tsai, “Democratic Values, Collective Security, and Privacy: Taiwan People’s Response to COVID-19”, *Asian Journal for Public Opinion Research*, vol. 8, no. 3, 2020, pp. 222-245.

country of Confucian culture where 67% of interviewees declare that the community takes precedence over the individual.

Spanish research based on data for the end of March 2020 warns of a more worrying scenario: it shows that the crisis has led to growing calls for “strongman” leadership. Spanish respondents also preferred to assign a greater role to experts, limit personal freedom and leave it to Spanish state to deal with the economic crisis.¹³ It is important to note, of course, that this study focused on a period prior to the announcement of the European Union’s impressive reconstruction plans. The findings nevertheless demonstrate that Covid-19 has the potential to inflame nationalist sentiments and trigger appeals for rapid and effective decision making, which can easily be subsumed by more or less explicit calls for a strongman leader unfettered by the procedures that govern political decisions in a democracy. Research in other countries has unfortunately failed to focus on such changes in public opinion. I nevertheless believe that attitudes similar to those recorded in Spain may well be widespread elsewhere too. Earlier research certainly indicated a growing propensity for strong leadership before 2020. It is perfectly possible that the pandemic has further reinforced this trend.

How Do Italians Feel About Politics and Democracy During the Covid-19 Pandemic?

Some studies reveal similar tendencies to those recorded in other countries, in particular a sudden rise in the government’s popularity.¹⁴ Thanks to data collected between early April and early July by SPS Trend, a group of public opinion researchers

¹³ F. Amat, A. Arenas, A. Falcó-Gimeno and J. Muñoz, *Pandemics meet democracy: Experimental evidence from the COVID-19 crisis in Spain*, SocArXiv Papers, 5 April 2020.

¹⁴ K. Arcenaux, B.N. Bakker, S.B. Hobolt, and C. De Vries, *Crisis Signaling: How Italy’s Coronavirus Lockdown Affected Incumbent Support in Other European Countries*, Working paper, SSRN, 28 September 2020.

associated with Milan University's Department of Social and Political Sciences, information is available on the attitudes of a sample of Italians in the early months of the pandemic. The study looked, among many topics, at their opinions regarding democratic institutions and their ability to deal with the crisis. It also included two measurements taken from the Asian Barometer Survey (ABS) designed to identify respondents' feelings on the trade-off between collectivism and individualism – attitudes frequently considered fundamental to explaining the greater effectiveness of Far East democracies and autocracies in keeping infection rates down compared to Western democracies where the individualist mindset is generally more prevalent.¹⁵

As to the attitudes towards democracy, the SPS Trend study allows us to compare the opinions on democracy manifested by Italians last spring with those expressed a few years earlier.¹⁶ Judging by the average levels of consensus expressed before and during the pandemic, the data suggest that Italians have not changed their opinions on those aspects of democracy they consider essential, such as the ability to elect a government and its social dimension. A far more significant change can be detected in attitudes to the liberal aspects of democracy. There is now less support for the idea that democracy means the protection of civil liberties and greater support for the idea that people must obey democratically elected governments. Compared to 2018, there is also more consensus for strongman leadership. Two years ago, only 30% of interviewees expressed this opinion. In 2020, 47% of respondents agreed more strongly than the sample average with the statement that strong leadership is essential in a pandemic. It is interesting that this support for a strongman leader was found across all ideological orientations.

¹⁵ J.J. Van Bavel et al., "Using social and behavioural science to support COVID-19 pandemic response", *Perspetive Nature Human Behaviour*, vol. 4, no. 5, May 2020, pp. 460-471.

¹⁶ A. Pedrazzani, "Alla ricerca del leader forte?", in F. Biolcati, G. Rovati, and P. Segatti (Eds.), *Come cambiano gli italiani. Valori e atteggiamenti dagli anni Ottanta a oggi*, Bologna, Il Mulino, 2020, pp. 261-276.

In line with the call for unfettered leadership, respondents also agreed with the idea that “the Coronavirus emergency demonstrates that there are circumstances in which democracy cannot solve people’s problems”. The average level of agreement with this statement was 5.5 on a scale from 1 to 10 but 54% of respondents expressed a higher level of agreement than the average. Among those who view democracy ineffective in a pandemic, there is a gap of nearly 20 percent points between those who want a strongman leader and those who do not. The belief in the inefficiency of democracy is closely related not only to certain personal characteristics but also to the subjective risk of infection, right-wing tendencies, and a positive assessment of the Conte government. A pessimistic view of democracy is furthermore negatively correlated with the level of respondents’ social confidence. To sum up, it would seem that the Covid-19 crisis has made Italians appreciate more than ever the virtues of a political authority capable of making decisions free of liberal constraints, and that this opinion is only partly determined by ideological convictions.

Further information on the attitudes of Italians today can be gleaned from their agreement to the proposal that collectivism should take precedence over individualism in society. Between April and July, the average level of interviewees’ consensus with this statement was 5.9 on a scale of 1 to 10. 57% expressed an even higher level of agreement, demonstrating a clearly collectivist, anti-individualist tendency. Such an anti-individualist vision of society is generally associated with a willingness to conform to behavioural norms imposed by government. The Italian government has therefore benefitted from the same important source of public motivation as the Far East democracies and autocracies. It must be borne in mind, however, that anti-individualist attitudes are only weakly associated with right-wing ideological preferences but are closely associated with a preference for strong leadership and with the idea that democracy is not the most efficient form of government in a pandemic. In both cases there is a gap of over

20 percent points between the collectivists and individualists, even allowing for ideology. The same anti-individualist attitude is also linked to the rejection of immigrants. Among those who believe more strongly than average that immigrants damage the economy, there are largely more collectivists than individualists. Having said this, a collectivist attitude is not associated with an exclusively national identity. If anything, the opposite is true. Among those who express a dual identity (Italian and European) there are more collectivist than individualist respondents. There is no appreciable variation between collectivist and individualist when it comes to preferences regarding the state's role in the economy. The gap increases again on the subject of support for the Conte government. Among those expressing a positive evaluation, there is a 23 percent points gap between collectivists and individualists. This gap remains high throughout the period even controlling for the ideological preferences and economic perceptions of economic situation, two factors that use to have an impact government popularity. In other words, a collectivist view culture provides a safety net for the government.

Conclusion

The reports issued by the Vdem research project show that the Covid-19 pandemic has aggravated the trend towards autocratisation, especially in countries where democracy was already in difficulty. Nevertheless, we are not experiencing a democratic crisis: the demand for democracy remains resilient, as the protests in Minsk this year show. 2019 was a year of major revolt against authoritarian leaders. The pandemic also shows that irrespective of the type of regime they live under, citizens close ranks around the government in times of crisis. Support for the government has lasted longer in some countries than in others. Examples include not only countries like Germany and Italy but Mexico and India whose regimes are clearly moving towards autocracy. In Italy – though I suspect Italy is not alone – there is a growing call for strong leadership, accompanied by

the belief that democracy as a system of government is not well suited to combatting a pandemic. This opinion is associated with a tendency that spans all ideologies and with the view to value the needs of the community above those of the individual. We cannot tell whether the prevalence of anti-individualist sentiments in a nation of individualists will last or merely is a temporary direct consequence of the pandemic and the fears it generates. I nevertheless believe that though these attitudes are not currently politicised, they could become so, especially if the call for an effective decision-making authority remains unsatisfied and populist leaders of various colours continue to appear on the horizon. In Italy, collectivists are already more likely than others to deny the contribution that immigrants make to the nation's economy. If mass migration returns, as could happen as a result of the global economic crisis triggered by the pandemic, the propensity to privilege the needs of the community could well be transformed into nationalism. As I said before, the direction that these and other attitudes take depends on the actions of political leaders.

In the end, in this age of Covid-19, challenges to democracy come from two different directions. In recent months, democracy has been put at risk in Western countries by populist leaders flattering more or less extended minorities of denialists and conspiracy theorists to the point of inciting them to violence against democratic institutions. Non less insidious for any democracy wishing to remain liberal are the actions of leaders like Thailand's Prayuth Chan-ocha, who has asked citizens to choose between health and freedom. The combination of a reasonable demand for security and collectivist orientations, both useful in containing the spread of Covid-19, risks creating a precarious equilibrium between authority and the freedom on which liberal democracy is based.

The results of the U.S. elections in November are nevertheless reassuring for a reason that applies to all democracies. The fact that a significant number of American citizens found the courage to demand that Trump be held responsible for the

failure of his health and economic policies, and to punish him for that failure despite a highly polarised political context is cause for comfort.¹⁷ As in the past, democracy will continue to work as long as the mechanism of accountability works.

¹⁷ A. Neundorf and S. Pardos-Prado, *The Impact of Covid-19 on Trump's Electoral Demise*, SocArXiv Papers, 28 November 2020.

5. Cohesion among Member States: An Endless Back and Forth

Beda Romano

Viewed through a wide-angle lens, the last 15 years of European history have been a succession of crises, surprises, major disappointments and unforeseen hopes. The list includes the financial crash, the debt crisis, the refugee crisis and the terrifying wave of terrorist attacks that followed it, Donald Trump's presidency, the UK's exit from the European Union and, of course, last but not least, the coronavirus epidemic. Over this period there has also been a parallel succession of leaders and governments, especially in Italy where fifteen years have seen no fewer than seven prime ministers enter Palazzo Chigi, and where Silvio Berlusconi and Giuseppe Conte have led radically different executives.

These consecutive crises have all caused lasting tensions and misunderstandings, but otherwise have little in common. While those of ten years ago caused serious damage to the fabric of European unity, the more recent ones have actually encouraged EU Member States to close ranks and strengthen European integration. Just like the movements of a concertina, cohesion between Member States fluctuates as conditions change: the more integrated the EU becomes, the more national perspectives come to the fore. Cultural and political differences between Member States also complicate the lingering questions of resource sharing and international solidarity.

EU in Trouble: Financial Turmoil and Migration Crisis

Let us run quickly over past events. In 2007-08, when the financial crash came and Lehman Brothers dramatically collapsed, Eurozone governments suddenly realised that monetary union was all too incomplete. While the euro and free circulation of capital were well established, the banking system of the day was too confederal to withstand instability on the stock exchange and in the bond market. Until then, European banks had been regulated only on a national basis, and by authorities that were certainly obliging when not actually in cahoots. A number of governments were forced to inject cash into the market to avoid a tragic collapse of the banks. Member States therefore agreed to establish a banking union based on three pillars: the Single Supervisory Mechanism, the Single Resolution Mechanism to handle future crises at a European level, and the European Deposit Insurance Scheme.

The way in which this new system works is well known. All the major banks are now supervised by the European Central Bank in Frankfurt, while a new organisation, the Single Resolution Board, based in Brussels, has been established and endowed with a fund of €55 billion to assist ailing banks. The last block, however, has proved extremely difficult to put in place. Almost ten years after the SRB's creation, effective deposit guarantees remain a mirage. Richer countries with more robust banks are still resisting the idea of guaranteeing deposits in the fragile banks of heavily indebted neighbouring states. Put in simple and familiar terms, there is a clear North-South divide within the EU.

The financial crash was followed by a debt crisis at the start of the last decade. The vicious circle between banks and governments led to a dramatic rise in the yields of government bonds issued by those heavily indebted nations considered unreliable by international investors. The EU's confederal setup highlighted the differences in solvency between the Member

States. The most striking case was that of Greece, whose government was forced to admit that it had fiddled the books to such an extent that the country risked bankruptcy and, potentially, expulsion from the Eurozone, but other countries, including Portugal and Ireland, found themselves in difficulty too.

The Eurozone governments therefore decided to establish an intergovernmental fund in the form of the European Stability Mechanism. This organisation's mission is to assist countries struck by financial crises, and to lend money as and when it is needed. The ESM presently has over €400 billion at its disposal. Since its formation, this new tool has provided support for Spain and Cyprus as well as the three countries mentioned above. Just as the banking union reinforces financial integration, the ESM serves as a safety net for Member States which share the same currency but have different national budgets. The establishment of the fund was not smooth sailing, however. In exchange for their largesse in financing it, various governments demanded the imposition of more rigid and challenging budgetary rules. The North-South once again came to the fore.

The third event to hit Europe hard in the last decade was the refugee crisis. The arrival of hundreds of thousands of migrants fleeing civil wars in Syria and Iraq in 2015 led to the closure of borders and a proliferation of bad feeling. Early in the crisis, the main sufferers were the countries of first arrival who encountered serious problems in applying the rule that refugees should apply for asylum in the first safe country they reach. Inundated by waves of migrants, Italy and Greece found themselves unable and then reticent to register refugees as community regulations required. Many refugees eventually had to be taken in by Germany, Sweden and The Netherlands.

In an attempt to establish an effective reception mechanism and dampen the xenophobic and nationalist sentiments smouldering in Italy and Greece, the EU approved by a qualified majority an automatic and obligatory redistribution mechanism. Certain East European countries, however, refused

to accept the decision. Suddenly, a new divide appeared, this time between the East and West of the continent, supplementing the traditional North-South divide over key economic themes and the need to find a better balance between resources and risk sharing. Underlying the position assumed by the four nations of the Visegrad group (Hungary, Poland, the Czech Republic and Slovakia) are the many difficulties the ex-communist nations are experiencing in dealing with the challenges of an open society, whether in the form of immigration or internal liberalisation.

The Response to the Pandemic, Between “European Sovereignty” and “Strategic Autonomy”

The three most recent crises have proved quite different to the previous three in their effects. At the start of the century, the main problem was to ensure the survival of Europe and prevent economic recession, financial collapse and mass migration from unravelling the Union. Today, Member States are far more aware that the umbrella provided by the EU needs to be strengthened. Perspectives have changed as crises have come and gone. To put it simply, while 15 years ago Europe was seen as the problem, today it is seen as the solution. States have become much more forward-looking and there is a growing desire not to rock the boat. Let us see why.

The pandemic has caused an unprecedented financial shock. The economy has ground to a halt and the free circulation of people and goods has been called dramatically into question. The initial reaction of Member States was to turn inwards. Many rapidly bought up face masks, gloves and other essential healthcare items. Others closed their borders. Only later did the twenty-seven realise that it was useless trying to fight the pandemic individually, and that the power of the Union was their most reliable defence.

Governments have seen for themselves the importance and the enormous benefits of the single market. National frontiers

no longer exist for companies wishing to export, tourists wishing to travel, and students wishing to learn. The effects of sudden border closures dramatically brought home the benefits of the European Union and weakened the Eurosceptic cause (at least temporarily). The twenty-seven Member States have since taken measures to safeguard the single market as effectively as possible. The circulation of goods has been further facilitated; solidarity in the fields of medicine and healthcare has once again become the rule rather than the exception; coordination of different national measures has become the norm. And there is more. The twenty-seven have jointly entrusted the European Commission with negotiating purchase contracts with vaccine producers. They have understood that by standing together they have far greater bargaining power and are likely to get a significantly better deal.

Even more important is the historic decision to mandate the Commission to borrow €750 billion to finance economic recovery. This move represents a major step towards EU integration. It is nevertheless clear that such progress has been possible only because, for once, the interests of France and Germany coincide. For decades, Berlin resisted the idea of taking on new debt with its partners, or worse still mutualising old national debts. The economic crisis provoked by the Covid-19 pandemic has forced a major re-think. Seeing that the very future of its partners and suppliers in the great single market is at stake, the German government has accepted the previously unacceptable. The same has happened in The Netherlands, another country whose economy depends on trade with its EU partners.

Paris certainly encouraged Berlin to move in this direction, but did so at least partly for different reasons. Even more than Germany, France needs greater European integration and especially a redistribution of risk, since this terrible crisis risks widening the divide between it and its neighbour on the other side of the Rhine. The provisional suspension of state aid rules could well reward the country with the greatest margin for manoeuvre when the crisis finally ends. Ultimately, economic

recovery could therefore prove slower and more difficult in France than in Germany, since France is beginning the process with unemployment twice as high as Germany (8% against 4%). The European Commission itself is predicting a drop in economic activity in 2020 of 5.6% in Germany but 9.4% in France and a 2021 recovery of 3.5% in Germany and 5.8% in France. This year, public debt will also increase to 70% of GDP in Germany and to 116% of GDP in France.

The health and economic crises have revealed an imbalance in the Franco-German partnership that has been building up for years. On the economic, demographic and political fronts, Germany is by far the stronger partner. France is holding its own only thanks to its nuclear capacity, its permanent seat on the Security Council and a historical grandeur that it continues to flaunt on the international scene despite its anachronism. For the French, therefore, greater European integration, through the assumption of new shared debt, is an effective way to dilute and control Germany's growing strength. At least on the surface, the economic impact of the pandemic has therefore reinforced the Franco-German partnership, though to what extent remains to be seen.

The health crisis has also coincided with a period of greater uncertainty and aggression in the world. Suddenly, the twenty-seven have realised that they depend on supply chains over which they have either lost all control or maintain only a limited influence: antibiotics are manufactured in India, face masks in China. At the same time, the presence of Donald Trump in the White House has led Europe to reassess its relationship with the United States. Europe's traditional American ally has become far more nationalist and unpredictable. In recent years, heated disagreements between Washington and Brussels over trade, relations with Iran, Israel, and even NATO, have induced Europeans to be far more diffident towards the United States. Friedrich Hegel wrote that "Men make their own history, but they do not make it as they please". Ironically, the Eurosceptic Donald Trump has done much to strengthen European unity.

The European Commission led by Ursula von der Leyen is considered geopolitical, and the European Union is certainly digging in its heels and carefully defending its own interests now that Member States have seen for themselves the many advantages of participating in the European project, particularly at such an uncertain and challenging time for public health. American unilateralism and growing authoritarianism and protectionism in other countries, including Turkey, China and Russia, have helped to draw the twenty-seven closer together. 2020 even saw the emergence of the new concepts of “European sovereignty” and “strategic autonomy” that speak volumes about how Member States now view the European Union as a safe environment and no longer just single market.

Brexit and the Recovery Fund. Early Tests of the New Integration

Brexit too has helped rebuild community spirit. The United Kingdom’s exit from the EU has proved to be a complex and controversial operation. More than four years have passed since the dramatic referendum in June 2016 when the British voted to leave. The divorce negotiations and the discussions on Britain’s future relationship with the EU have been extremely tough and fraught with difficulties. The UK has suddenly discovered how difficult it is to undo all the knots tied with Brussels over the decades, even forgetting for a moment that trade between Great Britain and its now ex-partners is worth well over 400 billion pounds (€450 billion) a year. In light of the risks now facing the UK, the more Eurosceptic Member States have begun to question whether leaving the EU offers any real advantages.

Despite moments of hesitation, Member States have closed ranks and demonstrated extraordinary cohesion in their negotiations with London, defending the integrity of the single market tooth and nail. National interests, of course, have not been abandoned along the way. Member State governments have simply been quick to realise that their partners’ support is

essential if they are to defend the interests of their fishermen, promote the good of their farmers or satisfy the needs of their industries. The European Union is not expanding but contracting for the first time. Losing a member is a traumatic event but, on the upside, it has helped relaunch the process of integration, especially in the field of defence. The British, jealous of their military prerogatives, previously blocked all proposals in the field of defence collaboration. In the wake of Brexit, Member States have finally decided to apply the treaty article that provides for permanent, structured cooperation.

It is now time for us to return to our wide-angle lens for an overview of the last 15 years. There can be no doubt that recent trials and tribulations have strengthened the European Union in terms of its institutions and even more so by creating a new esprit de corps among Member States. Increased uncertainty and aggression on the international scene, the appearance of an almost unprecedented epidemic, and Brexit have focused minds on shared interests, emphasised Europe's value as a safe haven, and convinced Member States to transfer sovereignty from the periphery to the centre. Entrusting the community's executive with the power to assume debt effectively means assigning it the power to raise taxes too. This is not the only example of new European sovereignty. In 2020, certain symbolic but important decisions passed unobserved. The first concern the European Central Bank, which is no longer the bank of the Eurozone alone.

In the European Council meeting in March, the leaders of all twenty-seven Member States and not just those of the Eurozone "supported the resolute action taken by the European Central Bank to ensure supportive financing conditions" in response to the economic shock caused by the pandemic. Would this have been possible had the United Kingdom been sitting at the table, jealous of its ancient currency and the historic role of the Bank of England? Unlikely. Decisions taken in March authorised the President of the ECB, Christine Lagarde, to participate actively in the European summit of late July dedicated to the new, much

contested EU budget for 2021-27 and to exhort all twenty-seven leaders, not only those of the Eurozone, to reach a rapid agreement. Again on the subject of the ECB, 2020 was the first time for the bank to participate in the commissioners' seminar that the European Commission traditionally holds after every summer recess.

Other symbolic decisions concerned the free movement of persons. The European Union has a total of 27 Member States in all, while the Schengen area accounts for only 22, but the formal differences between the two political and geographic entities are gradually being eroded, not only in public announcements and current affairs coverage, but even on the institutional level. When it came to re-opening the EU's external frontiers to third countries after the spring lockdown, the diplomatic meetings held before last year's summer recess involved all 27 Member States. Even the nations who are not part of the Schengen area (Ireland, Croatia, Bulgaria, Cyprus and Romania) took part. The result was therefore a recommendation of the Council, and not merely of the Schengen area states. The same occurred when the harmonisation of quarantine and virus detection testing rules were discussed.

To put it simply, in a long and complex process the European Union is gradually overlapping the Schengen area and the Eurozone. The outcome is uncertain, but the trend is clear. A single space for the free circulation of people along with coordinated monetary, economic, industrial, fiscal, commercial and health policies (all 27 Member States have mandated the Commission with negotiating the purchase of an EU-wide vaccine supply) in effect combine to form a sort of EU sovereignty.

It is true that many people dislike the term "sovereignty". It is indeed overloaded with significance. (According to the Zingarelli dictionary, sovereignty is "the supreme power of command at state level".) The Baltic states worry about losing the independence they have only recently acquired; Hungary and Poland have turned nationalism into a political instrument;

the Scandinavian nations are wary of all new forms of economic dirigisme. Yet, the clearly significant practical choices listed above reflect an awareness among national establishments that the UK is fooling itself if it thinks it can regain lost sovereignty (Global Britain, as the Brexiteers claim) by quitting the Union. It is increasingly clear that, despite its undoubted qualities, Britain risks finding itself at the mercy of larger, more powerful, and potentially more merciless actors.

Yet, European cohesion remains weak and hostage to circumstances. We cannot affirm with any confidence that the divisions of the past have been removed or even undermined. It is more likely that they have merely been transformed. Forecasting the future or identifying possible new fracture lines is therefore a risky business.

In the political sphere, Brexit induced the twenty-seven to join forces for the divorce proceedings. The historic event has nevertheless shaken the equilibrium of decades. Germany and France are losing the axis that gave Berlin an ally whenever it wanted to defend the free market against economic dirigisme and allowed Paris to counter-balance German power. Other countries too are losing a traditional ally: Dutch and Polish nationalists can no longer justify their actions simply by pointing at the UK. The EU's centre of gravity is moving east, to the advantage of Germany. France is therefore likely to cultivate its ties with the South. Leaving to one side the economic crisis triggered by the pandemic, Brexit has brought Europe together but also introduced new sensitivities. In brief, it has released not just centripetal but unexpected centrifugal forces too.

On the economic front, it is often pointed out that the health crisis has affected all EU countries and not just those of Southern Europe, as it initially seemed. While asymmetry was the dominant factor in previous crises, this time all 27 members are in the same boat, it is claimed. But is this really the case? In reality, the situation differs from one country to another. Member States have disparate economic structures for a start. In some, tourism accounts for 15-20% of economic activity;

in others no more than 8%. Some economies rely heavily on international trade; others are geographically specialised and can benefit from a recovery in Asia even if America (North and South) continues to suffer. Certain states are heavily indebted and have far less room for manoeuvre than their partners.

The pandemic therefore risks creating new divides not just between European countries but even within countries, and social crises on a national level could easily inflame political tensions Europe-wide, despite the ever more frequent sharing of resources. The closer integration becomes, the more national sensitivities become apparent. Is it surprising that Finland wants strict control over how its partners use the recovery fund money collected by the European Commission? Should we wonder that The Netherlands is demanding new, more restrictive measures for combatting fraud and other misuses of EU money? Is it so remarkable that Poland is requesting generous economic aid for energy when coal still accounts for 90% of its domestic supply? Finally, is it astonishing that Italy's attempts to benefit as much as possible from the new European financial mechanism provokes resistance in those partners most sceptical of Italian politics? The debate over the future of budgetary rules and the Stability and Growth Pact is going to be heated.

Conclusion

The fact is that as integration proceeds, frequently driven more by circumstances than political will, misunderstandings and sensitivities will inevitably arise. It is no coincidence that questions concerning the state of democracy in certain eastern European countries have come to the fore in the last few years. Only recently independent and quite unsettled by globalisation, these countries are genuinely concerned by the growing influence the centre is exercising over the periphery in the great EU project (ignoring for the moment the personal ambitions of certain leaders). At the same time, it is understandable that attacks on the rule of law in these countries should raise alarm

among other nations in a great single market where confidence in the law is fundamental to trade. In the end, as the introduction of new community institutions may add inertia to the process of integration, new generations will gradually reduce the cultural differences between East and West, and possibly also between North and South. In any case, depending on circumstances and national interests, cohesion between Member States in 2021 will probably continue to expand and contract like the folds of a concertina.

PART III

**THE EUROPEAN ROLE
IN THE INTERNATIONAL CONTEXT**

6. How Will Covid-19 Change Europe's Security Policies?

Davide Fiammenghi, Andrea Locatelli

This chapter explores whether Covid-19 will force change in Europe's security and defence policies, and if so, to what extent. Three main views on the long-term impact of the Covid-19 outbreak can be found in the literature: (i) a temporary shock, (ii) a critical juncture or (iii) an accelerator of trends already in motion. Each leads to a different scenario¹ within which the European Union (EU) will have to carve out a different role for itself.

The first scenario predicts no significant change to the international system. Despite the large-scale loss of life and wealth, this viewpoint sees no change to the distribution of power and alignment patterns, unless the shock inflicted by the pandemic proves significantly asymmetric.² Once the Covid emergency and the associated economic crisis wane, the EU will find itself in more or less the same position as it was in early 2020, meaning no major changes will be needed to its foreign and defence policies.

* Andrea Locatelli wrote the introduction and first section, Davide Fiammenghi the second and third sections. Both contributed to the conclusion. Institutional references list English versions where possible.

¹ A. Locatelli, "Le conseguenze sul sistema internazionale", in R. Caruso and D. Palano (edited by), *Il mondo fragile. Scenari globali dopo la pandemia*, Milan, Vita e Pensiero, 2020, pp. 117-126.

² D. Drezner, "The Song Remains the Same: International Relations After COVID 19", *International Organization*, vol. 74, Supplement 2020, pp. 1-18.

The second scenario sees more radical change. The balance of power, the various alliances and rivalries, and the mechanisms for managing world order will change. Authors who argue for this scenario can be divided into optimists and pessimists. The optimists predict leaders will have learnt a lesson from the Covid-19 crisis and will use this opportunity to renew cooperation³ and correct the biases in the present global economic system.⁴ The pessimists, on the other hand, point out the pandemic has favoured the spread of illiberal ideas in many countries and increased the appeal of revisionist powers (especially China and Russia).

The third scenario is a midway between the previous two. Unlike the first, it accepts there will be long-term changes to the international order, but in contrast to the second, it sees no likelihood of radical transformation. In this view, the pandemic will serve as an accelerator of changes already in motion.⁵ It will leave behind increased tension between the United States and China along with weakened multilateral institutions. For the EU, this scenario would make it necessary to accelerate the process of reforming security and defence policy and to adopt a clearer stance on the Sino-American rivalry.

The rest of this chapter explores the impact of Covid-19 on the EU's military initiatives and defence policy (first section), European missions in third countries (second section) and supply chains (third section). Using these analyses as a basis, the conclusions will try to see which scenario is the most plausible.

³ R. Caruso, "What Post COVID 19? Avoiding a '21st Century General Crisis'", *Peace Economics, Peace Science and Public Policy*, vol. 26, no. 2, 2020, pp. 1-9.

⁴ V.E. Parsi, "Vulnerabili: come la pandemia cambierà il mondo", Casale Monferrato, Piemonte, 2020.

⁵ R. Haas, "The Pandemic Will Accelerate History Rather Than Reshape It. Not Every Crisis Is a Turning Point", *Foreign Affairs*, 2 April 2020.

Member State Defence Initiatives and Military Policy

As tricky as it is to make predictions at this time, it appears likely the Covid-19 emergency will lead to a reduction in defence spending. This will have major implications for the EU as a whole and for its Member States. On the national level, the reluctance of European countries to invest greater resources in defence is one of the long-standing causes of tension with the United States within NATO – tension the Trump administration has laid bare but that has been present from the start of the alliance. The economic fallout of the pandemic will probably reinforce this trend, with likely cuts in defence spending both in absolute terms and as a proportion of GDP. This view, backed by various analysts, draws on what happened after the 2008 financial crisis, when nearly all European countries trimmed their defence budgets for five years, with defence spending only returning to 2009 levels in 2019.⁶

Renewed austerity in national defence spending would probably result in a reduction in military capacity among Member States. While it is reasonable to expect that some nations (e.g. France) will be affected less than others, there is a real prospect of an increased gap between EU and US capacity and, consequently, greater European reliance on NATO. This would clearly be to the detriment of the European defence integration process begun so laboriously some twenty years ago.

Turning to EU defence initiatives, the pre-pandemic years saw genuine political commitment to achieving strategic autonomy. This approach, which the Commission under von der Leyen has embraced, now has to overcome two major obstacles.⁷ The first is the reduced availability of funds for the European Defence Fund (EDF): on 14 December, the Council proposed close to

⁶ International Institute for Strategic Studies, *Military Balance 2020*, London, IISS, 2020, p. 70.

⁷ A. Billon-Galland, *COVID 19 Strengthens the Case for EU Defence*, Chatam House, 17 June 2020.

€8 billion for the EDF as part of the 2021-27 budget, along with €1.5 billion for military mobility.⁸ While in line with the request made by the Commission prior to the Covid-19 emergency, these spending figures are far below those originally on the table for the two projects (13 billion for the EDF and 6.5 for military mobility).

The second obstacle is more political, because areas other than defence will be prioritised to stimulate recovery and accelerate digitalisation. The Commission's "geopolitical" ambitions are not the result of Covid-19, but of factors like the Trump administration's foreign policy and the impact of Brexit on European integration. The effects of the pandemic will combine with the hoped-for normalisation of relations with the UK and the probable realignment of American foreign policy under the Biden administration. The drive for military cooperation of the last five years appears destined to lose steam. Despite encouraging signals, such as the letter of intent circulated by the defence ministries of France, Germany, Italy and Spain in May, and the Franco-German policy paper issued in June, important Community initiatives like Permanent Structured Cooperation (PESCO) and the Capacity Development Plan (CDP) could suffer major setbacks.

The pandemic could hit the defence integration process hard. Though, military cooperation offers Member States two clear advantages – the prospect of strategic autonomy from the United States and the economic benefits of economies of scale – it is currently threatened by the EDF cuts (and therefore by a foreseeable reduced role for the Commission) and by the temptation of Member States to protect their own defence industries to the detriment of rivals.

⁸ Council of the EU, *Provisional agreement reached on setting-up the European Defence Fund*, Press release 935/20, 14 December 2020.

European Missions and Aid for Third Countries

The Covid-19 outbreak placed additional strain on European missions in third countries and led to a partial redirection of aid towards public health. During the early stages of the pandemic, some European personnel were temporarily withdrawn from the field as a precautionary measure. As the European Parliament has noted, Covid-19 has negatively impacted training missions in countries like Mali, Somalia and the Central African Republic.⁹ It is even possible the pandemic might lead to intensified conflict in nations with a fragile state.¹⁰ Peacebuilding initiatives therefore need to be bolstered. In the late spring of 2020, the Council of the EU requested the urgent return of personnel and the reinforcement of missions.¹¹

In November 2020, the Council's Committee of Permanent Representatives added biological hazards¹² to its field of interest and competence and established them as a priority to be tackled under the 2021-25 Medium Term Plan of the European and Mediterranean Major Hazards Agreement (EUR-OPA), an inter-governmental regional accord to promote cooperation on natural and technological disasters. Established in 1987 by an open partial agreement, EUR-OPA has unfortunately never been consolidated, and its contributions to risk prevention and management have proved somewhat limited.¹³ As a result, the

⁹ European Parliament, *Foreign Policy Consequences of the COVID 19 Outbreak*, 25 November 2020, p. 14, no. 53.

¹⁰ Ibid; cf. P. Veron e A. Sheriff, *International Funding for Peacebuilding: Will Covid19 Change or Reinforce Existing Trends?*, Maastricht, European Centre for Development Policy Management, Discussion Papers, September 2020, p. 3, I par. and sources listed there.

¹¹ Council of the EU, *Council Conclusions on Security and Defence*, Bruxelles, 17 June 2020, p. 6, no. 11.

¹² The expression "biological hazard" refers to micro-organisms (e.g. bacteria, antibiotic-resistant bacteria, viruses, toxins etc.) capable of causing infections or otherwise damaging living organisms.

¹³ Other organisations perform similar functions within NATO: the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) and the Centre of

work of managing the Covid-19 emergency has been entrusted to the EU's Civil Protection Mechanism (CPM) and to the civilian and military missions of the Common Security and Defence Policy (CSDP).

The Commission has proposed reinforcing the EU's CPM and increasing funding for emergencies like Covid-19 that simultaneously put pressure on most or all Member States and prevent them from offering "each other assistance [sic]".¹⁴ While affirming the CPM serves primarily for use in the EU, in keeping with previous legislation, the proposed reform does allow its use in other countries in the event of humanitarian disasters.¹⁵

Similarly, CSDP civilian missions have been redirected to provide equipment and medical assistance in response to the pandemic.¹⁶ The Council has also called for a more "resilient" civilian component, especially for medical and strategic evacuations.¹⁷ Use of the military in support of civilian operations to contain the pandemic (e.g. field hospitals, patient transport) began during the emergency and has since been approved by European institutions. This practice has given rise to a call for greater coordination between the armed forces of Member States either within existing European frameworks, such as PESCO and the European Medical Command, or within newly established frameworks.¹⁸ The plan is also to review the use, availability and coordination of member state armed forces in support of the above-mentioned CPM.¹⁹

Excellence for Military Medicine.

¹⁴ European Commission, *Proposal for a decision of the European Parliament and of the Council amending Decision No. 1313/2013/EU on a Union Civil Protection Mechanism*, Bruxelles, 2 June 2020, p. 1.

¹⁵ *Ibid.*, p. 10, no. 12 and 14; p. 12, no. 20.

¹⁶ J. Borrell, "Implications of Covid19 for the External Action of the EU: Remarks by HR/VP Josep Borrell at the AFET-SEDE-DROI Committee", Bruxelles, 20 April 2020.

¹⁷ Council of the EU, *Council Conclusions on Security and Defence...*, cit.

¹⁸ European Parliament, *Foreign Policy Consequences*, cit., no. 35.

¹⁹ Council of the EU, *Council Conclusions*, cit., p. 3, no. 5.

To be effective, CPM reform and the redirection of missions towards emergency management require a policy for sourcing raw materials and other items (e.g. reagents used in healthcare testing). This is the focus of the next section.

Sourcing Strategic Resources

The EU's effort to reduce its dependence on external supplies dates back to before the Covid-19 outbreak, but the health crisis has certainly accelerated this trend. The second wave of globalisation spread the production process across multiple states, establishing a process of value creation through global value chains that require equally global supply chains to move materials and products from one place to another. Covid-19 has forced analysts and politicians to start wondering whether it is indeed a good idea to fragment production to such an extent a single shock from outside the system can destroy supply chains and compromise production. This leads to the conclusion that supply and value chains need to be "shortened", strategic resources procured through secure channels, and at least some production brought back home.²⁰

The aim is to reduce the frailty of the EU or put more positively, to increase its resilience. One way of defining frailty is lacking the resources to return things to the initial state after a shock or disturbance (once could say a return to homeostasis). Resilience, by contrast, focuses on the ability to overcome a shock or disturbance. The concept of resilience is often used in EU documents, especially since the Covid-19 outbreak. Resilience is also one of the four "baskets" of the EU's Strategic Compass, an ambitious cooperation and defence reform project that, by mid-2022, is supposed to produce a common EU vision of the international panorama and shared foreign policy objectives, and to identify threats to the EU and means to combat them.

²⁰ R. Fontaine, "Globalization Will Look Very Different After the Coronavirus Pandemic", *Foreign Policy*, April 2020.

In March 2020, the Commission launched a new industrial strategy covering the transition to clean energy, sourcing raw materials and energy security.²¹ The link between supply chains and resilience was emphasised in a statement issued by the Commission early in September, when the health emergency had focused the spotlight on the vulnerability of supply chains to Europe. The focus on clean energy and energy security²² also shows the European green deal is inspired not only by a desire to protect the environment (praiseworthy though this maybe), but also by a strategic vision of independence from external energy suppliers.

Realising such ambitions requires close cooperation with industry. To this purpose, on 29 September 2020, the Commission's vice-president, Maroš Šefčovič and Thierry Breton, a business expert who previously served as French finance minister and is now the Internal Market Commissioner, launched the European Raw Materials Alliance (ERMA) in the presence of numerous institutional and private stakeholders. This new alliance will provide a forum for consultation on various themes such as the diversification of supply chains, the circular economy, recycling materials and investment in innovation.

Finally, the Covid-19 emergency has shown that fuels and rare-earth elements are not the only items of strategic importance: reagents used by the pharmaceutical industry are equally so. The new industrial strategy outlined in March had already underlined the strategic role of the pharmaceutical sector and the need to devise a new, EU-wide pharmaceutical

²¹ European Commission, *A new industrial strategy for Europe*, Communication from the Commission to the European Parliament, Council, European Economic and Social Committee and Committee of the Regions, Bruxelles, 10 March 2020.

²² European Commission, *Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability*, Communication from the Commission to the European Parliament, Bruxelles, 3 September 2020, pp. 6-7. Cf. Council of the EU, [Council Conclusions on Security and Defence](#)..., cit., pp. 10-11.

strategy by 2020²³ and then in April, the European Parliament expressed the hope strategic autonomy could be achieved in various areas, including pharmaceuticals.²⁴ Later, on 25 November, the Commission launched its Pharmaceutical Strategy for Europe, based on four pillars, one of which covers diversifying and securing supply chains.²⁵

Conclusion

Covid-19 refocused European missions towards managing the healthcare emergency. This, however, would seem to be a short-term development and increasingly lose importance as the Covid-19 emergency fades away. For European defence and security, the emergency has largely accelerated trends that were already in place. This has negatively impacted budgets and, at least in the short term, missions. However, these trends predated the Covid-19 outbreak, and they have been boosted by the change in the American administration and the ensuing prospects of greater cooperation within NATO. In partial contrast to this, Covid-19 has accelerated the Commission's projects for sourcing strategic materials. Before the scope of the Strategic Compass is clearly defined, it is difficult to foresee which of these trends will prevail. Political wrangling could well lead only to a limited agreement that fails to realise the ambitious Strategic Compass reforms. Furthermore, as a corollary of rapprochement between the EU and US, the Commission may find its role restricted and European cooperation on defence and security once again curtailed.

²³ European Commission, *A new industrial strategy for Europe...*, cit, p. 16.

²⁴ European Parliament, *EU coordinated action to combat the COVID-19 pandemic and its consequences*, Resolution of the European Parliament, 17 April 2020.

²⁵ See: https://ec.europa.eu/health/human-use/strategy_en.

7. From Trump's Europhobia to Biden's Atlanticism: The EU and the U.S.

Mario Del Pero

Donald Trump and the Three Spheres of Transatlantic Relations

As we know all too well, unparalleled and deep levels of integration and institutionalisation underpin the relations between the United States and Europe. For the sake of analytical convenience and descriptive ease, we can break down these relations in three distinct, yet closely intertwined and interdependent spheres: the ideological and cultural one, the economic one, and the strategic and military one.

The Trump years were typified by the open questioning of the pillars of Euro-American relations, and thus by crises – in part only apparent, and in part all too real – in each of these three spheres. In an explicit and often deliberately abrasive manner, Trump ferociously criticised his European allies – Angela Merkel's Germany in particular – and rejected like no other post-war U.S. President the basic premises of Atlanticism, starting with the idea that the alliance between the United States and Europe was a natural one, based not only on shared strategic and economic interests, but also on a commonality of ideas, values, and democratic principles.¹

¹ G. Lundestad, *Empire by Integration. The United States and European Integration*,

This American attack on Europe, and the questioning of the alliance between the U.S. and its European partners, seemed to be coherent with the hyperrealist and “sovereignist” philosophy of the Trump administration and its view of international relations. According to this view, the national interest – expressed in quite simple if not binary terms – must be the primary, if not the sole compass informing the country’s basic foreign policy choices. It presented (and caricatured) international policy as an anarchic and brutal zero-sum game, in which alliances were contingent, functional and transactional, and where certain key parameters – beginning with the trade deficit – provided clear indications of who was gaining or losing from the status quo, mandating efforts to reverse the course whenever it was unfavourable to the United States.²

On top of these elements of friction and evident discontinuities was the revival of certain historical criticisms that had long marked the U.S. position towards transatlantic relations (and NATO in particular) and which Trump merely reiterated, albeit in his usual harsh and inappropriate tone. More specifically, I am referring here to the issue of burden sharing, and of the insufficient contribution of the European allies (and once again, Germany in particular) to common defence, as measured by the threshold of 2% of military spending as a share of GDP – an indicator that is theoretically unassailable, but that is actually far more ambiguous.

Trump’s approach to Europe combined old grievances with new *realpolitik*, demands that European partners do more with calls for re-asserting U.S. sovereignty that included a reduction

1945-1997, New York/Oxford, Oxford University Press, 1998; M. Kuus, “Love, Peace and Nato: Imperial Subject-Making in Central Europe”, *Antipode*, 2 March 2007, pp. 269-290.

²The Trump administration’s only National Security Strategy (NSS), published in 2017, made numerous references to the need to recover lost sovereignty; indeed, the document opened by referencing the obligation of U.S. leaders to defend “America’s sovereignty without apology”. See *A New National Security Strategy for a New Era*, December 2017.

in Washinton's obligations and commitments, including those towards its traditional European partners. This disengagement from Europe – which was justified in terms of the old continent's diminished geopolitical centrality for Washington's global interests and the need to concentrate on the Pacific theatre and competition with China – manifested itself in all of the three above-mentioned spheres of Euro-American relations and integration.

The dispute on Atlanticism

In the political and ideological sphere, we witnessed a clash and reciprocal claims of irreconcilable differences that seemed to exceed even those of the 2003 crisis over the Iraq war. Using a simple and often coarse language, Trump spouted anti-European and sometimes Europhobic rhetoric that was thought to be a thing of the past in U.S. and transatlantic politics. The former President depicted the European Union as an “enemy” and NATO as “obsolete”. He enthusiastically backed Brexit and hoped it would be merely the first step in the fragmentation of Europe. In a bizarre report published in October 2018 – and used in the domestic debate against his Democratic opponents – Trump's Council of Economic Advisers (CEA) harshly criticized the allegedly socialist models of Nordic countries and claimed the U.S. model ensures a higher “standard of living”.³

These positions are informed by Trump's harsh realism and the consequent rejection of many assumptions and stereotypes of liberal Atlanticism. They are also in keeping with Trump's abandonment of claims of American and Western exceptionalism, which played a central role in the argument that the alliance between the United States and Europe rested upon natural and even deterministic historical reasons.⁴ As

³ L. Simon, “Biden and Europe's Dilemma”, *War on the Rocks*, 15 December 2020; The Council of Economic Advisers (CEA), *The Opportunity Costs of Socialism*, 23 October 2018.

⁴ St. Wertheim, *Trump Against Exceptionalism. The Sources of Trumpian Conduct* in R. Jervis, F.J. Gavin, J. Rovner, and D.N. Labrosse (Eds.), *Chaos in the Liberal Order*,

always, such positions are also fuelled by domestic political and electoral calculations, as over the last twenty years a renewed Europhobia has once again taken on a central role in the discourse of the American right, as with other elements that Trump merely revived, adapted, and exasperated.

The theatrical nature of Trump's denunciation of Europe – embodied by his ostentatious failure to shake Angela Merkel's hand during their first meeting in Washington in March 2017 – was a function both of these domestic concerns and of the Trump administration's binary approach to its European allies (in addition to a certain testosterone-fuelled masculinity that explains much of Donald Trump's public posturing). His favourite targets were Germany and its chancellor, all-too-easy stand-ins for feminine weakness and European opportunism that served as lightning rods for American criticisms regarding the two other spheres of Euro-American relations: economics and security.

Trade wars

In Trump's eyes, the most tangible example of the competitive nature of U.S.-Europe relations was represented by the monumental U.S. trade deficit with the European Union, and Germany in particular. In the Trumpian narrative, these deficits are not the results of the complex global integration dynamics that the U.S. is at the centre of – with significant advantages – but rather of the ruthless and callous ability of European partners in exploiting these dynamics to their advantage and operate as free riders, benefiting both from American military protection and access to its extraordinary domestic market. This criticism has informed the Trump administration's attitude and rhetoric towards Europe and transatlantic relations. Europe

New York, Columbia University Press, 2018, pp. 125-135; e J. Gilmore, C.M. Rowling, J.A. Edwards, and N.T. Allen, "Exceptional 'We' or Exceptional 'Me'? Donald Trump, American Exceptionalism, and the Remaking of the Modern Jeremiad?", *Presidential Studies Quarterly*, 3 September 2020, pp.539-567.

has also been a victim of American protectionist policies, which culminated in the tariffs imposed by Washington in 2018-19 on a wide range of goods imported from Europe. These tariffs were authorised by the World Trade Organization (WTO) in response to the subsidies granted by various European governments to the Airbus project. This is a paradox, if we consider that the Trump administration has, for all intents and purposes, boycotted the WTO and its dispute settlement system, thus weakening a crucial institution in multilateral processes – partial and incomplete as they may be, but still indispensable – of global governance, in which collaboration between the two shores of the Atlantic had often been central.⁵

NATO and security

Finally, we come to the security sphere. Here, attacks on the core pillar of transatlantic relations – NATO – were frequent if not incessant. The demands that allies contribute more to common defense was a leitmotiv of the president's rhetoric and of all of the administration's main strategic documents, starting with the 2017 National Security Strategy (NSS) (which states that NATO "will become stronger when all members assume greater responsibility for and pay their fair share to protect our mutual interests, sovereignty, and values"⁶). Whether due to U.S. disengagement, a lack of European coordination, or the erratic nature of Trump's foreign policy, there has not been a much-needed shared approach to a series of crucial issues, Turkey and Libya among them. On the alliance's "Eastern front", the fundamental question of relations with Russia and "intra-Atlantic" tensions, especially between the U.S. and Germany, returned to the fore. Finally, regarding certain key matters for transatlantic relations – such as Washington's

⁵ C.P. Bown and S. Keynes, *Why Trump Shot the Sheriffs: The End of WTO Dispute Settlement*, Working Paper No. 20-4, Peterson Institute for International Economics, March 2020.

⁶ *A New National Security Strategy for a New Era...*, cit.

decision to withdraw from the Intermediate-Range Nuclear Forces Treaty – the Trump administration acted unilaterally, without involving its European allies.⁷

Rhetoric and reality

But it is the security sphere that behoves us to distinguish clearly Trump's rhetoric from his policies, his slogans from his contents. While it is crucial to avoid the pitfall of many analyses that exaggerate the structural and essentialist scope of national interests and the foreign policies that follow, and thus are unable to perceive discontinuities and breaks, we must also avoid the risk of overestimating their impact or minimising political and institutional resistance to their implementation, especially with as radical and unorthodox a president as Trump. In spite of Trump's threats, NATO continued to operate as if on autopilot, which often constrains its efficacy, but ensures its solidity. Trump's promise to reset relations with Russia was met with the opposition of much of the U.S. political world, revelations about Russian interference in the 2016 election, and the maintenance of a firm approach to the Russian rival, reiterated in all key strategic documents, which continued to present it as one of the main competitors – and sometimes the main adversary – of the United States.⁸ The theoretical reduction of Europe's geopolitical strategy in favour of Asia may have stimulated a more forceful search for strategic independence on the part of the EU, but it also put into place the conditions for creating a potential new Euro-American front against the Chinese giant.

Trade turbulence was evident, but once again the gap between appearances and reality was rather wide. There is no doubt that certain sectors of the European economy were

⁷ T. Nicols, "Morning the INF Treaty", *Foreign Affairs*, 4 March 2019; J. McKay, "How Transatlantic is the Trump Administration?", *Journal of Transatlantic Studies*, 17 October 2019, pp. 532-553.

⁸ For an example see *The National Defense Strategy of the United States: Sharpening the American Military's Competitive Edge*, 2018.

hit hard by tariffs. However, their effects were limited and contained by the delayed application of the tariffs themselves, the consequences of the pandemic in 2020, certain minor yet significant agreements between the EU and the United States, and especially the depth of transatlantic economic integration, which not even Hurricane Trump could undermine. In 2017-19 the trade deficit with the EU continued to increase, to a record of US\$178 billion in 2019 (in spite of everything, there was a minimal reduction in this deficit in 2020). The trade deficit with Germany remained the same, testifying to the structural solidity of global trade integration processes and transnational production chains that are easy to criticise, but immensely difficult to change.⁹

We are left with the ideological and political sphere. Here the break was more evident, and the crisis of U.S. soft power more visible and apparently inevitable. With his overt cynicism, his coarse and careless language, his authoritarian and subversive inclinations, Trump did everything to project a highly negative image worldwide, and especially in Europe, confirming all of the negative stereotypes that have historically accompanied European anti-Americanism.¹⁰ According to all of the polls at our disposal, the image of the United States, and particularly of its leader, has fallen to record lows, albeit with some variations from one country to the next. The tragic year 2020 – with Trump's mishandling of Covid-19, social and racial tensions, and the radicalisation of political conflict produced by the electoral campaign – further accelerated the collapse of U.S. prestige in Europe. According to the latest poll by the Pew Research Center, Trump's approval rating is as low as 10% in France and Germany, and it does not rise above 20% in any of the other European countries surveyed (Belgium, Denmark,

⁹ United States Census, *U.S. Trade in Goods by Country*; H. Farrel and A.L. Newman, "Chained to Globalization. Why it's too Late to Decouple", *Foreign Affairs*, vol. 99, no. 1, January/February 2020, pp. 70-80.

¹⁰ D.W. Ellwood, *The Shock of America. Europe and the Challenge of the Century*, Oxford, Oxford University Press, 2012.

Italy, Spain, Sweden, The Netherlands, and United Kingdom). This extreme lack of confidence in Trump accentuates the negative image of the U.S. in Europe, which exceeds 50% in all of the countries surveyed, often by a wide margin.¹¹

These trends and data must not be taken lightly. History – including recent events – teaches us just how strong the impact of such a negative perception of the U.S. can be in the policy choices of democratic countries such as those in Europe, which are inevitably subject to the pressure of public opinion. But recent history also teaches us that the U.S. are endowed with a solid reserve of soft power it can turn to in difficult moments; that the harsh criticism of Bush and the neo-cons was followed by an arguably excessive infatuation with Barack Obama; that the fervent interest for the latest U.S. elections and the overwhelming preference for Joe Biden in European polls are themselves evidence of the centrality of the United States in the imagination of most Europeans.

Joe Biden and Europe

This takes us to the new President and his administration. While it is true that structural elements and deep-rooted relationships contained Trump's impact on transatlantic relations, it is equally true that a second Trump term would have made certain Europhobic stirrings even more difficult to restrain and manage. Four years of Trump have unsettled and in part destabilized relations between the United States and its European allies; while another four years may not have dealt a final blow to them, they certainly would have stretched a strained and complex relationship to near the breaking point. Biden's election is thus a clear opportunity for Europe and the EU. Trump lowered European expectations to such an extent that even the smallest gesture of friendship towards Europe by

¹¹ R. Wike, J. Fetterolf, and M. Mordecai, *U.S. Image Plummet Internationally as Most Say Country Has Handled Coronavirus Badly*, Pew Research Center, September 2020.

the new administration will be celebrated as a great success. And there will be no shortage of such gestures, some of which will be anything but small. We already know that the Biden administration intends to re-launch a strong and even more ambitious Euro-American cooperative effort in the fight against climate change. An important initiative on its own merits, it is also extremely popular in every European capital, and will furnish the new President with an additional store of soft power capital. Environmental issues will be front and centre in U.S. efforts to reposition the country within a type of multilateralism that almost always exalts the collaboration between Europe and the United States and its importance. From the WTO to UNESCO to the WHO, we will see a series of American initiatives aiming to highlight the country's full willingness to re-engage with international issues after the painful separation of the Trump years, and to once again take on the United States' natural leadership role in global governance.¹²

Of course, potential convergence between Europe and the United States extends to other fields as well, from a long-needed effort to jointly manage the global health emergency to security. In the latter field, the usual differences of opinion between individual European countries – such as the attitude towards Russia, or the approach to certain areas of unrest, beginning with Libya – may hinder a coherent Atlantic policy, which in order to be pursued effectively would require cohesion and harmony among the main European countries. And it is not unlikely that trade will be back on the agenda, together with the plans for further transatlantic integration that were shelved after the failure of negotiations for the Transatlantic Trade and Investment Partnership (TTIP) in 2016, and Trump's subsequent turn towards protectionism.

Trade and security, and the close interdependence between the two, highlight however the persistence into the Biden era of

¹² M. Karnitschnig, "What Biden Means to Europe", *The Politico*, 8 November 2020.

dilemmas and problems that have marked these last four years. There is a strong current of resistance within the U.S. against the re-launching of forms of free-trade multilateralism that have been partly discredited, and towards which there are broad ideological objections from all sides of the political spectrum. There is a partial willingness to do so provided that new clauses are included, as evidenced by the revision of the North American Free Trade Agreement (NAFTA) – in which Democrats played a key role – which brought about the new United States-Mexico-Canada Agreement (USMCA) that entered into force in July of last year. These clauses provide better protection for the environment and for workers, and more significantly, they make it possible to affect current transnational production and distribution chains, with the ultimate goal of reducing China's role and importance.¹³ It appears highly likely that such an approach – perhaps the only truly viable one to re-launch trade negotiations – will also characterise any Euro-American dialogue. This would put Europeans before an evident conditionality; a link between strengthening transatlantic integration and its use for anti-Chinese purposes. This might generate tensions and divisions within Europe, which are already emerging in the security sphere with Germany's scepticism towards Macron's ambitious strategic autonomy projects. Indeed, Germany is more inclined towards pursuing a transatlantic shield, which has been given new credibility by the election of Joe Biden (and his initial appointments in the foreign policy and security spheres).

There is no shortage of material upon which to re-launch transatlantic relations after the difficult Trump years. In order to do so, the two parties will have to make fraught choices, in the awareness that their relationship is affected as never before by additional elements, first and foremost the U.S.-China rivalry.

¹³ D.A. Gantz, *North America's Shifting Supply Chains: the USMCA, the Covid-19 and the U.S.-China Trade War*, Working Paper, The Center for the United States and Mexico. Baker Institute for Public Policy, Rice University, November 2020.

8. Brussels and Beijing: So Near and Yet so Far?

Guido Samarani

If you read statements, interviews and commentary by authoritative experts and research centres specialising in China-EU relations, and look at the results of most of the surveys of perceptions of China in the EU (and Europe in general) in 2020, you will be struck at once by how quickly the general climate has deteriorated, and may continue to in the near future, especially in view of the fact that 2020 marks the 45th anniversary of the establishment of formal relations between Beijing and Brussels.

Consider, for example, that between the late 1990s and the early years of the XXI century, the EU published various significant documents on the People's Republic of China (PRC), containing clear references to a *comprehensive strategic partnership* and *long-term policy*, and in October 2003, Beijing published an important and unprecedented *policy paper* highlighting the two parties' shared interest in a multipolar system of international relations as a counterweight to the unipolarism of the United States.¹

¹ See *China's EU Policy Paper*, Ministry of Foreign Affairs of the People's Republic of China, 13 October 2003, www.fmprc.gov.cn

As discussed elsewhere,² after a difficult phase in bilateral relations in the years that followed, a new rapprochement between the two sides emerged after the outbreak of the global financial crisis: this rapprochement was boosted by the new political, diplomatic and economic strength that accompanied Xi Jinping's accession to the leadership, and by Brussels' commitment to establishing a "constructive partnership agenda combined with constructive management of differences".³ It was also marked by the launch of the Belt and Road Initiative (BRI) in 2013, the adoption of the *EU-China 2020 Strategic Agenda for Cooperation* also in 2013, the updating of China's 2003 policy paper in 2014 in keeping with the strengthening of the *comprehensive strategic partnership*, and the European Commission's publication of the document *Elements for a new EU strategy on China* in 2016.

The first section below outlines the new approaches and growing doubts about the PRC that emerged in the EU and Europe in general in 2020, and the second section endeavours to sketch out Beijing's view.

The European Union Scrutinises China....

Despite the fact that even after 2016, difficulties and obstacles (e.g. the arms embargo, recognition of China's status as a market economy, the EU's inability to speak with a single voice, etc.) clearly stood in the way of the creation of the fruitful strategic partnership so highly praised and keenly awaited in numerous documents and speeches, it would probably have been hard to imagine, even as recently as 2019, that by September 2020 the Schuman Foundation – which tends to be unforgiving towards Beijing – would have been denouncing the fact that the PRC

² For a recent analysis, see B. Onnis, "La Cina, l'Unione Europea e la prospettiva di un nuovo ordine internazionale", *Rivista italiana di storia internazionale*, II, 2/2019, pp. 265-294.

³ *Ibid.*, p. 286.

had now clearly abandoned *mask diplomacy*, in a clear reference to China's narrative of the pandemic and its commitment to help other countries, in favour of *wolf warrior diplomacy*, i.e. a growing determination to boost nationalism and China's role on the world stage in its capacity as a key player in global security.⁴

And only a year ago, it was probably still impossible to imagine that by the period between July and September 2020, Janka Oertel, Director of the Asia Programme at the European Council on Foreign Relations, would have written that the pandemic had killed off a number of mistaken beliefs and half-truths cherished by Europeans, for example, that "China would have an interest in a functioning global economic order", that "China would support multilateralism", and that Beijing "had no interest in destroying the European Union, as it was a key trading partner for Beijing and potentially an additional great power to the United States in a more multipolar world order". In Oertel's view, the experience of 2020 has shown that in reality, the PRC "does not have an appetite for investing in the global economy. Rather, it aims to focus on domestic growth and efforts to limit China's dependence on global supply chains"; that, "as the controversial interaction between China and the World Health Organisation over the course of the pandemic has demonstrated, the Chinese Communist Party can pressure international institutions in ways that help it wield influence globally"; and lastly that, "China's attempts to divide Europeans during the crisis, along with its fierce and openly hostile rhetoric targeting the capacity of Western democracy to effectively respond to the health emergency, has

⁴ Fondation Robert Schuman, "[Sur l'Europe, avec la covid 19, la Chine tomb le masque](#)", *Question d'Europe*, no. 569, 7 September 2020. The expression *wolf warrior diplomacy* originates from the Chinese blockbuster films *Wolf Warrior* and *Wolf Warrior II*, which portray the courage of Chinese special-forces agents. As some commentators have pointed out, the result is to stoke national pride and patriotism, in much the same way that the Rambo films did in the United States in their day

served as a wake-up call”.⁵ And in her policy brief published in September, Oertel reiterated, in no uncertain terms, that “The Sino-European economic relationship lacks reciprocity, and there are mounting concerns within the EU about China’s assertive approach abroad, as well as its breaches of international legal commitments and massive violations of human rights in Hong Kong and Xinjiang. Overall, there is growing scepticism about the future trajectory of the relationship, which provides an opportunity for a more robust and coherent EU policy on China”.⁶

In various cases, European analysis and commentary has been accompanied by surveys of how and to what extent European public opinion of China has changed in recent months, thus reinforcing the predominantly negative narrative.

For example, the aforementioned European Council on Foreign Relations has collected and published the results of a series of questionnaires distributed in various countries (opinion polls, expert opinions, etc.), which asked the question: “Has your view of China changed during the coronavirus crisis?”. The result was striking: 48% of respondents said their view had deteriorated, with peaks of between 52% and 62% in Sweden, France and Denmark, while only 12% reported that their opinion had improved (the most positive figure came from Bulgaria with 22%) and 40% either gave no answer or said that the situation had not changed. As the report points out, even in Italy – clearly indicated as one of the most “sensitive” countries towards China, having signed a Memorandum of Understanding with it in March 2019 – 37% of respondents

⁵ J. Oertel, *China, Europe, and covid-19 headwinds*, Commentary, European Council on Foreign Relations (ECFR), July 2020.

⁶ J. Oertel, *The new China consensus: How Europe is growing wary of Beijing*, Policy Brief, European Council on Foreign Relations (ECFR), 7 September 2020. See also the generally more tempered analysis of P. Le Corre, *The EU's New Defensive Approach to a Rising China*, ISPI Commentary, 29 June 2020; and *Covid-19 and Europe-China Relations*, Special Report, European Think-tank Network on China (ETNC), French Institute for International Relations (IFRI), 29 April 2020.

had changed their opinion for the worse, compared with 21% who took a more optimistic view of China.⁷

The Central European Institute of Asian Studies (CEIAS), an independent think-tank, conducted a broader, more granular survey across 13 European countries, as against the 9 covered by the ECFR survey, and reached broadly similar conclusions.⁸

The overall result can be summed up as follows:⁹

- a negative view of China in 10 of the 13 countries, including a large proportion of north European countries (Sweden had the highest negative rate, at over 60%);
- a more positive view in Latvia, Russia and Serbia, and an intermediate view in the “Visegrad Group” (Czech Republic, Hungary, Poland, and Slovakia);
- in Italy and Spain alike, 40% of respondents expressed a negative or very negative view;
- the only positive element that emerged in almost all of the countries surveyed was trade relations with China, although opinions of China’s investments and the “New Silk Road” were predominantly negative: in both cases, Latvia, Serbia and Russia expressed the most positive views, while Italy expressed a positive view only in the latter case;
- lastly, in comparing China, Russia and the United States, all respondents, with the exception of Serbs and Russians, expressed significantly more confidence in the U.S.

Lastly, the Pew Research Center’s survey of 14 countries across Europe, Asia and North America is clearly of interest. Its results

⁷ For the overall result of the survey, see the previously cited article by J. Oertel, *China, Europe, and covid-19 headwinds...*, cit.

⁸ France, Germany, Italy, Poland, Spain, and Sweden were common to both surveys, to which the ECFR survey added Bulgaria, Denmark and Portugal, while the CEIAS survey added Czech Republic, Hungary, Latvia, Russia, Serbia, Slovakia, and United Kingdom.

⁹ See *European public opinion on China in the age of Covid-19. Differences and common ground across the continent*, Central European Institute of Asian Studies (CEIAS), 21 December 2020 (the survey was conducted in September and October 2020).

include the finding that a majority of respondents believe that China “has done a bad job of handling Covid-19, though better than the U.S.” and that its leader, Xi Jinping, has proved to be unreliable in his handling of world affairs, with an increase in the percentage of negative views expressed in Europe, compared with 2019, especially in Italy and Germany (but even here, Donald Trump attracted a higher number of negative views than his Chinese counterpart).¹⁰

..While Beijing Observes Brussels

The quality and quantity of documents and information available for this section is, unfortunately, more limited than for the previous section.

The main source of reference on China’s position towards the outside world (and hence towards Europe) for the year 2020 is the “White Paper” published in June under the title *Fighting Covid-19: China in Action*.¹¹

The paper focuses on the internal aspects of the fight against the pandemic, highlighting successful points such as the “centralized and efficient command” (Part I) and the fact that China “has released information in an open and transparent manner” (Part II). The fourth and final part, however, is dedicated to building a “global community of health”: it highlights how every country must now choose between “science and rationality” versus “manufacturing political disputes”; “strengthening unity and cooperation” versus “seeking isolation”, and “promoting multilateral coordination” versus “pursuing unilateralism”.

China’s choice is obvious and is based on several underlying positive factors: the first of these is the help and support received from various parts of the world in the most difficult months of

¹⁰ L. Silver, K. Devlin, and C. Huang, *Unfavorable Views of China Reach Historic Highs in Many Countries*, Pew Research Center, 6 October 2020.

¹¹ *Fighting Covid-19: China in Action*, China’s State Council Information Office, 7 June 2020.

the crisis; the second is its commitment to helping and assisting any country, especially the most vulnerable and those most in need; and the third is its strong support for the work and action of the WHO.

There is no shortage of polemical and critical passages in the “White Paper”, especially where the authors assert their firm opposition to any “stigmatization and politicization of the virus” and emphasise that “Since the early days of the outbreak China has informed the rest of the world of every development in clear and unambiguous terms. Certain countries ignored this information, and now blame China for their own failure to respond to the epidemic and protect their people’s lives. Those who are intent on maligning others will easily find a pretext”, and lastly “It is both irresponsible and immoral to play the blame game in an attempt to cover up one’s own shortcomings”.¹²

A second source of information is the Chinese Ministry of Foreign Affairs and, more especially, the speeches of the Foreign Minister, Wang Yi. Of these, the following warrant particular attention: the meeting with Italy’s Foreign Minister, Luigi Di Maio, in Rome on 25 August; the speech at the French Institute of International Relations on 30 August, and the press conference with Germany’s Foreign Minister in Berlin on 1 September, as part of the European tour to France, Germany, Italy, Norway, and The Netherlands; and in December, the speech at the symposium on China’s international relations in 2020 in Beijing, and the meeting with diplomatic envoys from the EU and its Member States, also in Beijing.¹³

¹² For a broad and rigorous evaluation of the international dimension of the pandemic crisis and its management in China, see M.D. Swaine, “Chinese Crisis Decision Making: Managing the COVID-19 Pandemic Part Two: The International Dimension”, *China Leadership Monitor*, Fall 2020, Issue 65, 1 September 2020, which highlights in particular how Beijing’s diplomatic strategy, like other aspects of its foreign policy in recent years, has combined “many diplomatically polite and positive actions, along with some missteps and crude propaganda and pressure tactics”.

¹³ See: *Meeting between Minister Di Maio and the Minister of Foreign Affairs of the People’s Republic of China (PRC) Wang Yi*, Ministry of Foreign Affairs and International

The main points that emerged from these speeches and meetings are as follows: firstly, China has become the EU's largest trading partner, and the next goal – after the fifth *China-EU High-Level People-to-People Dialogue* (on culture, education, youth, etc.) held in November – is the *China-EU Investment Agreement* (see the observations on this in the conclusions to this chapter); secondly, China and the EU represent two substantial forces for boosting the process of “multipolarisation” and therefore have considerable responsibility for stabilising the world; and thirdly, the four overarching areas at the heart of this partnership should be: cooperation in the fight against Covid-19, investment, digital technology, green development (in which China and the EU are complementary to a high degree) and climate change.

According to the Chinese Foreign Minister, there are many more areas of agreement than areas of clear difference between the two sides. As such, 2021 – when China will launch its 14th Five-Year Plan (2021-25)¹⁴ in March (as already announced by the Central Committee of the Chinese Communist Party in October) and the EU will have to draw up “a massive recovery plan” – will offer a valuable opportunity for Sino-European cooperation.

In turn, the Deputy Director-General of the Ministry's Information Department, Zhao Lijian – who is regarded as

Cooperation, 25 August 2020; *Wang Yi on the Four Aspects of Developing China-Europe Union (EU) Relations*, Ministry of Foreign Affairs of the People's Republic of China, 31 August 2020; *Wang Yi: China and the European Union Should Strive for Progress in Six Areas*, Embassy of the People's Republic of China in Singapore, 1 settembre 2020; *Serving the Country and Contributing to the World: China's Diplomacy in a Time of Unprecedented Global Changes and a Once-in-a-Century Pandemic*, Ministry of Foreign Affairs of the People's Republic of China, 11 December 2020; *Wang Yi Holds Collective Meeting with Envoys to China from European Union and Member States*, Permanent Mission of the People's Republic of China to the UN, 21 December 2020.

¹⁴ The Plan is expected to focus on the goals of qualitative growth, rebalancing the economy, expanding domestic demand while continuing to support export policies, technological development and the green economy.

one of the leading figures of the new generation of Chinese diplomats (he was born in 1972) and a supporter of the aforementioned *wolf warrior diplomacy* (his views have undoubtedly been influenced by the important fact that he spent 4 years in Washington as Embassy First Secretary) – has attracted attention on several occasions for his crude comments at periodic meetings with the press.

On 9 December 2020, for example, in response to a question from AFP about the large-scale detention of people in Xinjiang reported by Human Rights Watch, he said: “This so-called human rights organisation is full of bias and capable of nothing but churning out inflammatory lies. I see no point in wasting my breath on refuting its nonsense”. And on 23 December, in response to a question from Reuters, asking him to comment on the statements of U.S. Senators Ted Cruz and Marco Rubio warning against the risk of espionage by Huawei, he said: “The Senators you mention will oppose whatever China does. They are always making up lies to smear China to seek political gains. They have no political integrity to speak of”.¹⁵

Lastly, let us look at the most significant of the many articles that have appeared in the Chinese press in recent months, which are often of a general nature but always with a close focus on Europe and the West.

The first appeared in June in the English-language edition of *Renmin Ribao* (*People’s Daily*), China’s most widely read daily newspaper and an organ of the Chinese Communist Party: it strongly denies U.S. (and Western) accusations against China of a lack of transparency in the provision of information on Covid-19 cases, and accuses Washington, in particular, of spreading lies for domestic political gain.

The second is a speech given by Xi Jinping in October, marking the 70th anniversary of China’s intervention in the Korean War, and obviously reported by all the Chinese press. The speech calls upon the whole party and country to summon

¹⁵ See the previously cited ministerial website, www.fmprc.gov.cn.

up the same spirit as in 1950, and emphasises that “It is necessary to speak to invaders in the language they know: that is, a war must be fought to deter invasion, and force must be met by force. A victory is needed to win peace and respect”.

Lastly, the third article appeared in late December in *Huanqiu Shibao*, better known as the *Global Times*, a tabloid published in both Chinese and (since 2009) English, under the aegis of the *People's Daily*, and which focuses on international issues. Under the significant headline “End of history obsession links to West's problem of democracy”, the article takes its cue from an interview published in *Le Figaro* with Francis Fukuyama, who is known for his 1992 essay on “The end of history”. In the interview, the U.S. scholar writes “Un long combat commence avec la Chine, mais nous n'allons pas nécessairement le perdre” and compares the spiritual void that exists in liberal regimes with the difficulty of long-term survival of authoritarian regimes.

The Chinese commentator is particularly dismissive of Fukuyama's assertion that democratic systems have a greater capacity for *accountability*, and points out that in the United States itself, the much-vaunted *Western democratic system* has generated confusion, chaos and deaths, and that “we have not seen any politicians, officials, or institutions being held accountable for this disaster”.

The Chinese article qualifies this by saying that, when Fukuyama put forward his “end of history” theory, the West was in its heyday, but wonders how a theory that seems to be out of touch with today's reality still guides the West's understanding of its own system and the non-Western system. “The obsession with the ‘end of history’” – the article concludes – “prevents Westerners from facing up to their system's problems. It is very likely the degradation in the Western system will worsen”.¹⁶

¹⁶ See: R. Ping, “Facts are the best rumour dispeller”, *People's Daily*, 17 June 2020; “Xi calls for promoting spirit demonstrated in War to Resist US Aggression and Aid Korea”, *Xinhua*, 23 October 2020; Yu Ning, “‘End of history’ obsession links to West's problem with democracy”, *Global Times*, 30 December 2020. The interview with Fukuyama entitled “Un long combat commence avec la Chine,

Movement on the Economic Side: Will Politics Follow?

The closing days of this dramatic 2020 brought the good – and significant – news that Brussels and Beijing had concluded the *Comprehensive Agreement on Investment*: signed after 7 years of negotiations, the agreement is expected to make the two economic blocs more interdependent and, above all, provide European investors with access, for the first time, to various sectors of the Chinese market (telecommunications, finance, electric and hybrid vehicles). In the view of many observers, the benefits for China are primarily geopolitical, and thus form part of China's vigorous efforts – as discussed in the *ISPI Daily Focus* of 30 December 2020 – “to forge warmer relations with the West”.¹⁷

Commenting on the signing of the agreement “in principle”, Valdis Dombrovskis, an Executive Vice President of the EU Commission, emphasised its importance, while announcing that it is “the most ambitious outcome on (Chinese) market access [...] that China has ever agreed with a third country”, and highlighting how, for the first time, China has agreed to solid provisions, including “ratifying the ILO's fundamental conventions on forced labour”.¹⁸

In turn, Michele Geraci, the former Under-Secretary of State at the Italian Ministry for Economic Development, welcomed the agreement, noting that if Italy “does not resolve certain problems in its political and cultural approach to China, it risks missing this opportunity”.¹⁹

mais nous n'allons pas nécessairement le perdre”, appeared in *FigaroVox*, 26 December 2020.

¹⁷ “UE-Cina, il super accordo sugli investimenti”, *ISPI Daily Focus*, 30 December 2020, with commentary by Alessia Amighini.

¹⁸ “UE-Cina, c'è l'accordo sugli investimenti. Dombrovskis: risultato ambizioso dopo 7 anni di negoziati”, *RaiNews*, 30 December 2020, www.rainews.it

¹⁹ “Bene l'accordo sugli investimenti tra Ue e Cina, ma l'Italia rischia di non sfruttarlo”, Agency of Italy (AGI) interviews Michele Geraci, 30 December

Although warmly welcomed by Beijing, the agreement prompted criticism and discontent in various other quarters, and will no doubt continue to do so in the future. The most negative initial reactions came from the United States: “The China-EU Investment Deal is a Mistake”, announced a Bloomberg headline, while CNN noted that the deal was a “major diplomatic victory” for China, pointing out that the agreement only includes a Chinese commitment to ratify measures against forced labour, and that just a few weeks earlier the European Parliament had voted in favour of a resolution condemning the forced labour imposed upon the Uyghurs in Xinjiang. *The New York Times*, meanwhile, highlighted the fact that political issues remain unresolved and that various objections have been raised by the Biden camp.²⁰

As Joseph Stiglitz wrote, “The European Parliament called upon the Union to address China ‘with a single voice’ ... Europe is at a crossroads: it must decide whether to let each country do its best to reap every possible advantage from its relations with China, or to define a common policy based on European solidarity. It is to be hoped that it will choose the second option”.²¹

2020.

²⁰ A. Kluth, “The China-EU Investment Deal is a Mistake”, *Bloomberg Opinion*, 30 December 2020; J. Griffiths, “Neither human rights concerns nor US disapproval could stop the EU-China investment agreement”, *CNN-HK*, 31 December 2020; J. Ewing and S. Lee Myers, “China and E.U. Leaders Strike Investment Deal, but Political Hurdles Await”, *The New York Times*, 30 December 2020.

²¹ J. Stiglitz (with C. Dougherty and Foundation for European Progressive Studies), *Rewriting the Rules of the European Economy: An Agenda for Growth and Shared Prosperity*, W.W. Norton and Company, 2020 (cit. p. 326).

EUROPE'S REACTION TO CHINA'S TECHNOLOGY OFFENSIVE

Giulia Sciorati

A series of concomitant factors is driving debate in Europe as to the advisability of cooperation with China in the field of technology. First of all, there is the adoption of a more cautious and defensive approach by the European Union: though this can be traced back over many years, it was only formalised in 2019 when China was classified as a “strategic competitor”. Secondly, the aggressive policies of the United States, aimed at safeguarding that country’s global technological supremacy, have pushed the EU to assume a clear position in favour of or against Beijing. Finally, China has more or less covertly attempted to exploit a massive presence of officials in multilateral institutions to draft global technology development rules that suit the “China Standards 2035” plan, though this is yet to be finalised.

While debate on these matters is relatively new in Europe, it has advanced rapidly and a substantially limited framework for technological cooperation between China and the EU is now being proposed. However, Europe’s strategy in this sense seems to be one of mere “reaction”. This can be seen in three main areas of contrast that have emerged in recent years and that are destined to assume even greater importance due to a global drive for digital integration in response to the Covid-19 pandemic.

The first question, related to critical infrastructure, is whether to allow the Chinese to develop European 5G networks and invest in or acquire European companies who produce critical technologies, according to the “Made in China 2025” plan. In the case of 5G, the EU has succeeded in adopting a “5G Toolbox” that applies a series of risk-mitigating measures targeting “high risk” suppliers, and especially big Chinese corporations. In the case of investments

and acquisitions, a similar system implementing investment screening mechanisms is destined to be strengthened shortly to prevent the opportunistic sale of strategic EU resources post Covid-19: in this case too, China is the main target.

The second question concerns European cybersecurity and particularly “malign” Chinese influence. This controversy became highly animated during the acute phase of the pandemic because of the disinformation campaigns that the EU accused Beijing of orchestrating to improve its international image, weaken democratic debate and encourage polarisation. Under such circumstances the basis for renewing dialogue between the EU and China in this domain in the near future is extremely weak: it is no coincidence that the European Union imposed sanctions against Chinese cyber-attacks for the first time this year.

The third and final question focuses on the dark universe of artificial intelligence (AI) and data collection. One of Europe’s priorities is the drafting of ethical and effective regulations to govern the development of AI. Though China signed the “AI Principles” in 2019, Europe is alarmed at Beijing’s continued pursuit of policies that weaken legal protections, human rights and democratic values in its use of AI, especially through the use of voice, facial and gait recognition technologies in Xinjiang’s security policies and in the collection of data under the “social credit system”. To counter China’s use of data collection campaigns for political purposes, France and Germany eventually established Gaia-X to develop a European alternative to the giants of cloud computing, including Alibaba.

The EU, however, is still only “reacting” to China’s technology offensive: the innovation divide is clearly in Beijing’s favour and is undermining Europe’s ability to pursue long term objectives successfully.

9. The European Union and Russia. The Need for Dialogue

Aldo Ferrari

On 10 December 2020, EU leaders decided to extend sanctions against Moscow until 31 July 2021. This action has been taken regularly twice a year since 2014, sustaining and fuelling the conflict between Brussels and Moscow sparked by Russia's annexation of Crimea. Despite several attempts to reset EU-Russia relations, particularly by French President Emmanuel Macron, the situation deteriorated still further in 2020, especially over the poisoning of Alexei Navalny and Russia's handling of the political crisis in Belarus. At the moment, it is difficult to foresee any change in this negative trend, which by now has a long history behind it.

The Mirage of a Common European Home

The idea that Russia could become part of the Common European Home, launched by Gorbachev in the final days of the Soviet Union and then taken up again by Yeltsin at the beginning of his presidency, rapidly waned following a series of political developments dating back to the 1990s, linked to the deep clashes caused by the wars in former Yugoslavia.¹

¹ See M. Kofman, *La Russia e l'Occidente: la tragedia politica del dopo-guerra fredda*, in G. Aragona (Ed.), *La Russia post-sovietica. Dalla caduta del comunismo a Putin: storia della grande transizione*, Milan, ISPI-Mondadori, 2018.

The idea was short-lived is firstly because, in its relations with Moscow, Brussels is deeply tied to the United States and NATO, who view Russia as essentially acting in continuity with the USSR and hence as a threat to be contained. It should also be pointed out, however, that from the very outset, the EU-Russia relationship was never on an equal footing but similar, rather, to a teacher-student relationship, grounded in a normative approach that Russia has increasingly rejected.² But the rupture has been gradual, and Putin's accession to power in 2000 should not be seen as a decisive turning point in this process. The new President – born in the very St Petersburg that Peter the Great had turned into a symbol of Russia's growing closeness to Europe – initially focused predominantly on the West, and particularly the European Union. In 2001, in a series of speeches delivered in Germany and Brussels, Putin repeatedly underscored the importance of Russia's relations with Europe. That same year, the then European Commission President, Romano Prodi, proposed the creation of a Common European Economic Space with Russia, a project that seemed utterly utopian but was in fact warmly welcomed by Moscow. In 2005, Putin referred again to this idea in his speeches at the EU-Russia summit, and it is only in recent years that the prospect has become a dead letter.³

The onset of the crisis in Russia-EU relations has as much to do with the EU's negative perception of the Kremlin's growing authoritarianism, in which the Yukos affair and the arrest of Khodorkovsky in 2003 played a seminal role,⁴ as with Moscow's aversion to a series of major events, notably the

² For a detailed analysis of this attitude, see R. Sakwa, *Russia against the rest. The post-cold war crisis of world order*, Cambridge, Cambridge University Press, 2017, pp. 251-269.

³ On this subject, see M. Menkiszak, *Greater Europe. Putin's vision of European (dis) integration*, Centre for Eastern Studies, 2013; and A.V. Tsvyk, "Greater Europe' or 'Greater Eurasia'? In search of new ideas for the Eurasian integration", *RUDN Journal of Sociology*, vol. 18, no. 2, 2018, pp. 262-270.

⁴ R. Sakwa (2017), p. 259.

2003 military intervention in Iraq, the Colour Revolutions in Georgia and Ukraine (2003-04)⁵ and the launching of the EU's Neighbourhood Policy (2004). All these actions, though very different in nature and purpose, were seen by Moscow as evidence of the West's global hegemony, a U.S.-led West within which the European Union was playing an increasingly active role, particularly since Poland, Estonia, Latvia, Lithuania, the Czech Republic and Romania joined the EU in 2004. All these countries bear a deep-rooted hostility towards Russia driven by centuries of conflictual political relations, and their contribution to the intensification of the anti-Russian sentiment already present in other European countries and within NATO (first and foremost in the United States and Great Britain, but also in Sweden) should not be underestimated.

Many of the causes of dispute between Russia and the European Union are in fact linked to initiatives involving the members of the "New Europe". A case in point is the willingness of Poland and Romania to install a U.S. missile defence system supposedly to protect them against unlikely threats from the Middle East but perceived by Moscow as a hostile action towards Russia. Similarly, the European Union's Eastern Partnership, an initiative launched jointly by Poland and Sweden in 2008 aimed at engaging post-Soviet republics in Eastern Europe and South Caucasus, was seen by Moscow as yet another attempt to push Russia back from its Near Abroad. Also in 2008, Poland joined Britain in supporting Ukraine and Georgia's membership of NATO proposed by the United States. Thanks to the opposition of the "Old Europe" – France, Germany, and Italy – NATO avoided this development, which would have proved very dangerous a few months later, when war broke out between Russia and Georgia in August 2008.

This war caused a very deep crisis between Russia and the West, although it was overcome thanks largely to the European

⁵ See D.Ó. Beacháin and A. Polese, *The Colour Revolutions in the Former Soviet Republics: Successes and failures*, Oxford-New York, Routledge, 2010.

Union's mediation. Soon, however, the rift between the positions of Moscow and Brussels began to grow once again. The call for a new European security architecture put forward by Dmitry Medvedev – then serving as Russia's President, with Putin as Prime Minister – went essentially unheeded by European Union.⁶ In 2011, Russia opposed the European Union's European Partnership project for a Eurasian Economic Union. This organisation, whose members are currently Russia, Armenia, Belarus, Kazakhstan, and Kirghizstan, has never become a significant counterpart for Brussels.⁷ And it is the very contraposition between the Russian and the European projects that provides the political context within which the 2013-14 Ukrainian crisis should be understood.

An Irreversible Crisis?

The Ukrainian crisis that led to Russia's annexation of Crimea marked a point of no return in EU-Russia relations. A key factor in this development is the change in the position of Germany, which in the wake of this crisis effectively abandoned its policy of strong cooperation with Moscow dating right back to the time of Ostpolitik. As a matter of fact, Berlin's foreign policy seems to have lost its independence from Washington.⁸

Germany's shift in this respect has lent strength to an intransigent attitude within the European Union whose stance

⁶ See B. Lo, *Medvedev and the new European security architecture*, Policy Brief, Centre for European Reform (CER), July 2009.

⁷ On this project, see especially N. Vasilyeva and M. Lagutina, *The Russian Project of Eurasian Integration. Geopolitical Prospects*, Lanham - Boulder - New York - London, Lexington Books, 2016; and A. Di Gregorio and A. Angeli (Eds.), *The Eurasian Economic Union and the European Union: Moving Towards a Greater Understanding*, The Hague, Eleven International Publishing, 2017.

⁸ R. Sakwa, *Frontline Ukraine: crisis in the borderlands*, London, Tauris, 2015, p. 225. On this issue see also T. Forsberg, "From Ostpolitik to 'frostpolitik'? Merkel, Putin and German foreign policy towards Russia", *International Affairs*, vol. 92, no. 1, 2016, pp. 21-42.

towards Russia has become increasingly aligned with that of the United States. This position was reaffirmed by the appointment in 2014 (and reappointment in 2017) of Poland's former Prime Minister Donald Tusk as President of the European Council. According to Sakwa, Tusk is an anti-Russian hawk who believes not only that Putin's policy thrives on enemies and conflict but also that an easing of sanctions against Russia would undermine relations with the White House.⁹ While these kinds of views are not universally shared, there is clearly a deep misunderstanding among many European politicians and analysts of the drivers of Moscow's policies.¹⁰

Russia, for its part, has followed up the annexation of Crimea with a highly assertive stance on the global stage, engaging in a series of actions looked upon disfavouredly by Brussels, such as supporting the Donbass separatists, backing European movements perceived as essentially sympathetic, and military intervention in Syria and Libya. On the domestic front, moreover, in recent years Moscow has stepped up its authoritarian control and has increasingly embraced a strongly conservative cultural discourse that is manifestly at odds with the prevailing European and Western discourse.¹¹

Since 2014, EU-Russia relations have thus been locked in a downward spiral of distrust and mutual recriminations. Not even the changes introduced by the unorthodox Trump presidency, with its less than friendly attitude towards Europe, have induced leaders in Moscow and Brussels to see their

⁹ See R. Sakwa, *Russia against the rest. The post-cold war crisis of world order*, Cambridge, Cambridge University Press, 2017, p. 260.

¹⁰ On this subject, see the insightful article by J.D.J. Brown, "A Stereotype, Wrapped in a Cliché, Inside a Caricature: Russian Foreign Policy and Orientalism", *Politics*, vol. 30, no. 3, 2010 – which discusses this attitude from the perspective of Edward Said's interpretive approach known as Orientalism, i.e. as a series of interpretive stereotypes developed by the West to define the "other" as essentially unchangeable, backward, irrational and so on.

¹¹ See A. Ferrari, *Russia. A Conservative Society?*, in A. Ferrari and E. Tafuro Ambrosetti (Eds.), *Russia 2018. Predictable Elections, uncertain future*, Milan, ISPI-Ledizioni, 2018, pp. 33-53.

relationship in a new light.¹² And even China's sustained economic growth, which should encourage closer relations between Russia and the West, including the European Union, has failed to drive them in this direction. Instead, after the 2014 crisis, isolated and targeted by sanctions, Russia stopped seeing Europe as its main strategic partner and significantly intensified its eastern projection, which had already begun in previous years, particularly *vis-à-vis* China.

Although Moscow's relationship with Beijing is problematic, Russia's eastward shift has gathered momentum in recent years, and the idea of a so-called Greater Eurasia has now become central to its political discourse. According to Andrey Kortunov, Director of the Russian International Affairs Council, the issue of Russia's return to Europe needs to be reformulated in the light of the recent far-reaching changes, and as to the question of "how Moscow and Brussels will cooperate in the context of a Greater Eurasia," he argues that "[in] that case, even with the European part of Russia included, Europe will, *in toto*, be understood to hold merely peninsular status just beyond the western tip of the colossal Asian continent".¹³

This begs the question of whether such an outlook would be truly beneficial to Russia, considering its subordinate position relative to China in terms of the growing economic and demographic disparity between the two countries. A scenario involving the replacement of U.S. hegemony with China's would be anything but positive for Moscow, given that China is so geographically close to and so much stronger than Russia economically and demographically.¹⁴ However, it is also reasonable to ask whether it is truly expedient for the West

¹² D. Cadier, *The Macron initiative, the Biden presidency and the future of EU-Russia relations*, Euren Brief 21, December 2020.

¹³ A. Kortunov, *Will Russia Return to Europe?*, Russian International Affairs Council (RIAC), 6 November 2018.

¹⁴ See A. Ferrari, *Greater Eurasia. Opportunity or Downsizing for Russia?*, in A. Ferrari and E. Tafuro Ambrosetti (Eds.), *Forward to the Past? New/Old Theatres of Russia's International Projection*, Milan, ISPI-Ledizioni, 2020, pp. 33-47.

to persist with its intransigent stance, which has contributed significantly to Russia shifting its focus eastward in recent years.

In actual fact, Russia and the West, and Europe in particular, would only have to gain from a closer relationship that could counterbalance China's unstoppable growth on the global stage. At present, however, this prospect is distinctly unlikely. The "orientalist" perception of Russia as a permanent threat that requires a cohesive stance and a strong response by European countries has become systemic in recent years, not least because of U.S. pressures in this respect. According to Andrew S. Weiss, Vice President for studies at the Carnegie Endowment in Washington, where he oversees research on Russia and Eurasia, "[...] the real question for Western policymakers is how best to devise a proportionate and sustainable response to the threat posed by Russia and to manage ongoing tensions skilfully while preserving the unity of purpose that has served previous generations of Western leaders so well".¹⁵

This hardening of Europe's position is commensurate with Russia's own stance, as Moscow looks increasingly eastward but without the full capacity to exploit its vast potential and privileged position as a political, economic and cultural bridge between Europe and Asia.

In Search of a New Relationship

This negative trend continued unabated through 2020, and even the health crisis failed to improve EU-Russia relations. Indeed, the pandemic has led to a drastic reduction in educational exchanges, tourism and business trips, with fewer personal contacts compounding the already difficult general situation.

A series of developments – notably the recent constitutional changes approved in Russia, which lay the groundwork for perpetuating Putin's rule, the poisoning of Russia's main

¹⁵ A.S. Weiss, *Russia and Europe: Stuck on Autopilot*, Carnegie Endowment for International Peace, 24 September 2020.

opposition leader Alexei Navalny and the Kremlin's support for Alexander Lukashenko – have driven Moscow and Brussels further apart, introducing new contentious issues while none of the old ones have yet been resolved. The rift between Moscow and the European Union thus seems to have become an established reality. At the same time, however, we should not resign ourselves to this situation. A host of factors, including geographical contiguity, deep-rooted historical and cultural ties, extensive trade relations, substantial cooperation on scientific research, terrorism and drug trafficking, cultural and educational activities and so on, all suggest that a change in Russia-EU relations is both possible and necessary.¹⁶

The first major steps in this direction have come from French President Emmanuel Macron. He has tried to push his fellow European leaders into changing their stance towards Russia since 2019, when it became clear that the only tangible result produced by years of condemnations and sanctions had been to drive Moscow closer to China in a course that is certainly not in Europe's interest. In his speech at the Munich security conference in February 2020, Macron reiterated his position, refusing to accept the current stalemate. A credible approach to dealing with Russia, he said, would be to take the line that “we are demanding, we are giving no ground in our principles on frozen conflicts, but will re-engage in a strategic dialogue, which will take time”, and added that today we are in the worst possible situation, “we talk less and less, conflicts multiply, and we aren't able to resolve them”.¹⁷

The French President's proposal appears to run counter to the trend in EU policy towards Russia over the past few years and, not surprisingly, faces considerable opposition, at times in the form of ill-disguised sarcasms about France's resurgent aspirations to the politics of grandeur. Specifically, many are

¹⁶ H. Smith, *Russia-EU relations: can anything be done?*, Euren Brief 22, Russian International Affairs Council (RIAC), December 2020.

¹⁷ Emmanuel Macron, *Discours à la conférence de Munich sur la sécurité 2020*, 15 February 2020.

concerned that, in seeking a new strategic relationship with Russia inspired by the traditional anti-American attitude of French political élites, this initiative could weaken the EU's relationship with the United States.¹⁸

It does not seem to be the French President's intention, however, to challenge Europe's relationship with the United States or to break the European Union's unity of action. In recent months, Paris has in fact remained perfectly aligned with Brussels over its response to the Navalny case as well as the political crisis in Belarus. Macron's primary aim appears to be to overcome the current stalemate and create a new space for diplomatic action in which to work towards mediation and seek political compromises with Russia. His initiative seems mainly concerned with preventing the sorts of mindsets that cannot even conceive the possibility of an improvement in the political situation between the EU and Russia from becoming ingrained. Unlike most other European politicians, the French President sees sanctions and countersanctions as being tied to a number of specific situations and believes, more broadly, that the parameters of EU-Russia relations are not permanent but context-dependent and can therefore be strategically redefined.¹⁹

It is quite doubtful whether Macron's initiative will succeed, firstly due to the resistance of many European countries which, among other things, complain that they were not properly consulted before it was launched. At the same time, this resistance fuels Moscow's scepticism about the initiative, even though it deserves credit for calling attention to the need for a new pattern of EU-Russia relations, overcoming the inertia that has set in over recent years.

Despite the many challenges, it is both necessary and urgent to get back on this path. But there needs to be a significant change from both parties, based on the perception not only

¹⁸ A.S. Weiss (2020).

¹⁹ D. Cadier, *The Macron initiative, the Biden presidency and the future of EU-Russia relations*, Euren Brief 21, Russian International Affairs Council (RIAC), December 2010.

of the risk that the growing rift entails for Russia as well as the European Union, but also of the huge political, economic and security opportunities that their renewed collaboration would bring. The best case scenario would be for Russia to evolve domestically, making Moscow more politically reliable for Europe, and for the EU to make an equally significant effort to understand Russia's interests and sensitive issues. At the moment, both these developments seem entirely unlikely. More realistically, the two parties should strive to rebuild a climate of mutual trust while recognising the substantial differences that divide them on numerous issues. As Russian analyst Sergey Utkin suggests, we should not be thinking in terms of radical changes, or of going back to the Russia-EU summits of the past, which in any case were not particularly effective. Rather, the current situation allows us to envision low-key diplomatic actions designed to address constructively at least some of the main political disagreements, while it would also be very helpful to tone down the media campaigns directed at each other, focusing instead on the practical advantages of renewed collaboration.²⁰ We must not forget that the European Union and Russia are facing each other in a global context of rapid political, economic and technological change, which makes their current confrontation particularly negative. The minimum target that both parties should aim for is a return to the situation characterised by dialogue, even with its disagreements, prior to 2014.

²⁰ S. Utkin, *No end in sight: what now for the EU and Russia?*, Euren Brief 20, December 2020.

10. Europe and the MENA Region: A Never-Ending Absence

Relations with North Africa and the Gulf

Armando Sanguini

The Covid-19 scourge did not stop 2020 Rome MED-Mediterranean Dialogues, the annual conference promoted by the Italian Ministry of Foreign Affairs, with the support of the Italian Institute for International Political Studies (ISPI). It took place even in this *annus horribilis*, providing an opportunity for an authoritative, articulate debate on the overall state of the Mediterranean and its foreseeable prospects. The event was inevitably forced online, but this virtual nature did not dampen its scope and breadth. In honesty, participants tended to be franker and more straightforward in setting out positions, especially the most awaited ones.

The horrendous ruins left by the pandemic have been extensively chronicled in economic and healthcare news. But perhaps too few words have explored how the resulting rubble has also encouraged a resurgence of solidarity and potentially innovative cohesion. Hope simmers that Member States can continue on this path, surging beyond the pressing healthcare and economic concerns that provided the embers for such

sparks of unity. Could this light the fire in which Europe finally forges a political role commensurate with its economic weight? Such a role has assumed particular importance in the current challenging multi-polar world where a revisited trans-Atlantic bond could become more credible. With the new American President.

Europe needs to play this international role primarily in its immediate neighbourhood – the Mediterranean – as reiterated by the High Representative of the European Union for Foreign Affairs and Security Policy, Josep Borrell. This neighbourhood is teeming with other players who have less entitlement and, perhaps, less legitimacy. This is a neighbourhood in which the repercussions of the Covid-19 pandemic (such as, for example, the collapse of tourism and drop in energy demand) have become entwined with existing problems of tension, war, social and economic hardship, and weak governance. The pandemic also provided a veil for authoritarian regimes (from Algeria to Saudi Arabia, passing Egypt on the way), facilitating a ban on protests.

This section of the Report covers North Africa and the Gulf, where Libya and Yemen are the most troubled nations.

Libya

Libya is the theatre of a long-standing conflict involving not only the two main players (Tripoli and Tobruk/Benghazi), but also tribal elements and local fragmentation. Over time, the waters have been muddied through the political, military and/or ideological interference of a not insignificant number of regional and international actors, including Moscow, the UAE, Egypt, France (Tobruk-Haftar), Turkey and Qatar (Tripoli). As is known, Tripoli's reckless "war of liberation" unleashed by General Khalifa Haftar ended up crushing the hopes that, in the wake of Palermo (2018), 2019 might lead to something further with the announced UN-backed intra-Libyan conference. Similarly, European reticence to step forward when Tripoli sought help opened the way for Ankara

to act. And it did, taking immediate steps to monetarise this through an indefensible bilateral energy agreement (limits of the continental shelf). 2020 opened in similar fashion, this time with Germany at the helm, with UN backing, seeking to bring increased stability to Libya, partly taking advantage of General Haftar having become bogged down militarily. In specific terms, this took the form of the Berlin Conference, attended by Algeria, China, Egypt, France, Germany, Italy, Russia, Turkey, the Republic of Congo, the United Arab Emirates, the United Kingdom and the United States of America, together with High Representatives of the United Nations, the African Union, the European Union and the Arab League. Although the conference opened in a climate tinged with a healthy dose of scepticism, it ended with a document filled with a remarkable 57 points that, over and above the rhetorical statements about principles, paved the way to weave together negotiations that, despite remaining incomplete at the end of the year, did show some interesting signs.

This is based on the likely belief a negotiating agenda anchored in the actual positions won on the ground provides a more suitable basis for dividing up political and economic influence than a military solution. This led to the *lifting of the oil blockade in July* imposed by Haftar, then to the signing of a *permanent ceasefire* (Geneva, 23 October), and finally to the commencement of the Libyan Political Dialogue Forum (Tunisia), with *negotiations on three fronts* – institutional (Morocco), military (Egypt) and political (Geneva) – aimed at producing “transitional institutions” and drafting the provisions for the planned national elections at the end of 2021.

The European Union made an appreciable political and operational contribution, albeit within the limits of its internal divisions on migrants and energy resources. Yet, as the High Representative even implicitly admitted, the EU remained a step off the pace when it came to commitment to ensuring the conflict ceases. This is an option worth taking forward with the African Union and, to the degree it is willing, with the new

American administration. News bulletins have kept us updated as to how, at the end of the year, Haftar successfully sought a greater share of the limelight. The first step was the whole affair with Italian fishermen, who had been kidnapped by Libyan forces in September 2019 and held in Benghazi for over 100 days. Haftar required the Italian Prime Minister, Conte, and the Minister of Foreign Affairs to go to Libya. The second step was renewed military action in Fezzan. This time, the hope is that he is not seeking to repeat his previous endeavour, given that, as was noted above, Russia, Egypt and finally France seem to favour the negotiating table this time. Incidentally, this would also suit Ankara.

Yemen

Yemen suffered the effects of Covid-19 more than other nations because its impact was piled on top of the humanitarian disaster wrought by the civil war between the Houthis (supported by Iran and its regional proxies) and the central government (with the Saudi-led Arab coalition at the helm and US backing) that has been dragging on for five years now.

This war has also been entwined with, on the one side, the violent resurgence of the independence seeking Southern Transitional Council (in southern Yemen) that is backed by the UAE, which was part of the aforesaid coalition, and, on the other side, a mishmash of tribal hotbeds that are often in the shadow of both al-Qaeda and IS. In 2018, of course, an agreement was reached in Stockholm, with UN backing, for a ceasefire between the Houthis and the legitimate government, but the hope this triggered has since faded away. On the positive side, in 2020 Saudi Arabia did manage to broker a deal between the legitimate government and the southern secessionists, resulting in a coalition government in Aden. Unfortunately, the two bloody terrorist attacks that marred its inception also weighed heavily on its future, and the future of the unfinished Stockholm Agreement, in which security in the Red Sea is a key

component (Al Hudaydah port). The European Union came out in favour of the Riyadh agreement and it continued to support the Stockholm accord, albeit with a degree of political assertiveness measured by the expediency of its relationship with Tehran. The EU continued its humanitarian efforts – but still fell short of UN expectations – and it coherently adapted its 2014 regulation to UN Security Council Resolution 2511 (adopted in February 2020, with Russia and China abstaining) on sanctions for human rights violations and an arms embargo. The changing of the guard in Washington could provide useful new space for multilateral action to encourage regional actors in the civil war to adopt the Stockholm Agreement through inclusive governance in the country and an acceptable level of security for ships moving through the Persian Gulf and the Suez Canal.

Gulf Monarchies

The Gulf monarchies have been hit by Covid-19, but they have been able to ward off the worst effects. In terms of Europe's approach to them, it has understandably gone along with the dynamics of reciprocal economic, business and financial interests, while leaving the "political dialogue" on human rights on the side-lines. A good example of this is what was done in response to the European Parliament's call for an arms embargo on Saudi Arabia and the UAE, which were purportedly implicated in the killings of countless Yemeni civilians. However, in 2020, when focusing on the Gulf monarchies, the real issue was a matter of true historic importance: the signing of the Abraham Accords between Israel, on one side, and the UAE and Bahrain, on the other, with support in (and from) the USA. These Accords are the culmination of extensive back-channel contact over recent years and they form the basis for the structural normalisation of political, economic, financial and security relations. The backdrop for this is a platform that is anti-Iranian. And anti-Turkish.

This could have major repercussions for the complex future equilibrium in the region. It was viewed favourably by Josep Borrell, the EU's High Representative, who – on behalf of the EU – made a point of reiterating the Union's ongoing commitment to a negotiated, practical resolution based on the two-state solution and in line with international law. In other words, it was only a lukewarm welcome. Analysts tended to see this as a functional, tactical move – in other words, a hedging of bets. The truth actually has far greater objective importance, particularly given the immediate *quid pro quo* – that has little really to do with the peace agreement – obtained by the other two signatories of the Accords: (i) Sudan was removed from the US list of nations that support terrorism; and (ii) Morocco received American recognition of its claim of sovereignty over Western Sahara, an act destined to exacerbate the Sahrawi issue both regionally and internationally. The Abraham Accords really seem to mark the beginning of a process to revise the regional geopolitical map.

Such a revision is still awaiting the involvement of Saudi Arabia, which is the co-author of these normalisation efforts and has long facilitated contact with and openness to Israel. The most recent example of this is Netanyahu's (still unconfirmed) visit to Saudi Arabia. Once again, it is hard not to see some form of anti-Iranian and anti-Turkish design in this picture. One should not forget Turkish President Recep Tayyip Erdoğan, like Supreme leader Ali Khamenei (on the Shia side), strongly contests Riyadh's supremacy in the Islamic world, which is founded on Saudi Arabia's (self-proclaimed) role of Custodian of the Two Holy Mosques in Mecca and Medina. Indeed, he opposes this role actively with the emblems of the unpopular Muslim Brotherhood and a carefree expansionist military and political strategy with neo-Ottoman overtones that does not sit well with most other Arab nations. King Salman is generally in favour of the approach, but he wants more time – more than his impetuous crown prince would like – to commit his country to this pathway of normalising relations with Israel.

The Palestinian cause has always been one of the historical standards of the Saudi royal house. For example, there was the embargo in 1973 and later the 2002 peace plan put forward by Riyadh and adopted by the Arab League, which makes (made) such normalisation conditional on, among other aspects, Israel withdrawing from the Occupied Territories. This explains the more “wait-and-see” approach favoured by King Salman, who took the opportunity to reiterate the central importance of the Palestinian question and the need for a fair and just solution that would also find a place on the agenda of future relations with the Biden Administration.

2020 marked a taxing period for Riyadh as the holder of the G20 Presidency, which it managed with laudable self-assurance pushing its Vision 2030 agenda – although this is struggling as Covid-19 has hit demand for oil – for economic diversification, increased openness to global markets and socio-political modernisation. Another interesting achievement of this G20 Presidency was the initiative to get members to commit to combating the pandemic jointly and globally. Still, all these efforts did not completely plaster over the human rights issue, the Yemeni thorn or the horrendous killing of Jamal Khashoggi in the Saudi Consulate in Istanbul.

Importantly, 2021 will mark the end of the blockade imposed on Qatar in 2017, accused by Saudi Arabia, Egypt, Bahrain and the UAE of allegedly supporting Islamic terrorism and having rather unpopular relations with Iran. This will happen at the first Gulf Cooperation Council meeting, thus returning a semblance of unity to this body. This act of mutual generosity still has to actually manifest itself, but it effectively confirms the failure of an attempt to overpower this small, rich and carefree country and has helped improve relations with Tehran and Ankara. The repercussions of this will become evident, especially in the future approach adopted by Qatar, a country whose “versatility” is well represented by hosting the most important American base in the area, to provide just one example. The European Union looked very favourably on this

development in the express belief it will foster regional stability and bilateral partnership. Yet, once again in 2020, it was clear the EU was unable to really flesh out a pro-active political strategy in the Gulf.

Egypt

In the North African panorama, some degree of priority definitely has to be given to examining the Egyptian President. In 2020, he proved once again he is not only a fundamental pivot for the geopolitical balance of the Mediterranean, but also an arrogant despot in his own backyard, where the signs of future internal stability are definitely not fading into the sunset. Proof of the first side of him can simply be found in the official launch, in Cairo, of the multilateral East Med Gas Forum platform, involving Israel, Greece, Cyprus, Italy, Jordan and the Palestinian Authority (the European Union and the United States are observers). This initiative is open to other Mediterranean nations, except Turkey of course. Similarly, it reprised its mediator role at the end of the year with a high profile visit of a military delegation to Tripoli to shore up the ceasefire agreement (23 October) and the provisions agreed on during the Joint Military Commission meetings involving the Government of National Accord (GNA- Tripoli) and the Libyan National Army (LNA - Tobruk Benghazi). This is probably with a view to favouring the negotiated settlement referred to earlier, thus avoiding as far as possible that Haftar on the one side and Erdoğan on the other get in the way. As for the Egyptian President's other side, there has clearly been no let-up in the regime's repressive policies against the varied forms of criticism and opposition. This policy reached an intolerable level with the horrifying Giulio Regeni case. Such is this matter that, at the end of 2020 after 5 years of investigation, the Rome Prosecuting Office sought charges against a number of members of the Egyptian secret services. This was brazenly rejected by the Public Prosecutor's Office in Cairo following,

notably, a telephone call between the Italian Prime Minister and the Egyptian President. Now, Italy is waiting for the European Union to adopt a clear stance on this matter having been rightly solicited by Italy. However, in the light of the sad fact al-Sisi was given the *Légion d'honneur* by the French President and the futility of the Italian ambassador's call in 2016, one wonders what might come of this. It does also raise the question as to whether the real root of the problem lies in al-Sisi potentially not having the power to impose himself on his secret services.

Algeria

Turning to Algeria, 2020 was clearly less turbulent than the previous year. Covid-19 played its part by forcing the suspension of the weekly peaceful yet enduring protests led by the Hirak movement with the rallying cry of “we bring freedom”. For its part, the government showed it was capable of adopting reformist measures and providing economic support under the auspices of the slogan strongly favoured by Prime Minister Abdelaziz Djerad: we build “bridges of trust with our people”. At the end of the year, the Prime Minister's position was bolstered by the return to Algeria of President Abdelmadjid Tebboune, who had spent two months abroad for health reasons. He undertook two key acts: signing both the new constitution, which remains far from what Hirak hoped for (he kept presidential power and expanded the army's power), and the new budget law for 2021, which reiterates the plan to free the economy from its hefty hydrocarbon dependence. He also announced a Covid-19 vaccination campaign using the Russian Sputnik V vaccine. The European Union remained tied to promoting the bilateral interests of its members, leaving a desired unitary vision in the shadows.

Tunisia

2020 was a tough year for Tunisia. The country has managed to remain effectively the only democratic flag-bearer in the Middle East from the “revolution of dignity” (2011), but it has been sliding into a whirlpool of trouble for some time: the 2008 crisis; various terrorist attacks (QMI/ISIS); the collapse of exports and tourism; the political and ideological fragility of its governance; and, most recently, the Covid-19 emergency. This whirlpool has only served to exacerbate the already serious inequality between coastal and inland areas, and caused a 9% drop in GDP, with unemployment at 17% (37% for youths), to provide just a few examples. One should also add in the appointment of no less than three prime ministers during the year. Perhaps the most emblematic example of the precarious state of affairs is that 2020 ended without a single message bearing good wishes from any of the top state positions (Presidents of the Republic and Parliament, Prime Minister). The internal responsibilities for the current situation are evident. Similarly evident is the completely inadequate nature of the support provided by the European Union to this small but geopolitically key nation, largely because it was excessively constrained by the controversial issue of migrants.

Conclusion

In conclusion, in 2020 the European Union showed the limits of its role as an international entity in the Mediterranean as well. Yet, a few signs of innovative internal cohesion are discernible, and it will be essential to consolidate these with a view to going beyond the limits of its role. For now, any such “going beyond” seems very unlikely to take the ambitious form of Emmanuel Macron’s “Renaissance”. A more practical approach would involve progressively adopting a decision-making mechanism based on a majority (of those in favour) rather than unanimity. It might also help if the focus were also

on identifying the perimeter for the EU's own autonomous role, and then adjusting trans-Atlantic connections with the new U.S. President around this. Of course, it is important to bear in mind that, in this Mediterranean, the EU has to deal with an area that, without a substantial change of pace it seems doomed to play a minor role on a scenario of a plurality of zones of influence, from Russia to Turkey, passing through China. And where the U.S. Administration will not change its course of action except for the fight against terrorism while reserving growing attention to the follow up of Abraham Accords signed firstly by Israel and the Emirates and Bahrein and afterwards by Sudan and Morocco.

Relations with the Middle East

Ugo Tramballi

Sven Kuhn von Burgsdorff, the EU Representative in the Palestinian Territories, had shown admirable diligence. Just one day earlier, on 15 November 2020, the Israeli government had approved the construction of 1,257 housing units on Givat Hamatos hill. Von Burgsdorff travelled to the hilltop at the head of a group of European diplomats as a sign of dissent. Givat Hamatos, where Jewish settlers plan to build homes, is in the Arab part of East Jerusalem: according to the old Oslo Accords, the city was meant to become the capital of Palestine. Givat Hamatos lies in a strategic position; a settlement there would put an end to any territorial continuity between Bethlehem and Jerusalem in a future Palestinian state.

“Go back to Europe”, “EU, shame on you”.¹ The delegation was welcomed to the desolate hilltop by Israeli-flag-waving

¹ “Right-wing Israeli protesters heckled a group of European diplomats in Jerusalem today”, *Al-Monitor*, 16 November 2020.

activists from Im Tirtzu, a far-right organization in favour of the annexation of the West Bank. Im Tirtzu also wants all Israeli university to require that their docents swear an oath to Zionism. To avoid contact with Im Tirtzu – which would not have been to their advantage – the EU diplomats left the site.

From Oslo to Abraham

Their goal was to affirm a principle. The result was to show that no one else but the European Union was still concerned with the fate of the Palestinians and supported the Oslo formula of “two states for two peoples in peace and security”. The Trump administration had submitted a peace plan that ignored the Palestinians and almost twenty years of peace negotiations. Several important Arab countries (United Arab Emirates, Bahrain, and Morocco, with Saudi Arabia’s political consent) had just established diplomatic relations with Israel and deepened their economic ties with it, in spite of its continued occupation of the Palestinian Territories. The countries that signed the Abraham Accords remained mum on the events in Givat Hamatos.

As if it wanted to underscore the inevitability of the gradual annexation of the West Bank, the Israeli government’s call for tenders for construction on the hilltop expired on 20 January, the day of Joe Biden’s inauguration. A difficult road would lie ahead for the new President in trying to change the course of events in this part of the Middle East.

As early as 2002 the Arab world had offered diplomatic recognition to the Jewish state, but only in exchange for Israeli withdrawal from all occupied land; the Palestinian territories, East Jerusalem, the Syrian Golan Heights, and certain disputed areas with Lebanon. The Arab signatories to the Abraham Accords required none of this: common hostility towards Iran had become far more important than the Palestinian cause.

While waiting for Joe Biden to express himself on the Israeli-Palestinian conflict – of all the wreckage left behind by Donald Trump, this issue may not be the most urgent priority - the

European Union remains Oslo's sole tenacious custodian. In Brussels and in the foreign ministries of EU countries, the Israeli-Palestinian issue is still referred to as the "Middle East Peace Process" – as if the stability of the region as a whole continued to depend on it – and abbreviated with the vaguely bureaucratic-sounding acronym MEPP.

In defining Europe's "strategic autonomy", the EU's High Representative for Foreign Affairs and Security Policy, Josep Borrell, identified three regions of the highest priority for the EU's strategic interests: the Far East (China), the Near East (Russia first and foremost) and the Near South, namely the southern shore of the Mediterranean.² Of the latter, the Levant is the most critical area (along with Libya), and the Oslo negotiations are the issue in which the EU has invested the most time, energy, money, and political capital.

When the peace process began at the end of 1993, the United States and the European Union divided their tasks: the U.S. would focus on political negotiations, while the EU would focus on Palestinian economic development, together with the International Monetary Fund and the World Bank, and on integration with Israel. Back then, the EU did not have a marked diplomatic identity. The figure of the High Representative for Foreign Affairs and Security Policy would only be created with the Lisbon Treaty of 2009, and the European External Action Service, the closest thing the EU has to a foreign ministry, was established one year later.

New Paradigms

In 1995 the EU launched the "Barcelona Process", with the intent of including the desired integration between Israel and the Palestinians within a broader Euro-Mediterranean initiative.

² M. Leonard, "[Sovereign Europe, hostile world: In conversation with HRVP Josep Borrell](#)", European Council on Foreign Relations (ECFR), Video, 21 December 2020.

Arguably the most important achievement of this process, and one that still functions relatively well, was the signing of “association agreements” with Tunisia, Egypt, Israel, Jordan, Morocco, and Palestine. In 2004 the European Neighbourhood Policy was launched, and four years later, at the Paris Summit, France attempted to lead the integration process with the Union for the Mediterranean. Its success was underwhelming, given that in the most recent MED-Mediterranean Dialogues, organised in early December 2020 by ISPI and the Italian Ministry of Foreign Affairs, Josep Borrell pointed out that the gap between the northern and southern shores of the Mediterranean remains vast and keeps growing: per-capita GDP in the former is 16 times higher than in the latter.³

“Instead of its rigid focus on the Oslo peace process, the EU should craft a new peacemaking paradigm”, protests Hugh Lovatt of the European Council on Foreign Relations.⁴ It is an inevitable suggestion, given the reality on the ground and widespread “Oslo fatigue”. But it is easier said than done: the alternative to the two-state solution is a single bi-national state, which Israel rejects with even greater force than the idea of Palestinian independence. As Josep Borrell said during his remarks at the MED-Mediterranean Dialogues, European strategic autonomy “is not a magic wand, but a process that requires time”.⁵ The EU does not yet have the necessary gravitas to impose Palestinian rights on an Israel shifting ever harder to the right, or to nudge an increasingly unmoored Palestinian Authority towards realism.

Neither the United Arab Emirates nor Bahrain has ever been at war with Israel. Calling the Abraham Accords a peace treaty is excessive. And yet, there is no alternative to them, and they will continue to be a point of reference for any negotiations between

³ Italian Institute for International Political Studies (ISPI), “[MED Dialogue with Josep Borrell Fontelles](#)”, Video, 4 December 2020.

⁴ H. Lovatt, “[The End of Oslo: a New European Strategy on Israel-Palestine](#)”, European Council on Foreign Relations (ECFR), policy paper, December 2020.

⁵ See note 3.

Israeli and Palestinians in the days ahead and most likely for quite some time. Oslo's margin for manoeuvre seems to be limited to a mere "occupation maintenance". After a few cursory comments, Borrell himself acknowledged that the Abraham Accords are a mirror of the times: "A new regional paradigm has emerged in which peace is no longer a prerequisite for normalisation".⁶ This holds true for all conflicts in the Levant.

The Worst Region in the World

The pandemic has not created new geopolitical dynamics, but it has accelerated those that already existed before Covid-19. It is also, perhaps, elevating the EU's global profile: the glass is no longer just half full. But this is an ongoing process, and Europe continues to be hindered by a deficit of credibility in the region's other crises as well. From Egypt to Iran, and taking in Lebanon, Syria, Turkey, and Iraq, the broader Levant is the most instable area in the world, and the leading producer of fossil fuels, conflicts, dictatorships, and refugees. It has experienced far too many crises in these last twenty years, none of which have been fully resolved: the war in Iraq; a revolution in Syria that morphed into an international conflict; the territorial conquests of Isis; a civil revolt and a military coup in Egypt; Lebanon's resounding economic and political failure; Turkey's outsized ambition; and Iran that continues to be bogged down by an Islamic revolution that took place as long as 41 years ago.

If the U.S. has unsuccessfully sought to extricate itself from this region of endless conflict for three presidential terms under two different presidents (Barack Obama and Donald Trump); and if Putin's Russia has been attempting to exert power politics with little to show for it, there is not much reason to expect that the European Union can do better.

One problem, albeit not the most decisive one, is that one of its Member States, France, continues to act as if it were the great

⁶ <https://audiovisual.ec.europa.eu/en/video/1-198431>

power it once was, and is far more interested in its own national interest than in the common European one. Further west, in Libya, Paris supports an opposing authority to that recognised by Brussels; in Egypt it exploits for political and economic purposes Italy's struggles due to the Regeni case. France has not shown any solidarity with Italy regarding the murder of the young Italian researcher, and has been uninterested in the vote at the European Parliament promoted by its President, David Sassoli,⁷ demanding that Egypt shed full light on Regeni's death.

It should nevertheless be admitted that the region's stakeholders continue to emphasise their political, economic, and security relations with each individual countries rather than with the European Union as a whole. This is especially true for the major European countries: France, Germany, Italy, and United Kingdom. There is probably a cultural issue at play – in addition to a political one – that makes it more difficult for them to perceive the EU as a strong interlocutor that can respond to the problems of the southern shore of the Mediterranean as concretely as its most powerful individual Member States do. This is evidenced in many ways by Lebanon's political and financial crisis, exacerbated by the terrible explosion in the port of Beirut. Immediately after this accident, the EU had disbursed over €70 million for the humanitarian emergency, with an additional €100 million for reconstructions. But whether the Lebanese hate it or are drawn to it – depending on their religion or political opinion – it was France they eventually relied on.

Refugees and Gas Reserves

Ever since the 2015 nuclear agreement, the EU has once again an active role and a political presence in Iran, although it lacks a diplomatic office. Nevertheless, as concerns the upholding of the agreement after the Trump administration pulled out in 2017,

⁷ F. Basso, "La Ue appoggia l'Italia su Regeni: l'Egitto collabori e liberi Zaki", *Il Corriere della Sera*, 19 December 2020.

the European Union's reactions are not as important as those of the European members of the Joint Comprehensive Plan of Action (JCPOA), namely France and Germany. Evidently, the effect of U.S. sanctions outweighs Europe's desire to maintain economic relations with Tehran.

The EU's most visible role in the Levant is probably in its complex and often wavering relations with Turkey. That part of the eastern Mediterranean is the stage for two European priorities: the millions of refugees that aim to reach the old continent, and the gas fields that two EU Member States (Greece and Cyprus) are exploiting directly, and that many others (France and Italy foremost among them) are exploiting economically. Turkey is the key to solving both of these problems.

Turkey is hosting four million refugees, the vast majority of whom are Syrian, in exchange for a guaranteed €6 billion from the European Union, the last payment of which was made in December.⁸ Although Europe has kept its end of the bargain, Recep Erdogan periodically waves the threat of opening Turkey's borders, depending on his interests and the state of Turkey's relations with European countries. These relations are constantly complicated by Ankara's energetic and geopolitical designs on the promising gas fields located between Lebanon and Cyprus, and between the latter and the coast of Turkey.

The backdrop to all this is Cyprus, whose re-unification is becoming an increasingly elusive goal. The northern part of the island is home to 30,000 Turkish troops⁹ and Erdogan has recently reiterated his support for a two-state solution on the island, one Greek and the other Turkish-Cypriot: "Two separate peoples and two separate states". The EU is opposed to this solution, and continues to support the re-unification of Cyprus.

⁸ E. Wallis, "EU concludes €6 billion contract for refugees in Turkey", *InfoMigrants*, 18 December 2020.

⁹ A. Zaman, "Erdogan's call for two-state solution in Cyprus dims hopes for Turkish 'reset' with West", *Al-Monitor*, 16 November 2020.

“The stakes are very precise, very clear: the credibility of the European Union”, said Greek Prime Minister Kyriakos Mitsotakis at the last EU summit of 2020.¹⁰ He was referencing the need to economic sanctions against Turkey over its exploration of gas reserves in contested waters. But in the background, the future of Cyprus loomed, complicating negotiations.

¹⁰ L. Cook, “[Eu plans to hit Turkey with more sanctions over Mediterranean drilling](#)”, *APNews*, 11 December 2020.

11. The EU's New Africa Strategy: Brussels' Proposal and African Responses

Giovanni Carbone

The European Union's relations with Africa date back to the origins of the Union itself. In his historic 1950 declaration, Robert Schuman noted that an economically stronger Europe would “be able to pursue the achievement of one of its essential tasks, namely, the development of the African continent”.¹ But how the two parties' political, economic and social relations can best be structured has long remained an unresolved question – a question that Brussels, together with African countries, decided to address again in 2020 and are continuing to address in 2021.

The Proposal for a New Strategy with Africa

Even before taking up office, Ursula von der Leyen had announced that Africa would be a priority for the new Commission she was going to lead.² She tasked Jutta Urpilainen,

¹ *The Schuman Declaration*, 9 May 1950.

² Ursula von der Leyen had already called for a wider EU role in Africa when serving as German Defence Minister (2013-19), partly in order to work with African countries on the joint management of migration (see “[German Defense Minister Wants EU Military to Match NATO](#)”, *Atlantic Council*, 7 November 2016). In terms of actions, von der Leyen oversaw the increase in German troops in the region. In mid-2020, Germany was the EU's largest contributor in a single United Nations peacekeeping missions in Africa, with its 372 men and women engaged as part of MINUSMA (Mali and Niger), while just under 200 Germans

Commissioner for International Partnerships and in charge of international development and cooperation within the DG, with working together with the EU's High Representative for Foreign Affairs and Security Policy, Josep Borrell, towards developing a new, comprehensive Africa strategy.

Symbolically underscoring the EU's focus on relaunching relations with the continent, less than seven days into her mandate, von der Leyen chose to go to Addis Ababa on her first official visit outside the EU as Commission President. There, she met not only Ethiopia's Prime Minister, Abiy Ahmed, who had recently been awarded the Nobel Peace Prize, but also, and most importantly, the leaders of the African Union (AU), in particular her AU counterpart, Moussa Faki from Chad. Any concerns that the visit might have been an occasional event were dispelled when, in February 2020, an EU mission headed by the President of the European Council, Charles Michel, followed by a mission of the entire EU Commission, with the largest ever delegation of EU officials, also went to Addis Ababa to meet with the AU Commission. Although the exceptional challenges that ensued during 2020 prevented the process from proceeding smoothly, the European Union's decision to back former Nigerian Minister of Finance, Ngozi Okonjo-Iweala, as the next WTO Director-General – going against Washington's preferences, among other things – nevertheless sent a strong signal, closing the twelve-month period by reaffirming its commitment to the course embarked upon at the outset.³ The overall message was clear.

were deployed in the EU military training mission in Mali (EUTM-Mali) and around 80 troops were stationed in the French military base in Djibouti within the framework of the EU NAVFOR counter-piracy Operation Atalanta. See UN, *Summary of Contribution to UN Peacekeeping by Country, Mission and Post: Police, UN Military Experts on Mission, Staff Officers and Troops*, 30 June 2020; “Germany sees bigger military role in Africa”, *Al Jazeera*, 26 January 2014, and “France, Germany tighten defence cooperation in Africa's Sahel”, *Reuters*, 27 July 2017).

³ In order to forge a common stance to back Okonjo-Iweala, intensive efforts were made to overcome the opposition of several countries from central and eastern Europe, including Hungary. See J. Brunsten, “EU backs Nigeria's

Africa is thus pivotal for achieving the stated and ambitious goal of turning the EU and the Commission into a “geopolitical actor” on the global stage. That the two things are inextricably linked could not have been spelled out more clearly by Borrell himself when he said: “This is a world of geostrategic competition ... we must relearn the language of power and conceive of Europe as a top-tier geostrategic actor ... the key priorities ... First, the EU must frame a new, integrated strategy for and with Africa”.⁴

Europe needs African countries as allies in multilateral forums (particularly to safeguard a “rules-based international order”), as contexts in which the EU can begin to perform its role as a geopolitical actor and as expanding markets for trade and investment, which would also accelerate their own development and curb the burgeoning young African population’s drive to leave.⁵

On 9 March 2020, Brussels officially released the draft document “Towards a comprehensive Strategy with Africa”,⁶ as the basis for developing a joint document to be adopted at the next AU-EU summit. The summit, originally scheduled for October 2020, was later postponed to 2021 due to the Covid-19 pandemic. Europe is seeking a complete overhaul of EU-Africa relations aimed at reorganising the disjointed and intricate array of initiatives they are currently based on – following on from the Joint Africa-Europe Strategy (JAES) launched in 2007 –, while also updating their agenda and boosting their political significance (meanwhile, negotiations had also started for a new Cotonou Agreement).

This is not an entirely new ambition. The European Commission’s Strategy for Africa launched in 2005 likewise

Okonjo-Iweala to lead the WTO”, *Financial Times*, 26 October 2020.

⁴ Josep Borrell, “Embracing Europe’s power”, *Project Syndicate* 14 February 2020.

⁵ A. Medinilla and C. Teevan, *Beyond good intentions: The new EU-Africa partnership*, Discussion Paper no. 267, March 2020.

⁶ European Commission and European External Action Service, *Towards a Comprehensive Strategy with Africa*, JOIN(2020) 4 final, Bruxelles.

sought “to give the EU a comprehensive, integrated and long-term framework for its relations with the African continent”. While its approach was mainly focused on how the EU would support the continent in achieving the Millennium Development Goals, it aimed to bring an end to overly fragmented relations and to move beyond development assistance and trade (to include political issues), beyond Africa (to include global issues), beyond institutions, economics and politics (to include individuals and civil society), and beyond Africa’s own fragmentation (to adopt regional and continental responses).⁷ In line with this approach, the JAES itself was presented as a process designed to “take the Africa-EU relationship to a new, strategic level with a strengthened political partnership”.⁸

The new strategy proposed by the von der Leyen Commission acknowledges right from the outset that “Africa’s potential attracts increased interest from many players on the world scene”. Albeit with an approach that is diametrically opposed to that of the U.S., the EU nevertheless accepts in principle that this is a “welcome development ... [that] increases Africa’s options and creates room for synergies”. Europe, as both the EU and its Member States, should nevertheless draw the necessary conclusions from this and “adapt the way it engages with Africa”. This specifically involves the “need to partner with Africa, our twin continent, to tackle together the challenges of the XXI century and to further our common interests and future”. The idea is thus to build on existing long-term relationships – in which the Old Continent will continue to be Africa’s main partner on a whole array of key areas, including trade, investment, development aid and security – and translate them into a broader and more solid “political alliance”. According to the proposal, this alliance is based on five pillars: green

⁷ D. Helly, E. Bekele, S. El Fassi, and G. Galeazzi, *The implementation of the Joint Africa Europe Strategy: rebuilding confidence and commitments*, Directorate General for External Policies of the Union, 2014.

⁸ European Council, *The Africa-EU Strategic Partnership: A Joint Africa-EU Strategy*, Bruxelles, 2007.

transition and energy access; digital transformation; sustainable growth and jobs; peace and governance; and migration and mobility. Dialogue and relations on most of these issues have been ongoing for some time, with the partial exception of the first (although it essentially revisits the issue of climate change) and the relative novelty of the second. The closest cooperation would take place at both the global level (boosting joint support for a rules-based multilateral order, particularly since the EU and Africa together form the largest voting bloc in international forums), and the bilateral level (through stronger cooperation with Africa, supported by adequate political assistance).

Despite the initial commitment, the proposed strategy immediately met with a series of setbacks even before its adoption. Firstly, there were criticisms of its agenda, only partly targeted at the substance – combating poverty, as such, is not even mentioned, for instance⁹ – and mostly at the breadth of the focus areas, which makes it difficult to select and identify priorities. While the strategy clearly seeks to provide a comprehensive definition of EU-Africa relations, in many ways it seems like a long shopping list with relatively few genuine “strategic” choices. Furthermore, the African countries’ initial reaction to it, though not negative, was generally cool, a point we will return to later. One of the reasons for this is their perception that Brussels is persisting in its flawed approach of unilaterally designing and drafting “packages” that are then presented as joint and shared initiatives.¹⁰ Finally, the outbreak and rapid spread of the Covid-19 pandemic at the very time when Brussels developed and published the draft of its new strategy made it even more difficult to mobilise genuine and broad political support for it within the EU itself.

⁹ See R. Kappel, *Africa-Europe Cooperation: Using the Opportunities for Reorientation*, Friedrich Ebert Foundation, May 2020.

¹⁰ A. Medinilla and C Teevan (2020), p. 3.

Strengthening the EU's internal consensus and coherence on Africa

The EU's draft proposal for a new Africa strategy stresses from the very outset the crucial need for its Member States to follow a joint and shared policy direction – not just through and with the EU but also in their bilateral relations with African countries – in order to translate the strengthening of the EU's policy towards Africa into concrete action.

Besides those European countries that have strong historical ties with African countries, several others in Europe have begun to focus greater attention beyond the southern coasts of the Mediterranean, driven by the growing international interest and stronger presence in Africa of many international players – most notably China, India, the United States, Turkey, Brazil and the Gulf states – since the beginning of the new millennium. Some European countries – like Germany, Spain, Hungary, and very recently Italy¹¹ – have officially adopted a “strategy for Africa”. Even Estonia is developing one: a country with a population of 1.3 million designing a strategy for engaging with a continent that is home to 1.3 billion people. The reasons driving these countries' attention southward are much the same as those that are pushing Brussels into re-focusing on Euro-African relations. But national strategies once again raise the question of the alignment of individual countries' goals and actions with the common goals and actions defined at the European level. How much unity of views and purposes is there among EU Member States – and between them and Brussels – when it comes to Africa?

There is clearly a great deal of common ground between the approach of individual EU Member States and the EU's collective approach.¹² In particular, in the foreign and

¹¹ Italian Ministry of Foreign Affairs and International Cooperation, *A Partnership with Africa*, 15 December 2020.

¹² G. Carbone, [Europe: Team Play in Africa?](#) *The Africa Policies of EU Member States*, Friedrich Ebert Stiftung, Berlin, December 2020.

development policies of EU Member States, migration management is increasingly regarded as a core issue and goes hand in hand with peace and security. Despite their common ground, however, there are several differences in the individual EU Member States' strategies towards Africa due, among other things, to the fact that the largest among them will at least to some extent continue to pursue their own interests in the region. Notwithstanding the EU's efforts in stressing the importance of and calling for joint initiatives, there will continue to be issues and events fuelling division and competition, such as national country-continent summits and national forums promoting business and trade.

A Strategy "With Africa"? African Priorities

Insofar as the EU's draft proposal has to evolve towards a point of convergence that brings together the needs of its African counterpart, it is essential for Brussels to make greater efforts towards a deeper understanding of the latter.

While the African side welcomed the idea of a complete overhaul of Europe-Africa relations, first and foremost in order to give an integrated framework to the current multiplicity of disjointed and sometimes contradictory initiatives, Africans also immediately noted that "the idea is not new".¹³ As mentioned earlier, joint talks about strengthening the partnership have been ongoing since 2000, and the Joint Africa-Europe Strategy launched in 2007 sought to take that partnership to a higher strategic level. The failure to translate this ambitious goal into reality was due to a series of reasons, including the global financial crisis in 2008, the EU's internal divisions over its Africa policy, and a degree of European reluctance to recognise the

¹³ Carlos Lopes, High Representative of the African Union Commission Chairperson for AU-EU Relations Post 2020, "Europe needs to make mind up on relations with Africa", *Enobserver.com*, 12 December 2019.

African Union's leadership role.¹⁴ Unresolved differences over the management of migration flows, with the associated tensions, have also contributed to stifling the initial momentum.¹⁵ All this has resulted in the inability to operationalise written declarations.

Despite the growing diversification in African countries' external relations, Europe remains a key partner for the region, not exclusively due to its geographic proximity and historical ties. The EU is the biggest trading partner, the leading investor and the largest donor in the Sub-Saharan region. The EU and its Member States are also the players most directly engaged in initiatives for the stability and security of the region, from the coastal areas of the Indian Ocean to the Sahel.

An African approach to Europe

Various African voices are calling for changes in both approach and agenda. In terms of approach, it is important that joint initiatives should increasingly be truly joint and not the product of the work of one party alone (Europe). The very notion of partnership involves embracing the interests of the two parties, including the need – whenever there is a wide gap between their starting positions, as in the case of trade, climate change and migration – to meet each other halfway by devising and accepting compromises.¹⁶ Within international forums such as the General Assembly of the United Nations, this involves moving past the idea of pressuring African countries into supporting European positions, recognising the fact that the countries in this region have (or may have) different positions from the EU, and that in certain circumstances it may be necessary or desirable to support them.

The African Union, on its part, though still fragile and

¹⁴ T.T. Abebe and H. Maalim, *Relations between Africa and Europe: mapping Africa's priorities*, Institute for Security Studies (ISS), 14 September 2020.

¹⁵ A. Medinilla and C. Teevan (2020).

¹⁶ A. Medinilla and C. Teevan (2020), p. 17; and L. Barana, *A Geopolitical Commission in Africa: Streamlining Strategic Thinking on Trade and Cooperation*, IAI Commentaries, vol. 20, no. 2, IAI, January 2020.

evolving, has greatly matured as a global player in relation to past negotiation processes and events. It is now showing an awareness of its role and associated ambitions which Europe is gradually beginning to recognise. But some of the AU's weaknesses remain, notably several major divisions among its Member States, an internal reform agenda that has yet to be implemented and challenges (on the part of its Member States) in implementing official decisions taken in Addis Ababa, whether relating to the continental integration process or agreements with external players like the EU.

Several of the African Union's stated priorities, as set out in its Agenda 2063, can be identified within the draft of the EU's new strategy,¹⁷ suggesting that the role, perspective and interests of the AU may to some extent have been anticipated and internalised in the process of drawing up the European proposal.

As yet, however, the African Union has still not officially stated its positions on cooperation with Europe. Today, it would be more important than ever for Africa as well as its Member States (at least for the leading African countries) to define a "policy for/towards Europe" as a vehicle for conveying Africa's priorities, as the countries north of the Mediterranean have been doing. Unless Africa, and the African Union in particular, take steps in this direction, it is bound to be able to do little more than "react" to the proposals put on the table by the EU. In actual fact, Carlos Lopes prepared such a document in February 2019, but it has never been made public.¹⁸

Lastly – on the question of approach, again – as well as the need for both parties to clearly set out and communicate to each other their starting positions and interests, Africa, even more so than Europe, needs to have concrete plans of action and implementation. Each stated and negotiated goal should then be pursued and monitored.

¹⁷ T.T. Abebe and H Maalim (2020).

¹⁸ Ibid.

African priorities and sticking points

Africa also needs to take significant steps in terms of the agenda. Broadly speaking, Africa seeks a structural transformation through industrial and infrastructure development, driven among other things by a regional integration process that requires active internal and external support.¹⁹ The main sticking points with respect to the EU's positions – those over which both parties will need to make a particular effort in order to reach compromise solutions – include trade, the fight against climate change and migration.

At the top of the agenda is thus the unresolved issue of trade. Despite Europe's support for the new African Continental Free Trade Area (AfCFTA), the Economic Partnership Agreements (EPAs), which the EU has been encouraging sub-regional groups of African countries to sign for some twenty years now, has been criticised by multiple parties as a strategy that adversely impacts (or at least is in danger of adversely impacting) Africa's goals of continental integration and intra-African trade.²⁰ By contrast, the scenario of a Euro-African bi-continental trade agreement envisaged by the new strategy appears to be more directly aligned with African interests, but at the moment it concerns the distant future.

With regards to combating climate change, the EU seeks to position itself as a global leader, amongst other things through its EU Green Deal. Yet in order to do this it also needs allies, and African countries could be such allies – not least because, taken as a whole, they are one of the most vulnerable regions to climate change – but in order to cope with high costs and difficult choices this entails they need financial support.²¹ Some European initiatives are already moving in this direction. The point of convergence on this issue will once again have to take into account the different starting positions.

¹⁹ Carlos Lopes (2019).

²⁰ T.T. Abebe e H. Maalim (2020), p. 8; e Carlos Lopes (2019).

²¹ A. Mednilla e C. Teevan (2020), p. 6.

Lastly, there is the delicate question of migration – a highly sensitive issue for both parties. Beyond the common purpose of accelerating development in the migrants' areas of origin, their visions and interpretations of this issue are very different. While Europe's approach is dominated by the goal of curbing irregular migration, by security-driven policies and a highly negative narrative, Africans, by contrast, call for a clearer recognition of the potentially positive effects of mobility on development²² and, instead of focusing on repatriation, they seek broader and more practicable legal channels for mobility. Their awareness that they are key counterparts for migration management, which Europeans see as a major priority, has grown considerably and gives them some leverage in negotiating with the EU.

Conclusion: Covid-19 Changes the Game

The Covid-19 pandemic – currently an overriding and inescapable concern in Europe as in Africa – will inevitably require adjustments in the EU's vision for renewing relations with Africa outlined at the beginning of 2020. While in many ways the virus has had a lower than anticipated impact in Sub-Saharan Africa so far, there is no doubt that it contributes to the impoverishment of economies and individuals. In this respect, the pandemic makes the virtual absence of the issue of poverty from the EU's proposed new strategy for Africa all the more noticeable. In the unexpected situation created by the pandemic, the issues of health and poverty will inevitably move up the list of priorities, bringing back to centre stage the traditional development topics whose importance had to some extent been diminished by the focus on the five partnerships at the core of the EU's initial proposal. In the negotiations that are due to lead to an agreement in 2021, they are likely to be back at the top of the agenda.

²² Carlos Lopes (2019).

EU-ACP AND THE POST-COTONOU AGREEMENT

Camillo Casola

On 3 December 2020, the Foreign Minister of Togo, Robert Dussey, chief negotiator for the Organisation of African, Caribbean and Pacific States (OACPS), and EU Commissioner for International Partnerships Jutta Urpilainen announced they had reached a political deal for a new partnership agreement between the European Union and the 79 ACP states, twelve months before the Cotonou Agreement was scheduled to expire.

The Cotonou Agreement, signed in 2000 for a period of twenty years, served as the legal framework for development cooperation and political, economic and trade relations between the European Union and ACP countries, most of which are in Africa (the group effectively includes the whole African continent except the countries of North Africa, whose relations with the EU are governed by specific partnership agreements, and Somalia). During the 2014-2020 period, the total funding provided by EU Member States to ACP partner countries exceeded €30 billion.

As the foundation for the new agreement, the focus on strategic areas signals the negotiators' intent to restructure relations based on clearly defined and shared priorities, specifically human rights and democratic governance, peace and security, human and social development, environmental sustainability, inclusive economic growth and migration – largely reflecting the pillars of the draft proposal for a new “Strategy with Africa” published by the European Commission in March 2020. The political framework of the agreement will be translated into action through specific regional protocols designed according to the specific needs and dynamics of each region, i.e., Sub-Saharan Africa, the Caribbean and the Pacific. One of the main innovations of the post-Cotonou agreement

is that its approach focuses on specific regional dynamics, though set within an overall framework.

Although the Council of the European Union adopted a negotiating mandate as early as June 2018 in order to formalise a deal before the Cotonou Agreement was due to expire in February 2020, the pace of negotiations did not gather momentum until December 2019 and, pending the formalisation of a new agreement, the existing one was extended until 31 December 2020. The political dialogue between EU and OACPS negotiators was hindered by several major differences of view. Among ACP states, for instance, some African countries (and the African Union) stressed the need to strengthen a system of *continent-to-continent* relations between Europe and Africa, independently of the ACP group itself.

EU negotiators placed particular emphasis on migration issues and their security implications. While the proposed inclusion of legal channels for migration fuelled resistance among some European countries, one of the main sources of disagreement with ACP negotiators concerned the adoption of mandatory procedures for the re-admission of irregular migrants by their countries of origin – a point on which the European Union has long been insisting –, whereas the OACPS negotiating mandate envisaged that readmission processes should be on a voluntary basis.

Economic partnerships have also been the subject of extensive discussions. Economic and trade cooperation between the EU and the ACP takes place through Economic Partnership Agreements (EPAs) negotiated at the sub-regional level. Over the years, however, the negotiation processes for reaching trade agreements between the EU and African countries have proved complex. Some EPAs have only been applied on a provisional basis, while for others the finalisation process has long been held up at the interim stage, having failed to meet the ratification requirement. Recently, the

reservations voiced by the United Nations Economic Commission for Africa (UNECA), among others, have highlighted the danger that sub-regional agreements between the EU and African states could jeopardise the development of intra-African trade, a goal connected with the entry into force of the African Continental Free Trade Area (AfCFTA). In view of the critical issues raised by the African partners, the European Commission has considered the possibility that the EPAs will evolve towards continent-to-continent free trade agreements.

Lastly, some differences still remain in the area of human rights (notably on reproductive health, gender identity and sexual orientation), but it seems unlikely that they will jeopardise the finalisation of the renewal.

Once a preliminary deal between the EU and OACPS has been reached, the agreement will then be initialled and, once ratified by the required number of parties, will come into force; in the meantime the Cotonou Agreement has been further extended until 30 November 2021.

Conclusion

Over the course of history, the process of European integration has experienced sudden accelerations at times of severe crisis. Whether driven mainly by internal or external forces, these challenges have very often been a useful way of measuring Europe's responsiveness and resilience. In the best cases, this has led to laying the foundations for ambitious common policies in areas where national policies previously prevailed. In the past decade alone examples abound, from the response to the sovereign debt crisis to policies adopted during the migration crisis, both of which revealed a mixed picture of common action amid differing national perceptions.

Will the same be true of the Covid-19 crisis?

This year's ISPI report endeavours to tackle this question and provide a few answers. The aim was to highlight the strengths and weaknesses of Europe's response to the pandemic and draw up an initial evaluation, with particular reference to the EU's role in the world, while keeping our analysis as forward-looking as possible. The picture that emerges is inevitably partial, but nonetheless sufficient for us to draw a few initial conclusions based on the experience that the dramatic events of 2020 have bequeathed us.

While the world is witnessing the launch of the largest and most complex mass vaccination programme in history, the European Union still seems to be in search of a role for itself within the global balance of power that has been so profoundly upset by the virus. It is therefore vital to understand the

dynamics of underlying forces and, if possible, anticipate their future direction. This is all the more important because the future of our country is inextricably linked with that of Europe as a whole and its shared interests.

Our analysis paints a picture of lights and shades, which looks more promising in terms of economic and financial identity, but less ambitious in terms of international subjectivity. From the economic-financial angle, Europe has shown unprecedented responsiveness and more effective public health coordination. The launch of the NextGenerationEU recovery plan and an initial form of European debt mutualisation, not to mention the adoption (despite considerable difficulty) of the 2021-27 budget, are clear signs of a reassuring vitality. The same can be said of the joint management of the emergency phase of the pandemic, the cooperation to facilitate the distribution of health equipment and, more recently, the initiative for fair, orderly sharing of vaccine doses between Member States, although this too is not free from problematic aspects and misalignments between countries. Taken as a whole, these developments have strengthened the spirit of internal solidarity and gone some way to boosting public opinion of the EU Institutions, after many years of Euroscepticism. They therefore provide a starting point for injecting new impetus into the construction of Europe's future, perhaps by seeking to transpose the lessons learned from the joint response to the emergency into ordinary mechanisms of cooperation that go beyond crisis management.

Despite the shock of the pandemic, however, the path towards a European identity in terms of foreign and security policy remains fraught with difficulty. While recent years have seen undeniable progress, Europe's foreign and security policy still appears to be nothing more than the sum of the individual political priorities of its Member States. And, still held captive by the untouchable totem of unanimous voting, Europe's foreign and security policy struggles to prevent an inevitable dilution, made unavoidable by the logic of compromise. This can be seen in how hard it is for the EU to take effective common positions

on several matters that are central to its interests, whether in relation to regional crises or in light of its erratic approach to strategic issues, such as relations with the United States, Russia and China. Viewed as a whole, this is evidence of the gap that separates the declared ambitions of a “geopolitical” Europe from actual results.

This gap looks even wider when viewed in the light of the opportunities (tempered by risks as they may be) that seem to be taking shape on the horizon.

One of these is the arrival of Joe Biden (who now has the task of stitching up the painful internal wounds caused by a dramatic transition) at the head of an American administration that has avowed its support for multilateralism. Another is developments from China, as Beijing seems keen to make promising concessions on trade and investment, aimed at preventing the emergence of a new axis between the U.S, Europe and the Asian democracies (the outcomes of this movement include the EU-China investment agreement and the Asian regional trade deal). These developments should prompt Europe to unite around a single vision, based on its awareness of the fact that it belongs to a Western alliance that is now easier to re-launch, and on the common interest in establishing a level playing field that is equally beneficial for both parties even as the competition between China and the West intensifies. This competition will not only be played out in the field of trade, but also in technological developments, in the energy transition, in environmental policies and in relations with developing countries, not to mention the crucial issue of values, freedoms and the future of our democracies.

In spite of all this, a Europe that is ready to respond, free from the internal wrangling that currently holds it back and undermines its action on the world stage, still seems a long way off. This is clear from the Member States’ differing approaches towards Beijing, Moscow and Washington, the still uncertain and indefinite consequences of Brexit (especially in terms of European defence and security), and the disagreements with

Hungary and Poland that cut right to the heart of the concept of European democracy. The EU will be betting a large slice of its credibility on its capacity to settle its internal divisions on such decisive issues, pending clarification of the outlines and ambitions of the Conference on the Future of Europe, which is due to come to a close in 2022 during the six-month term of the French Presidency.

None of these developments, then, is enough to dissipate doubts on the EU's position in the current international scenario. On the contrary, it appears that Europe's position on the world stage will continue to be shaped mainly by the stances taken by its most prominent Member States.

In this respect, given the strength of its activism and assertiveness, France appears to have taken a leading role. On several occasions, Paris has already shown its desire to take advantage of Brexit to boost its ability to influence the EU's decision-making on strategic matters. France has taken on a wide range of issues, ranging from geopolitics and defence to economics and finance, from social issues to scientific and technological innovation, along the lines mapped out by President Macron in his 2017 speech at the Sorbonne. Clear evidence of this can be seen in President Macron's call to embrace a fuller concept of European sovereignty (in the run-up to the 2022 presidential elections), and in the pro-active stance taken by France on key areas of EU foreign policy such as migration, the fight against terrorism, the Balkans, and the Eastern Mediterranean.

Until now, France's ambitious bid for political leadership in Europe has been balanced by Germany's approach under Angela Merkel. Merkel's policy seems to be defined essentially by caution towards taking on new international commitments, especially at a time when the effects of the pandemic are hitting German citizens particularly hard, thus increasing their feeling of insecurity and need for protection. Less willing to endorse initiatives coming from Paris at a time when doubts outweigh certainties, Berlin is therefore less categorical in the positions

it takes, more sensitive to grey areas and essentially committed to softening the views and attenuating the self-serving drive of individual players. This approach is partly dictated by the need to reconcile Western solidarity with the importance of trade between Germany, on the one hand, and China and Russia on the other, but it is also influenced by the leadership race to the Federal Chancellery and the delicate legislative elections to be held in September. We shall see what a Germany under a new leadership may bring, a few months from now.

Viewed from this angle, with the UK out of the picture and discounting the role that other partners, including Italy, may build for themselves, the contest for leadership in the EU's external dimension would still seem to be mainly played by the Franco-German couple (although conditioned in its mutual weights and dynamics by the outcome of the next German election).

However, we must not make the mistake of seeing Brexit as the end of British influence on the EU's external dimension, despite the fact that it takes a key player out of the "formal" game. Regardless of the final form that its agreements with Brussels will take in practice, London is destined to remain firmly attached to Europe, as an inevitable partner of its external dimension. This is partly due to the United Kingdom's military might (as a combat-ready nation, an Atlantic ally and a nuclear-weapon state) and its recognised intelligence-gathering capabilities, but also because of its established tradition of cooperation within the framework of international bodies involving a tight circle of members, such as the E3 and the UN Security Council. The development of European defence will be an important test: while having more freedom to evolve without the United Kingdom, the EU's Common Security and Defence Policy will not be entirely separable from the Transatlantic relations. And it remains to be seen how far Europe will be able to bring its "strategic autonomy", and whether this will complement rather than compete with NATO arrangements.

In light of all this, it is worth considering what role Italy might play in this changed and shifting context. Let us start by clearing up possible misconceptions: the notion of Italy acting as a lone player on the world stage independently of the European Union is unrealistic, not to say illusory. A fully-fledged union on foreign policy – to which we have rightly and recurrently aspired – could yield benefits for us only insofar as it would reduce our need to stand alone, and thus increase our ability to influence international developments. Unfortunately, however, this remains elusive, at least for the present. So to defend and promote our national interest, we find ourselves compelled to move within the various coalitions that form between nations on an ad hoc basis, and whenever the need arises.

It is precisely in this context, however, that – by virtue of being less assertive than France, but at the same time less cautious than Germany – Italy can carve out a role for itself, in the legitimate expectation that it will be given a fair hearing both inside and outside the European Union. This role would give Italy the freedom to express its views, provided it did so from a “geopolitical awareness” of where its real interests lie.

These interests could be sketched out geographically along two large quadrants. The first starts from Germany, Italy's biggest trading partner, crosses the Brenner, and runs south from Trieste through the Balkans down to Cairo, before taking a right-angle turn along the entire North African coast as far as Morocco, having first brushed Turkey and Libya. This line also coincides with the start of the other quadrant, which runs from the Mediterranean to Lebanon, and travels across the Middle East into Iraq and Afghanistan, before reaching India. This is the starting point of the diagonal line that reaches the Atlantic coasts of Sub-Saharan Africa as far as Nigeria, our second largest trading partner in the region after South Africa, and then onwards to an area of growing strategic importance for our country: South-East Asia.

The breadth and diversity of Italy's interests, represented geopolitically in this way, compels the country to take pro-active

part in the inevitable game of variable-geometry alliances that characterises today's "apolar" world, but also to adopt a vigilant stance to prevent dangerous trends towards widening the areas of competence of bodies with a tight membership from which we are excluded. To this end, by making the most of Italy's acknowledged capacity for dialogue and balance, the country could be able to carve out useful room for manoeuvre, by leveraging both our main European partners (including the United Kingdom) on an ad hoc basis, and by seeking support from Washington, where Italy's more active engagement at the negotiating table on crisis situations has been traditionally appreciated.

It is worth noting that this strategy should not be seen as an alternative to building the external dimension of the European Union. Building this dimension remains one of Italy's key objectives, because its absence (which must nonetheless be realistically acknowledged) inevitably leaves Italy weaker. Instead, it should be seen as a means of complementing the efforts being made to build a common foreign and security policy.

Italy's history and diplomatic culture enable it to do this and, in certain ways, require our country to do it. Therefore, without ceasing to seek opportunities for joint action with partners whenever possible, Italy must ultimately be capable of taking responsibility for acting alone, whenever the situation so dictates.

Giampiero Massolo
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