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POLICY BRIEF

THE CRISIS THAT MADE THE EUROPEAN UNION: EUROPEAN COHESION IN THE AGE OF COVID

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SUMMARY

- The pandemic poses a threat to European cohesion by increasing economic divides and undermining trust in the EU and national governments.
- Fortunately, covid-19 hit at a time when cohesion in the EU was the strongest it has been in a decade.
- The EU has ultimately responded effectively to the crisis, agreeing a recovery fund for the hardest-hit member states.
- However, countries in the north could become frustrated by having to support others, while the south faces economic stagnation, and the rule of law is still shaky in parts of central Europe.
- The EU should offer more support to struggling members, conditional on structural reforms and respect for the rule of law.
- All member states have a stake in ensuring European cohesion – not least because of the international challenges facing Europe.

INTRODUCTION

At the outset of the pandemic, it looked as if covid-19 could be the final nail in the coffin of the European project – the "biggest crisis since the EU was founded", as German Chancellor Angela Merkel put it in early April. European cohesion had already been strained to an unprecedented degree over the last decade by the eurozone and refugee crises, and by Brexit. In 2020, export bans on urgently needed medical supplies and unilateral border closures gave the sense that "my country first" approaches had destroyed any remaining solidarity between member states. In April, Spanish prime minister Pedro Sánchez called for collective action in the face of the virus, writing: "Without solidarity there can be no cohesion, without cohesion there will be disaffection and the credibility of the European project will be severely damaged."

But by autumn 2020, it seemed that member states and the EU institutions had once again averted the disintegration of the union. They established the European recovery fund, which is the largest rescue policy in European history: it is several times larger than the post-second world war Marshall Plan in inflation-adjusted terms. The recovery fund is designed to help stabilise countries that have been hit hardest by the crisis and to prevent member states from drifting apart. Ideally, it would be the first step in halting centrifugal forces and reconstructing the EU in a sustainable and forward-looking way.

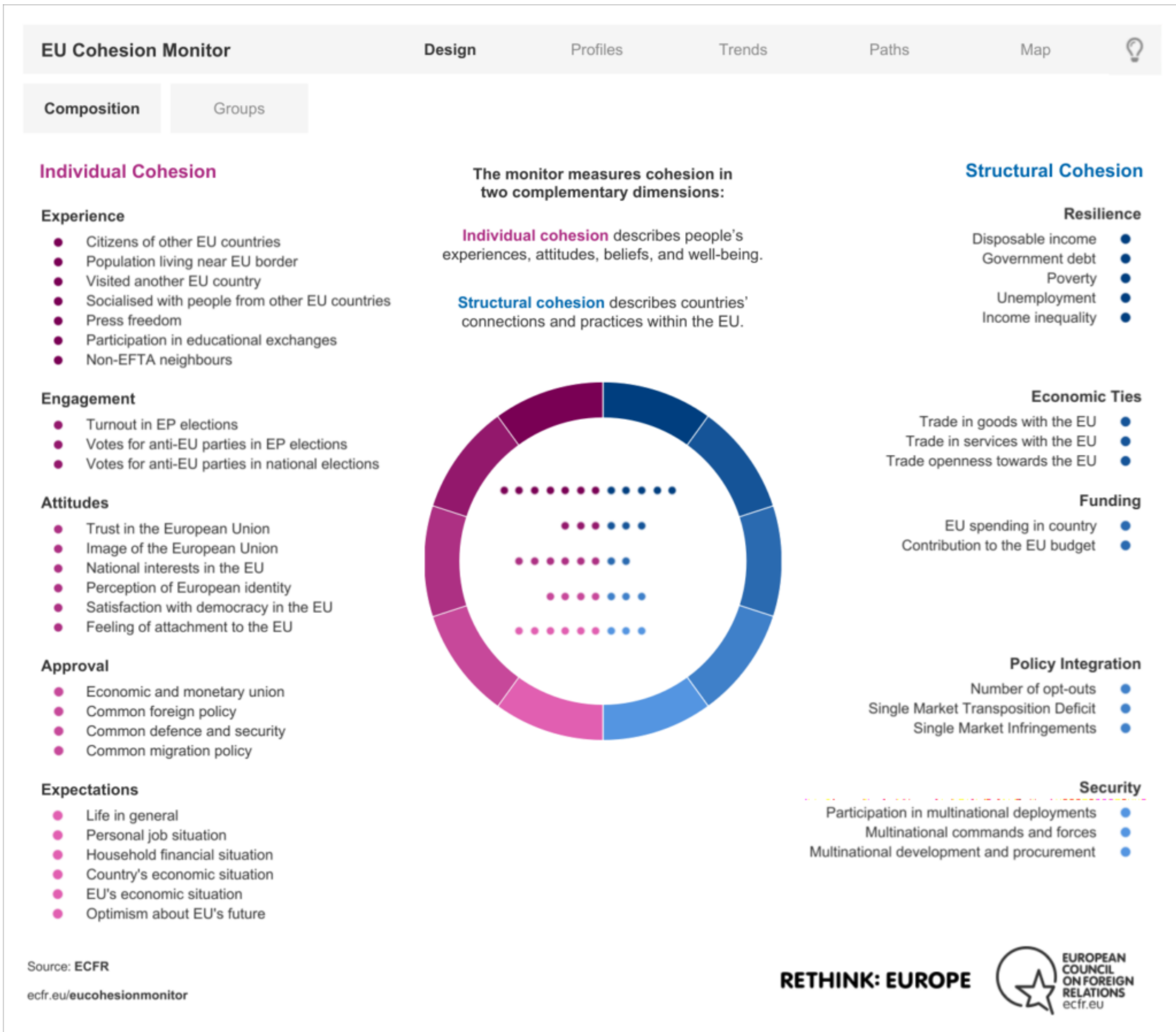
Yet Europe is currently being engulfed in the second wave of covid-19, with unknown consequences for national health systems, economies, and democracies, and still greater uncertainty about how all of this will affect European cohesion.

There is cause for hope, however. Governments and citizens seem to have drawn useful lessons from the first wave of covid-19, making them better prepared to deal with the virus today. Vaccines should be widely available next year. And, more broadly, Europe has demonstrated a reassuring capacity to respond to adversity. Despite the many crises of the last decade and the rise of Eurosceptic parties in the European and national parliaments, European cohesion was stronger in 2019 than in 2007, the year before the global financial crisis. This is one of the central findings of the fourth edition of ECFR's EU Cohesion Monitor. Containing 12 years of data, the monitor tells a story of European perseverance in the face of multiple crises.

About ECFR's Cohesion Monitor

Since 2016, ECFR has been measuring European cohesion by tracking a range of socio-economic and political variables. This new edition of the Cohesion Monitor covers the years 2007 to 2019, before covid-19 reached the continent. In order to understand what makes EU countries and societies stand together, we have broken the concept of cohesion down into its building blocks. The monitor analyses EU citizens' experiences, expectations, beliefs, levels of well-being, and voting patterns as contributing to **"individual cohesion"** – the degree to which individuals in member states are prepared to stick together as part of the EU. Member states' economic and political ties and practices within the EU make up "**structural cohesion**" – the degree to which countries work as an integrated part of the EU.

The monitor builds on a set of 42 factors drawn from sources such as Eurobarometer and Eurostat. These factors are organised in 10 indicators. Users can browse the results of this interactive tool to trace the evolution of cohesion across the EU, and they can do this for all 27 member states, plus the United Kingdom, and for 16 groups of countries.



However, levels of cohesion vary across Europe – and where cohesion is weak, there are a wide range of reasons for this. As we fight the second wave of covid-19, the crisis poses a triple challenge to European cohesion:

- **The southern challenge:** Countries such as Spain, Greece, and Italy – as well as Bulgaria, Romania, and Croatia – have been among the worst affected by the crisis in economic terms. Given their pre-existing economic vulnerabilities, they are at particular risk of stagnation, rising unemployment, and diverging further from wealthier member states. This could lead to growing frustration among their populations, and scepticism about the European project – unless they feel that the EU has responded to the crisis effectively and with solidarity.

- **The northern challenge:** Countries like Austria, Denmark, Finland, the Netherlands, and

Sweden – possibly also Germany – could lose patience with less affluent member states, seeing them as constantly needing bailouts, or suffering from corruption and weak rule of law. Having sustained less economic damage from the crisis, and enjoying stronger economic performance overall, they might struggle to understand the perspectives of other countries. All this could lead to the northerners growing more detached from the European project – unless the other member states can prove their concerns wrong.

- **The central European challenge:** The crisis has weakened not just national economies and European solidarity, but democracy, human rights, and the rule of law within certain member states. In some countries in the region – especially Hungary and Poland – values such as judicial independence and protection of minorities are under greater strain, while media pluralism has suffered. This does not necessarily make these societies less attached to Europe: on the contrary, they score higher than average on this metric. However, if these problems are not addressed – for instance, if the EU is sluggish or ineffective on the defence of the rule of law – it could become a major problem for these countries' cohesion with the rest of the EU. It could also further damage the region's image in the bloc. Not all countries in central Europe are suffering from a deterioration in the rule of law, and some – like Slovakia and Romania – have strongly supported the new budget's rule of law conditions. But the entire region could suffer if the EU's more affluent member states, annoyed with rule of law problems in central Europe, approach the region with a growing reserve. It could also give rise to new resentments among societies of central Europe, particularly if they feel unjustly punished, stigmatised, or abandoned by the rest of the EU.

Strengthening European cohesion in 2021 and beyond requires attention to these three challenges. None of them are new, but all three came to the fore in 2020. This paper first examines the ups and downs of European cohesion between 2007 and 2019, the period covered by the EU Cohesion Monitor, ending just before covid-19 reached Europe. It will show that some societies were less prepared for the crisis than others because they had a lower level of structural or individual cohesion even before the pandemic. It will then consider the elements of cohesion that have been under most strain in 2020, with economic divides across Europe growing, trust in the EU and national governments shaken, and Europeans' confidence in the future waning. Finally, the paper sketches out the prospects for European cohesion after the pandemic.

EUROPEAN COHESION BEFORE COVID-19

Contrary to the catastrophism of recent years, European cohesion has generally been strong in the period covered by the monitor, recovering after each crisis the EU has suffered since 2007. Despite economic distress in some countries, the rise of populist parties in others, and a recurring sense of stagnation in the integration process, member states and their societies remained strongly interconnected.

The latest edition of the monitor confirms this. In 2019, European cohesion reached its highest level since 2007, when the analysis begins. But, at the same time, the foundations for the triple challenge to European cohesion observed today were in place long before the covid-19 crisis struck.

Structural cohesion

The strength of member states' connections to the EU – measured through their economic ties, policy integration, and security cooperation, as well as countries' overall economic resilience – reached its highest level in over a decade just before the covid-19 crisis, with 25 out of 27 member states scoring higher on this front in 2019 than in 2007.

The list of countries that were strongest on "structural cohesion" in 2019 may be surprising, as it includes not just three of the EU's founding members – Belgium, Luxembourg, and the Netherlands – but also Hungary, Slovakia, the Czech Republic, and Estonia. Central and eastern Europe has seen the highest increase in structural cohesion over the past decade, and the four Visegrad countries (the Czech Republic, Hungary, Poland, and Slovakia) and the three Baltic states (Estonia, Latvia, and Lithuania) were all well above the EU average. This is evidence that they are catching up quickly with the rest of the EU, at least in terms of their structural connections to the union.

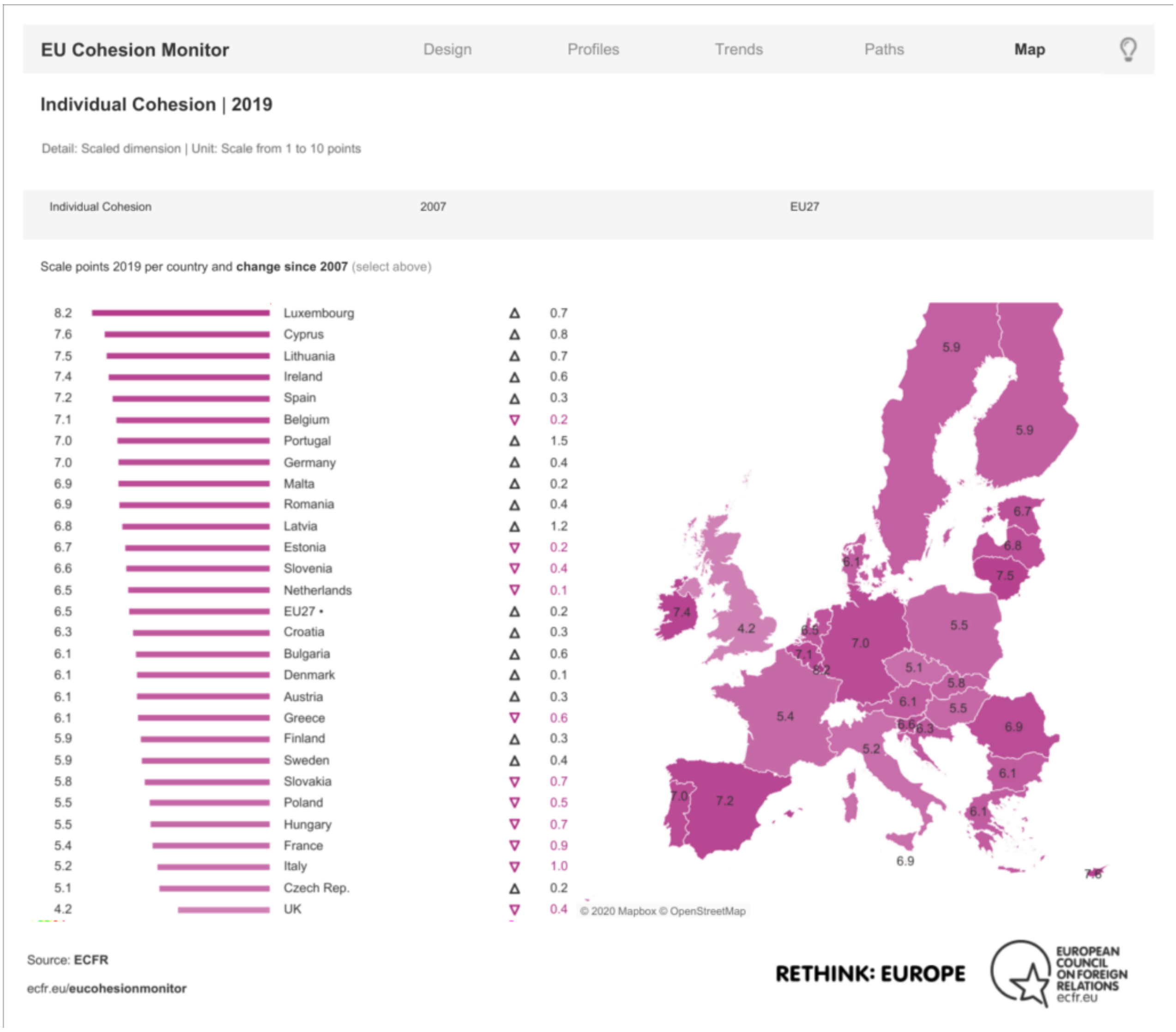
In contrast, structural cohesion was weakest in the EU's south and north. Cyprus, Greece, Croatia, Bulgaria, Spain, and Italy were well below the EU average, as were Denmark, Sweden, and Finland. However, the reasons for this are different in each place. Denmark's and Sweden's scores were dragged down by a low level of policy integration with the EU. At the same time, they were among the EU members with the most resilient economies – while the economy has traditionally been the Achilles heel of the EU's south. Greece, Spain, and Italy, as well as Bulgaria and Croatia, not only took a disproportionate economic hit from covid-19, but entered the crisis with less resilient economies.

Individual cohesion

Meanwhile, the degree to which people are prepared to stick together as part of the EU – made up of people's experiences of interacting with other EU citizens, attitudes towards the EU, engagement with

EU elections, and general well-being – was strong in 2019. This “individual cohesion” had not only returned to the pre-financial crisis level of 2007, it slightly exceeded it.

Many of the indicators around individual cohesion displayed a steady upward trend across the EU. More EU citizens visited, or lived in, other EU countries; cross-border contacts rose, as did participation in educational exchange programmes. After slumps in 2010 and 2013, EU citizens increasingly perceived themselves as “European” and felt attached to the EU. Satisfaction with the level of democracy in the EU had grown, exceeding its 2007 level.

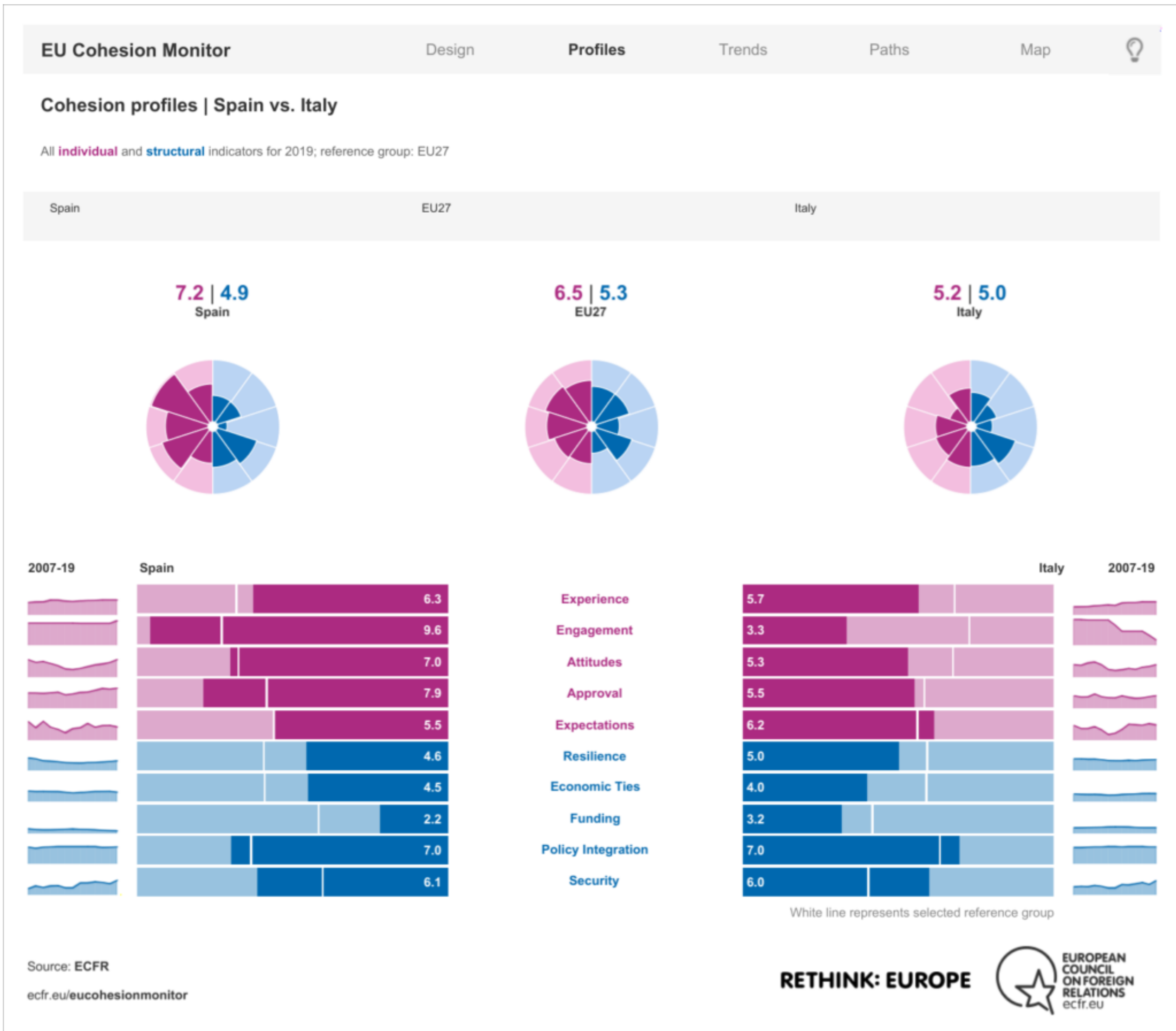


However, confidence in the union had not been fully restored by 2019. Although it recovered from its low in 2015, it remained well below the 2007 level. The same applies to citizens’ views of the EU. Although these have been improving since 2016, they remained below their 2007 level. EU citizens were also less optimistic about the future of the union in 2019 than in 2007. They were almost as sceptical about the economic prospects for their country and the EU as a whole as they were during the low of 2011. Interestingly, though, approval for economic and monetary union has grown steadily since 2013, and was higher in 2019 than before the financial and eurozone crisis. This suggests that, on average, EU citizens believed that solutions to economic problems could best be found within the EU framework rather than through purely national policies.

But a closer look at individual cohesion in the EU's south, north, and east reveal the origins of today's triple challenge to European cohesion.

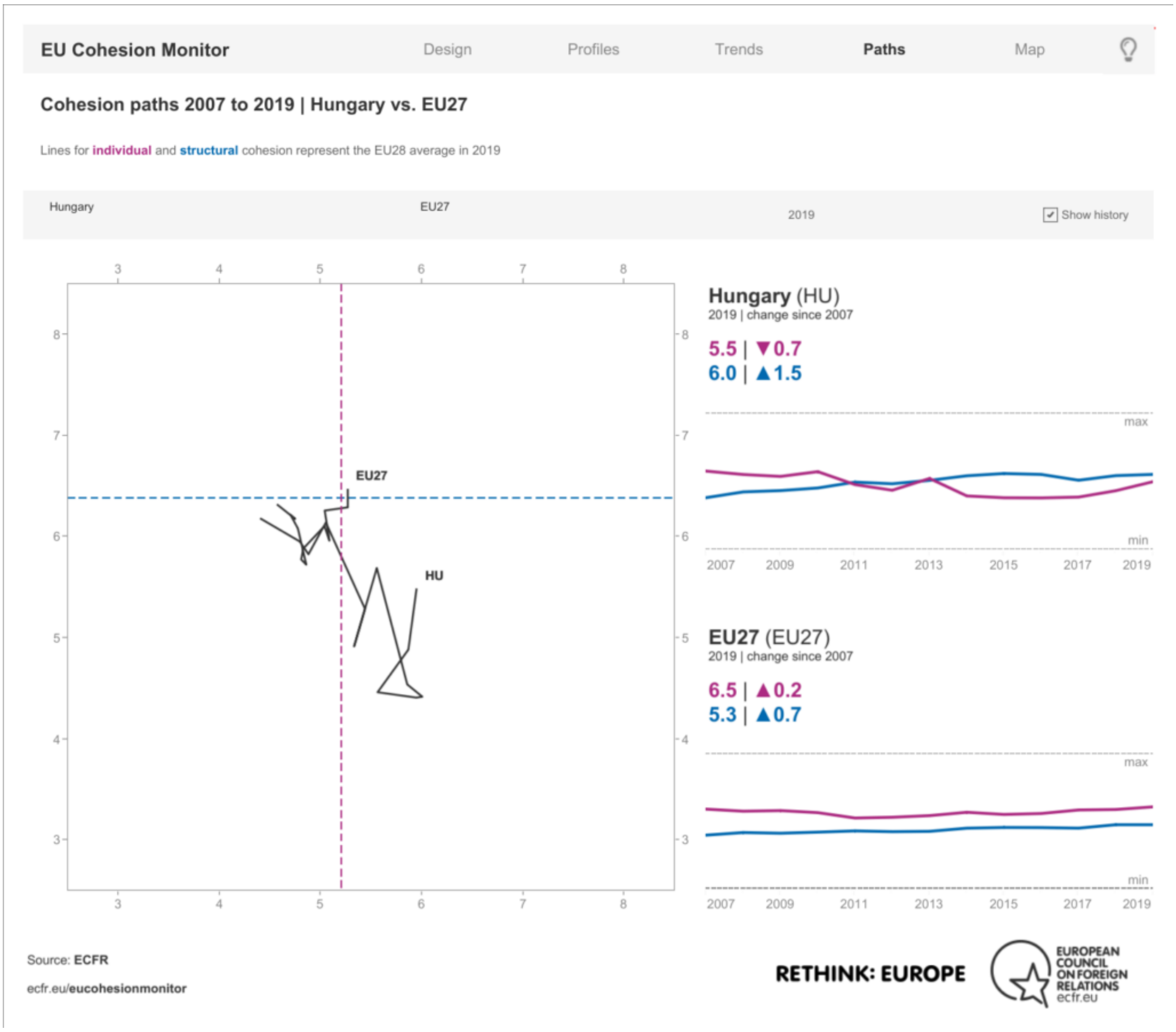
Europeans' expectations around the economic prospects for their household, their country, and the EU were lowest in wealthy countries such as the Netherlands, Austria, Germany, and Finland. The Dutch and Germans had a very pessimistic assessment of their households' financial situations – as well as that of their country and of the EU. Austrians had disturbingly low expectations about the prospects of life improving overall, as well as about their personal finances. And Finns had little hope for the economic prospects of their country and of the EU.

By contrast, Greeks and Italians were more upbeat, particularly about their countries' economic outlooks. This may be due to their different starting point: these countries share recent memories of the eurozone crisis, which led to a drastic rise in unemployment and poverty – and, in the case of Greece, to the humiliation of the "Troika" of international institutions imposing economic reforms on the country. At the same time, however, the south displayed poor levels of optimism about the EU. The "Southern Seven" (Cyprus, France, Greece, Italy, Malta, Portugal, and Spain) had seen a sharp fall in trust in the EU after 2009, and, despite some improvement since 2015, the group came in below the EU average on this front in 2019. Greece saw the biggest decrease in trust levels between 2007 and 2019. In 2019, Greek, Italian, and French citizens looked to the future of the EU with less optimism than at any time since 2007. Overall, the south entered the covid-19 crisis not only with weak economies but with significant levels of distrust in the EU and pessimism about its prospects.



But Spain – with much stronger individual cohesion ahead of covid-19 than Greece or Italy – is an exception. Spanish optimism about the EU had been recovering since 2012, exceeding the EU27 average from 2015 onwards. It was also at above the EU average in almost all other areas of individual cohesion. Spain had a high level of turnout in the 2019 European Parliament election, and relatively few votes for anti-EU parties. Trust in and attachment to the EU steadily increased over the past few years, reaching their highest point yet in 2019. Spaniards considered that the EU takes their interests into account and they were among those that identified themselves most strongly as Europeans. They also regained their satisfaction with the level of democracy in the EU, after this dived in 2014 to the lowest point in over a decade. All this was put to the test in 2020 – but it positioned Spain as a genuine advocate of European solidarity during the covid-19 crisis, making it hard for others to reject Spain's call for Europe-wide support with the recovery.

In central Europe, in 2019, as in previous years, countries in this part of the continent scored high on structural cohesion but low on individual cohesion (see example of Hungary in the chart). In other words, they were strongly integrated with the EU in economic and policy terms, but their citizens lagged in their sense of connection to Europe. In Poland and Hungary, anti-EU parties performed strongly in national and European elections, bringing down these countries' scores for engagement with the EU. Approval of EU policies, especially migration policy, was below average in both countries. At the same time, however, both scored above average in 2019 on their attitudes toward to the EU (including levels of trust in the union, and perception of a European identity) and their expectations for the future (including the economic situation of their household, their country, and the EU). The Czechs, meanwhile, were alone in the region in scoring low on attitudes towards the EU. Among the four Visegrad countries, Slovaks consistently displayed the highest levels of individual cohesion between 2007 and 2019. But even they have dropped below the EU27 average since 2015, largely because they have the lowest turnout in European Parliament elections of any member state. Votes for anti-EU parties in national and EU elections are high across the Visegrad region. After all, anti-EU parties have governed Hungary since 2010 and Poland since 2015, directly contributing to the current rule of law challenges in these countries.



EUROPEAN COHESION IN 2020

Fortunately for the EU, covid-19 reached the continent when overall cohesion was at its strongest level since 2007, when Cohesion Monitor analysis began. Even countries that suffered most during the eurozone and migration crises – like Greece and Italy – were gradually recovering their optimism and economic vigour when the pandemic struck. Thanks to this, covid-19 has not yet become an existential threat to the EU, or to European cooperation more broadly. It is certainly a challenge, but the good health of European cohesion in 2019, as well as the memory of the EU's success in dealing with recent crises, have allowed Europeans to face the virus with resolve and unity, albeit after a rocky start. Covid-19 has reminded them just how interconnected they are, and that, despite the costs and challenges, it is better to stand together than to stand alone.

Yet, while this is true on a general level, there are some areas of European cohesion that have been severely affected by the covid-19 crisis – just as there are member states whose connections to the EU have been strained, largely because of factors that predate this crisis.

Two dynamics are at play. Firstly, the pandemic has inflicted a huge cost on European economies, and – in an unfortunate coincidence – some of the EU's most vulnerable economies, such as Greece, Italy, Spain, and Croatia, were among the hardest hit by its first wave. In the vocabulary of the Cohesion Monitor, in 2020 this will likely translate into a deterioration in their structural cohesion – the degree to which they function as an integrated part of the EU. In particular, their economic resilience is likely to decline.

Secondly, covid-19 will impact on people's feelings about the future, about Europe, and about politics. This may be particularly extreme in countries that were already suffering from economic decline and high unemployment. It may translate into a deterioration in their willingness to engage with the EU – their individual cohesion. The pandemic is likely to affect individuals' views of the EU more than their countries' connections with it: four of the five indicators of individual cohesion seem to have been significantly affected, against just one of the five indicators of "structural cohesion".

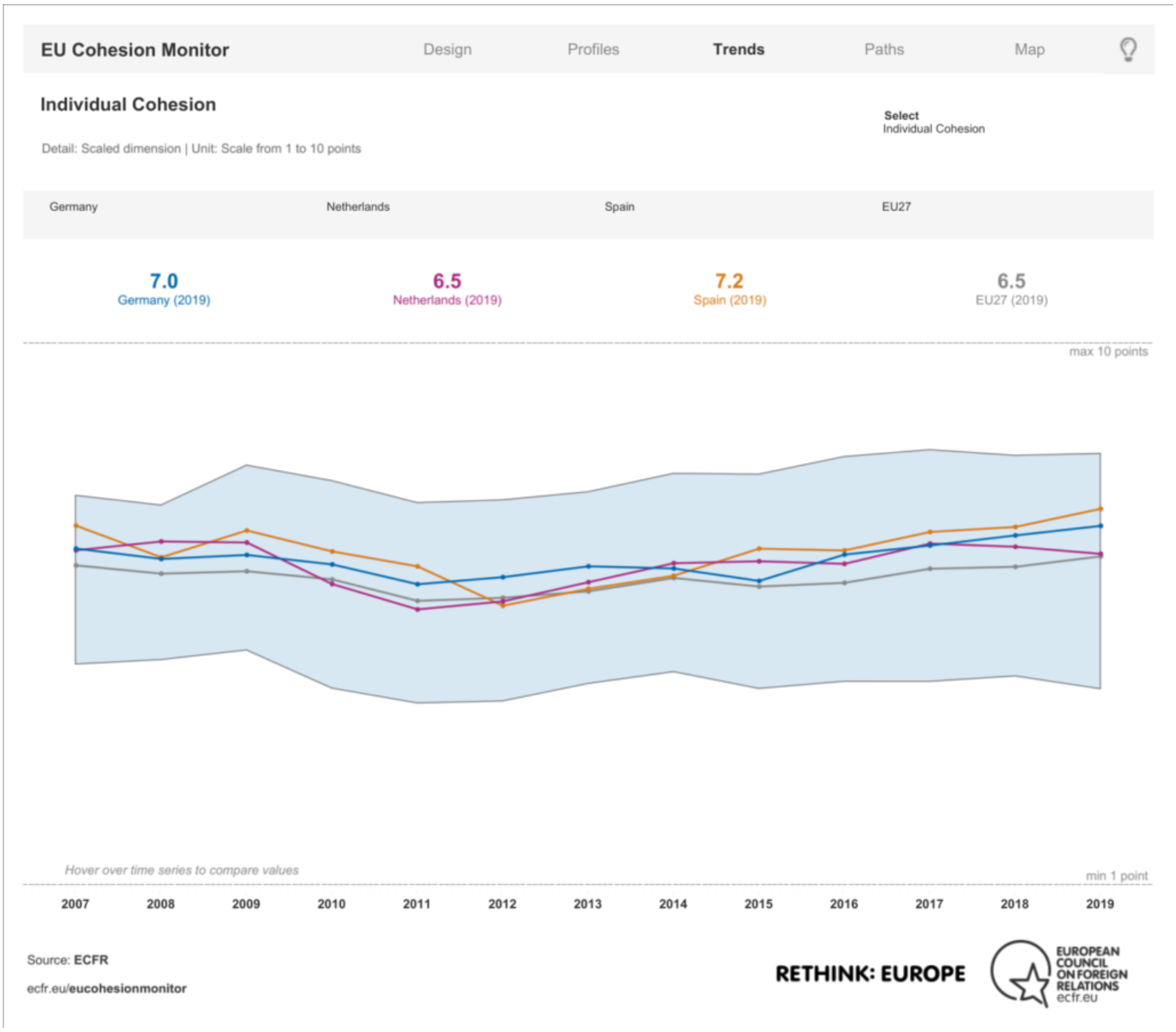
Where there is more uncertainty it is how and whether the coronavirus crisis will change Europe. For structural cohesion the consequences are likely to be negative, with the virus straining the continent's economies. For individual cohesion, however, change in some ways could actually be positive: the shared experience of the pandemic, lockdowns, and common suffering could generate new support for the European project.

2020 changes to cohesion	Southern Europe	Northern Europe	Central Europe
Resilience (eg. state of the economy)	↓ ↓	↓	↓
Expectations (eg. views on life in general, country's economic situation, and the EU's future)	↓	↑	
Attitudes (eg. trust in the EU and attachment to it)	↑	↓	
Engagement (eg. resisting anti-EU parties)			↑ ?
Experience (eg. visiting other countries, press freedom)	↓ ↓	↓	↓ ↓

Economies under stress

Covid-19 has negatively affected all European economies. In the vocabulary of the Cohesion Monitor this harms their resilience – one of five indicators of structural cohesion. However, Europe is far from economic collapse. The firm, if not always swift, reaction of national governments and EU institutions has so far averted a much steeper decline. National and EU leaders avoided the mistakes that plagued their response to the eurozone crisis of the early 2010s, such as premature fiscal and monetary tightening. This time, governments introduced short-term schemes to avoid layoffs and bankruptcies. Meanwhile, the European Commission loosened state-aid rules and allowed the use of EU funds for the fight against covid-19. The European Central Bank championed an ultra-loose monetary policy. Europe's efforts to prevent economic disaster culminated in the financial deal of July 2020, in which the 27 member states agreed to add a €750 billion recovery fund to the bloc's €1 trillion multiannual budget. Perhaps more importantly, they empowered the European Commission to borrow on a large scale from capital markets for the first time.

Still, for many member states the picture is far from rosy, especially for those that were already vulnerable before covid-19 hit.



During the crisis, all EU governments took on additional debt to save businesses from bankruptcy and avoid a sudden rise in unemployment and poverty. Gross government debt across the EU27 is expected to rise from 79 per cent of GDP in 2019 to 95 per cent in 2020. But there are considerable differences between member states. For five countries – Estonia, Bulgaria, Luxembourg, Denmark, and the Czech Republic – gross government debt remains below 40 per cent. At the other end of the scale, three member states have already passed the 100 per cent mark – Greece, Italy, and Portugal – and Spain, France, Cyprus, and Belgium look set to follow them. In Greece, the debt could go above 200 per cent, a level seen in only three other countries in the world: Sudan, Venezuela, and Japan.

There are similar disparities regarding GDP growth. The International Monetary Fund (IMF) predicts a 7.6 per cent fall in the EU's GDPin 2020; the European Commission's forecasts are similarly grim. No EU27 country has been spared recession this year, but some will have been particularly hard hit.

In Spain, Italy, Portugal, France, Greece, and Croatia, GDP is expected to fall by more than 9 per cent. These countries rely heavily on tourism, which ground to a halt in spring. Just five countries – Lithuania, Ireland, Poland, Bulgaria, and Finland – are predicted to avoid a decline in GDP by more than 4 per cent, though the second wave of covid-19 might worsen their outlook, too.

From the perspective of EU citizens, rising unemployment is perhaps the most palpable economic consequence of the crisis. Across the EU27, unemployment is expected to increase from 6.1 per cent in 2019 to 7.8 per cent in 2020, according to the IMF. But again, it makes a big difference whether one lives in the EU's south, north, east, or centre. In Greece and Spain, unemployment is forecast to reach 20 per cent and 17 per cent in 2020, respectively. This is well below 2012-2017 levels but would mark a deterioration compared to 2018 and 2019. Italy, Croatia, and France are next on the list of the most affected countries.

As things stand, covid-19 will likely deepen some of the existing cleavages between EU economies. It may erase some of the convergence towards the EU's more affluent members achieved over the past decades – notably in the EU's south. The EU's recovery fund could mitigate this to some degree. Croatia, Bulgaria, and Greece stand to receive the highest level of funds as a share of GDP, while Italy and Spain are set to become by far the fund's largest beneficiaries in absolute terms. But it may be hard to avoid rising inequalities between EU member states. While all of them can help ailing businesses, thanks to loosened EU state aid rules, the wealthier and more stable economies of the north have much greater fiscal capacity to do so than the south.

Diverging expectations

The economic downturn will affect people's expectations about their situation and their prospects. However, this does not mean that individuals' attitudes will inevitably deteriorate in 2020 in all the countries.

In 2019 there was, as noted, a surprising contrast between the upbeat south and the more downbeat north in terms of their expectations for the future. Covid-19 seems to have reversed this. There are signs of returning gloom in Greece and Italy, which are among the hardest hit in economic terms. Sentiments are also likely to be more negative in Spain, France, and Croatia. In contrast, they may well improve in places like Germany, the Netherlands, and the Scandinavian countries, which have either coped better with covid-19 or feel resilient enough to handle the consequences of the epidemic on their own.

The perception of national governments' reaction to covid-19 is one of the key dividing factors between the north and the south, with the former more satisfied than the latter – and thus probably more confident that they do not need others' help to face this challenge.

The first wave of the pandemic was a radically different experience in the south and the north, with the former worse hit in health and economic terms; however, it did not completely crush optimism in the most affected countries. In July, perceptions of the economic effects of the crisis were uneven across the EU27. Looking at the entire bloc, a European Parliament survey concluded that 28 per cent of Europeans had suffered loss of income since the start of the pandemic – with numbers over 40 per cent in Spain, Hungary, Bulgaria and Greece, and below 20 per cent in the Netherlands and Finland. And yet, in Spain, Greece, and Croatia upwards of 39 per cent said that "hope" was one of the feelings that best reflected their emotional state. This was in keeping with the EU27 average (41 per cent), and more than in France, Belgium, or any of the Baltic states.

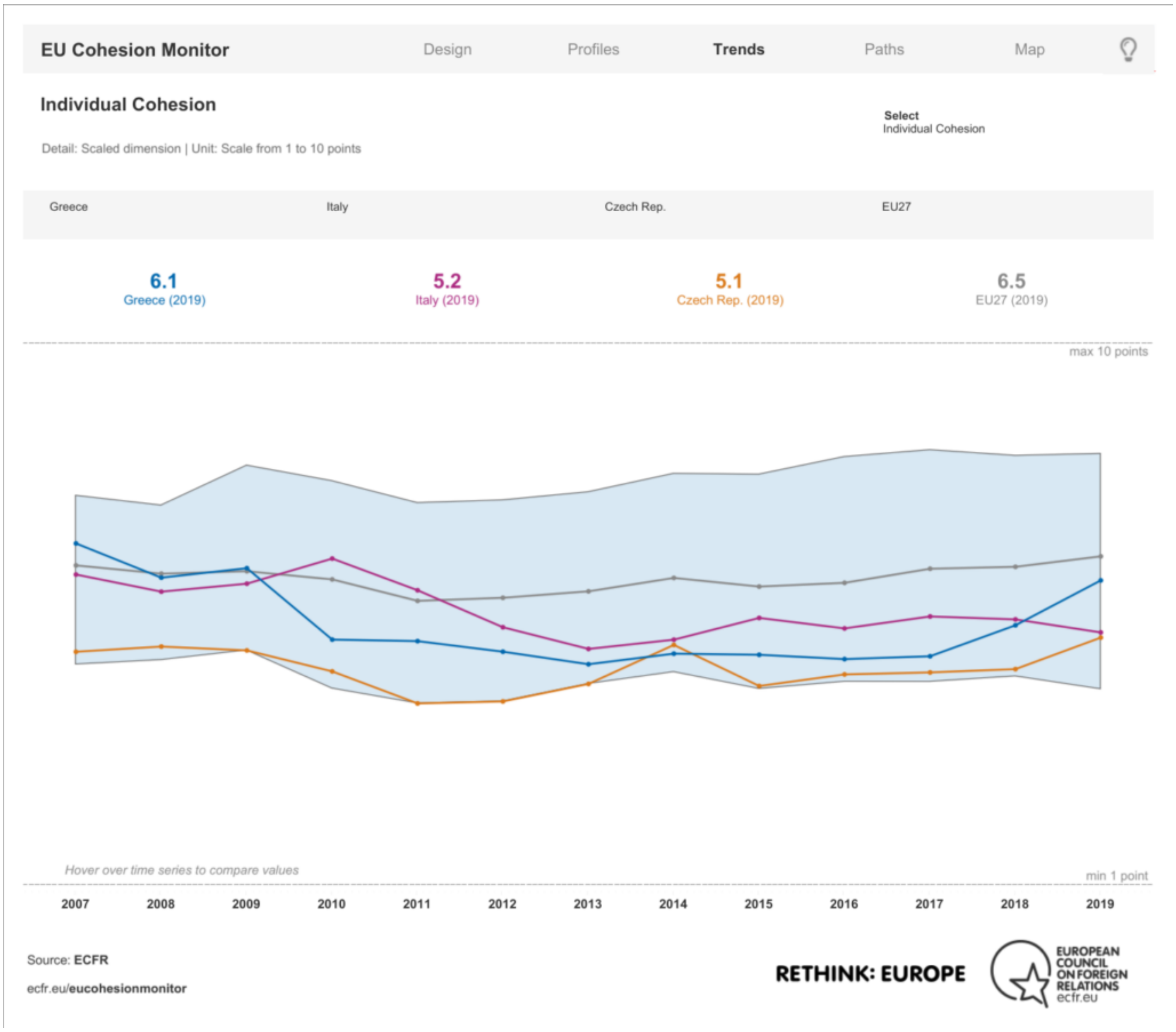
But the second wave seems to have dashed these hopes, cementing the divergence of perspectives between the south and the north – even if the virus seemed to spread more evenly across Europe this time. According to the European Parliament's October survey, the covid-19 crisis reduced the personal incomes of over half the population in Cyprus, Spain, Romania, Greece, and Bulgaria, against the EU average of 39 per cent. The numbers are much lower for Denmark (18 per cent), Luxembourg (19 per cent), Finland (21 per cent), and the Netherlands (21 per cent). "Hope" dropped below the EU average in Spain, Greece, and Croatia; and while "uncertainty" became the dominant feeling almost everywhere, it was cited by 69 per cent or more in Greece, Spain and Cyprus, against the EU average of 50 per cent.

At the same time, however, even in the economically most affected countries many people may become more optimistic about the future of the EU: seeing European solidarity in action, feeling that they can rely on or help fellow Europeans, and realising that the EU has been capable of rising to the challenge. Thus, not all their expectations will necessarily have to go down.

The European moment

Despite the crisis, attitudes towards the EU seem to have improved in 2020 – in the monitor, this is another indicator of individual cohesion. The previous year, scores were lowest in Greece, the Czech Republic, Italy, and France – though even in these countries there had been clear improvement since 2016. This upward trend could well have been reversed by covid-19, if Europeans had been let down in their hour of need. But this has not happened, yet.

According to a poll ECFR conducted in April 2020 across nine EU countries – Bulgaria, Denmark, France, Germany, Italy, Poland, Portugal, Spain, and Sweden – 63 per cent of respondents agreed there was a need for more cooperation at the EU level. Numbers were particularly high in Portugal (91 per cent), Spain (80 per cent), and Italy (77 per cent). To be sure, the picture was complex. Overall, almost half of respondents in the nine countries disagreed with the claim that the EU had lived up to its responsibilities during the crisis. Perceptions were especially negative in Italy (63 per cent), France (61 per cent), and Spain (52 per cent). And yet a majority placed their hopes in greater EU cooperation despite this disappointment: perhaps knowing that they had no alternative but to rely on European solidarity or concluding that the EU lacked the power to be effective – and so should be strengthened.



Other public opinion surveys have shown a similar pattern. In both July and October, around two-thirds of Europeans believed that the EU should have more powers to deal with crises like covid-19, according to the European Parliament surveys. Support for European cooperation was not only remarkably strong across the EU27, but was widely shared in countries like Italy, Greece, and Bulgaria that have in the past been most distrustful of the EU. Numbers were particularly high in October in places that were hardest hit by the pandemic, such as Italy (78 per cent), Greece (77 per cent), and Spain (75 per cent). Ironically, then, the crisis might have brought some of those most disappointed with the EU – like Greece and Italy – closer to the union.

A separate question is whether the crisis has made wealthier member states – such as the "frugal five" of Austria, Denmark, Finland, the Netherlands, and Sweden – more uneasy about European integration. This is surely a risk. According to the European Parliament's October study, while 54 per cent across the EU27 believed the EU should have greater financial resources to address the consequences of the pandemic, numbers were much lower in Denmark (31 per cent), Sweden (36 per cent), the Netherlands (36 per cent), Finland (38 per cent), and Austria (41 per cent).

This should not be interpreted as a sign that they would like to withdraw from their EU commitments altogether. ECFR's October study shows that only around 20 per cent of respondents in the frugal five countries think that the EU is spending too much money on the recovery deal. More important is their concern about the risk of corruption and financial waste in the use of funds, reported by some 40 per cent. What is more, reactions to the EU's recovery deal are not necessarily negative among citizens of the frugal countries. Finland aside, they tend to be balanced between positive feelings (optimism, relief, enthusiasm) and negative ones (anger, frustration, worry). Thus, so far, attitudes towards the EU do not seem to have suffered significantly during the pandemic – even if this is always a risk when a divide in perspectives and needs widens between the EU's north and the rest.

No windfall for populists

Early on, it looked as though the pandemic would be a windfall for Europe's populists. It provided them with a perfect opportunity to spread misinformation and to scapegoat migrants and other marginalised groups. In France, Rassemblement National's Marine Le Pen was quick to criticise the "religion of borderlessness of the leaders of the European Union". In Italy, Matteo Salvini argued that prime minister Giuseppe Conte's decision to rescue migrants at sea had contributed to the spread of disease in the country, and demanded his resignation.

Contrary to expectations, however, covid-19 has not been a boon for populists. Across the continent, approval ratings for the ruling parties and governing coalitions have mostly increased in recent months, while support for populist parties has remained broadly stable. In Germany, the approval rating for the ruling coalition parties increased from 27 per cent in February to stay at almost 40 per cent since April. In the Netherlands, the ruling liberal party polled just above 20 per cent before the pandemic – and well above 30 per cent for the past eight months. In France, Emmanuel Macron's approval increased from 33 per cent in February to over 40 per cent since the end of March. Ruling parties have also benefited in Finland and Denmark – and have not suffered a decline in Spain or Italy. This can be attributed either to voters valuing governments' management of the crisis or appreciating the large sums of money they injected into national economies to avoid layoffs and bankruptcies – or perhaps they simply concluded that a global pandemic is not the time to experiment with populism. The hypothesis that anxiety makes people more risk-averse, and more likely to choose the status quo over radical change, seems to apply here.

Therefore covid-19 has not disrupted this aspect of European cohesion – referred to as “engagement” in the Cohesion Monitor, and which is an indicator of individual cohesion. In some countries, notably Hungary, Italy, and Poland, engagement was already weak before the crisis, with people voting on a massive scale for populists in national and European elections. And while not much has changed in the former two countries, there is a chance that covid-19 might actually have harmed the populists in Poland. Andrzej Duda, the ruling Law and Justice party president, won re-election in July 2020, but the party has been falling in the polls ever since.

Bonding experience

There is at least one more area in which covid-19 has been a challenge to European cohesion, beyond the obvious impacts on economies and public sentiment. With lockdowns, border controls, and other barriers to mobility, opportunities to ‘experience’ Europe – whether by travelling to another country or socialising with its people – have narrowed, affecting another indicator of individual cohesion.

Before the pandemic, the countries of the EU’s south and east were already at a disadvantage in this regard. In 2019 a small proportion of citizens in Greece, Spain, and Romania said they had recently visited other EU countries, while participation in educational exchanges was lowest in Spain, Portugal, and Slovakia. Moreover, central and eastern Europe tend to not attract migrants from elsewhere in the EU.

And while scores for cross-border links had generally risen across the EU since 2007, the pandemic has created barriers across the continent. Countries that already scored poorly on cross-border links did not have the opportunity to catch up because of the pandemic. During the first wave, those in the south imposed strict lockdowns after covid-19 cases grew out of control. Some in the east – such as Poland – placed harsh restrictions on international travel in the early stages of the pandemic, partly because their governments blamed freedom of movement for the spread of the virus.

Thus – apart from a short period in the summer when tourist traffic resumed – Europeans have not been able to experience the diversity of the continent as easily as they used to. Flights ground almost to a halt in April and May, according to Eurocontrol. Air traffic in 2020 is anticipated to be 55 per cent below that of the previous year, though the final number might turn out to be even lower, given that the forecast is from September. There is likely to be significantly less interest in educational exchanges such as Erasmus, even if precise numbers are lacking. And if that were not enough, the Eurovision Song Contest and UEFA football championship (two core celebrations of Europeanness) have both been postponed until next year.

However, the experience of pan-European solidarity in a time of crisis might offset some of the effect of these restrictions on the sense of cohesion. Unlike previous crises, no member state has been spared. True, Greeks and Spaniards suffered more than Danes or Germans in spring 2020. But everyone has suffered, making it easier for Europeans to empathise with each other – and to avoid feeling misunderstood.

Moreover, as many people are stuck in their homes, developments halfway across the continent may suddenly seem less far away, especially since the situation has followed the same playbook across Europe: rising infections and deaths, limited capacity in hospitals, government restrictions. This shared experience of vulnerability might have increased Europeans' sense of cohesionpulled people together.

However, there is one important caveat. During lockdown, people's sense of being part of a pan-European moment relies heavily on the stories they are exposed to by the media; especially since they are spending more time online than in the past. If press freedom is weak – as in several countries of the EU's south and east, particularly Bulgaria, Hungary, Greece, Poland, and Croatia – then, rather than feeling part of a pan-European moment, people may be exposed to the nationalist narratives or conspiracy theories that have proliferated during the pandemic. This is why the Cohesion Monitor includes press freedom as one of the factors contributing to how much European citizens experience the rest of the EU27.

With this in mind, it is deeply worrying to see the deterioration of press freedom worldwide, as highlighted by Reporters Without Borders – including in Greece, Hungary, and Romania. In Greece, this mostly relates to a presidential decree from 2019, which placed the public broadcaster and state news agency under the direct supervision of the new prime minister. In Hungary and Romania, problems also predate covid-19, with pro-government media dominating the landscape and widespread barriers to independent journalism. Covid-19 allows the governments of these countries to keep things as they were without much criticism from abroad. It may also encourage other member states to limit media freedom. For example, in Poland, the government is currently going ahead with its efforts to "re-Polonise" media ownership in the country. All in all, this threatens to distort the picture that Hungarians, Greeks, Romanians, Poles – as well as people in other countries – get about the EU's handling of the crisis, and about the extent of pan-European solidarity.

It is also a symptom of the wider strain on the rule of law and human rights during the pandemic, which happens either because restrictions target marginalised communities unfairly (as happens with the Roma communities in Bulgaria), or because governments see them as an opportunity to rid themselves of checks and balances while the rest of Europe is not paying attention.

EUROPEAN COHESION IN 2021 AND BEYOND

As the second wave of the pandemic continues, there is huge uncertainty as to whether this crisis will be a moment when member states move ahead in unity – or whether their cohesion will be stretched beyond its limits. As things stand, there are several reasons for concern, but there is a silver lining, too.

Economic uncertainties

Theeconomic situationis worrying. Early forecasts, such as those from the IMF in October 2020 or the European Commission in November 2020, may turn out to have been too optimistic, as the full impact of the second wave cannot yet be foreseen. But they already present a gloomy picture.

Government debt in the EU27 will reach 95 per cent of GDP this year, according to the IMF, and may stay above 90 per cent until 2025. This will hamper member states' efforts to regain economic vigour after the shock of covid-19. For example, higher debt could leave policymakers more constrained when tackling future crises, and crowd out important public investment. Some countries – like Germany, Hungary, and Portugal – are expected to return to pre-pandemic levels of government debt by 2024-2025. But there are others – like Italy, France, Spain, and Belgium – where the high levels are forecast to linger, harming future growth.

The EU's GDP will likely only recover in part next year from its projected 7.6 per cent fall in 2020. In all but five member states GDP should return to 2019 levels by 2022. But this will not happen until 2025 for Italy. Unemployment across the EU may not fall to its pre-covid levels before 2024-2025. Some countries – like France – are likely to suffer the worst economic impacts next year. The delay is partly due to short-term support schemes introduced by governments: these have helped avoid a sudden rise in unemployment in the middle of the pandemic but may only delay bankruptcy for many businesses.

Covid-19 may not turn out to be a major economic crisis for Europe, in the sense of leading to a massive reallocation of resources in European economies. Some economic activities might permanently move online. But most things should return to normal once the pandemic is under control. Still, deeper economic inequalities between EU members could emerge. Most of the north – and all the countries of the Visegrad Four – are expected to recover quickly. In some other countries, notably in the EU's south and south-east, the economic consequences of the crisis are likely to loom large for several years, with negative impacts on their cohesion with Europe. This will likely keep the EU's attention on these countries, where the economic consequences of the crisis may be most severe and lasting.

The EU's recovery fund may partly mitigate this. But the money had not started flowing at the time of writing, and there are questions about whether the recipients will have the absorption capacity to spend these funds within the next couple of years. It is also unclear if they will be able to put them to good use, such as by lifting their long-term growth rates and tackling structural vulnerabilities. Several countries in the south and south-east – particularly Croatia, Greece, Romania, Bulgaria, and Italy – have had limited success on these fronts in the past.

Nervous Europeans

There is greater uncertainty around the pandemic's effect on individuals' attitudes towards European cohesion.

Take expectations– people's degree of optimismabout the future for themselves, their country, and the EU. Covid-19 has been a depressing experience for many, and it is possible Europe has not yet seen the worst of it. But despite the gloomy picture, people could well regain at least some of their optimism about the future of the EU if they conclude that the bloc has passed the tests of solidarity and coordination in the face of the pandemic. Given their current suffering, many people will have lower expectations for their lives more broadly; but some could shift in a more positive direction, as the crisis prompts them to look differently at themselves and at the world.

Economic struggles will weigh heavily. In the economically most vulnerable countries, such as Greece, Croatia, Romania, Bulgaria, Italy, Spain and Portugal, issues like unemployment, failing businesses, and underfinanced healthcare will have a huge impact on people's expectations. The crisis may lead to new inequalities not only between but also within societies, particularly between those experiencing the pandemic as a moment of opportunity – such as white-collar workers who are enjoying more time with their families thanks to remote working – and others for whom it has been a time of material deprivation and emotional stress.

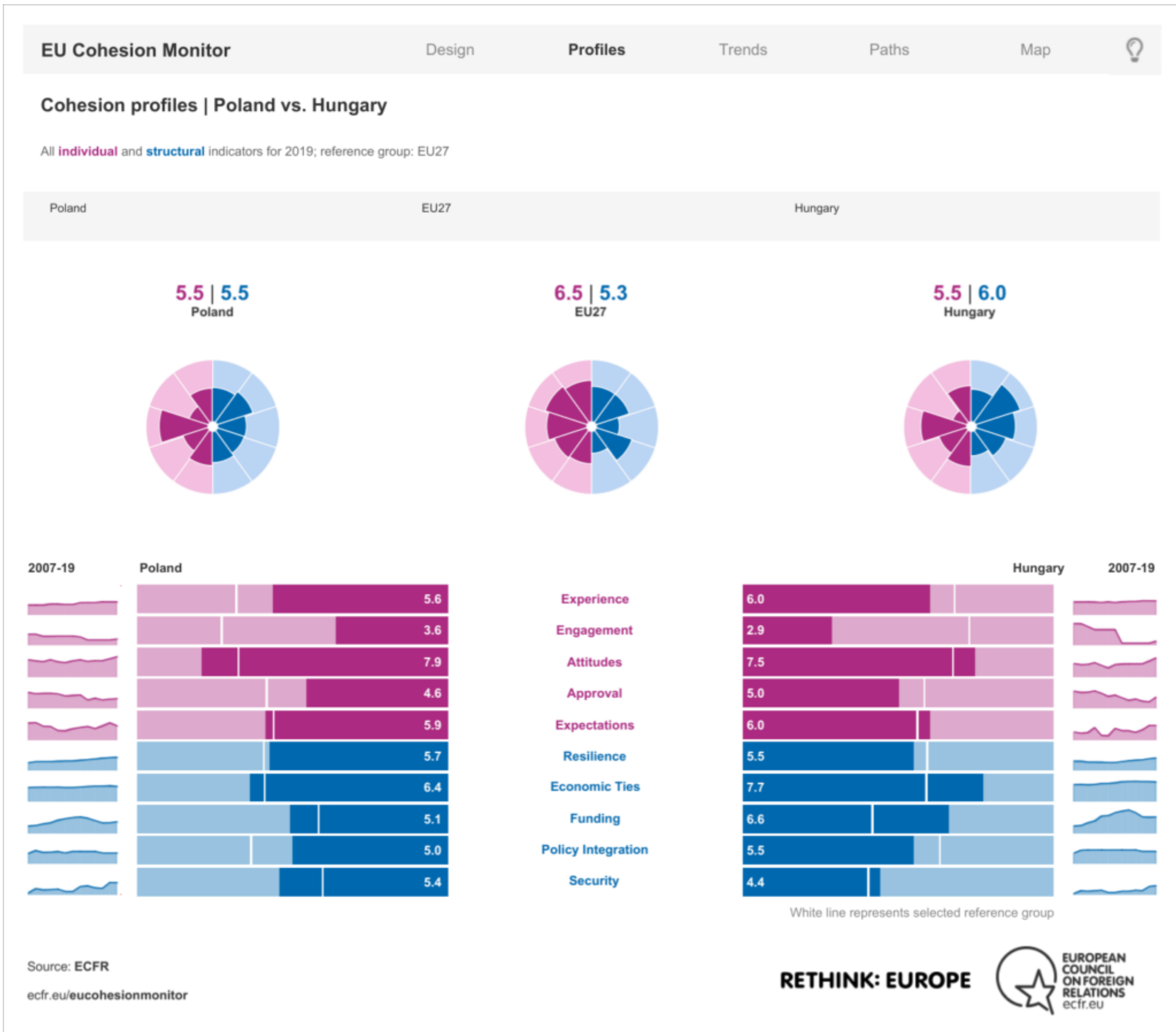
The same goes for attitudestowards the EU. At the beginning of the crisis, some commentators recalled the words of Jean Monnet, one of the EU's founding fathers: "Europe will be forged in crises". Hopefully, covid-19 will be remembered as the crisis that made – rather than broke – the EU. The recovery deal that the EU27 leaders agreed in July 2020 is proof of their ambition, courage, sense of urgency, and ability to compromise. This might help to strengthen trust in the EU and improve its image among Europeans – notably those in the south and east who generally look to the rest of Europe for support, more so than other EU members, as ECFR's April survey demonstrated.

However, many things could go wrong. The recovery fund could prove insufficient in scale, as it was agreed before it was even clear that there would be a second wave. The funds could also arrive too late; currently, they are not expected to be released until the second half of 2021, and much of it will not be available until 2024. This may disappoint many in Italy and Spain, for example, who need support quickly.

At the same time, citizens of the north could become increasingly frustrated with their countries' position as net contributors to EU funds. They could feel that their money is financing corruption or unwise investments, or that it would be better spent on public services at home. They could worry that the recovery deal has opened the door to dangerous sharing of debt by EU members. Therefore, ensuring that these funds are spent wisely is crucial for maintaining the frugal states' commitment to the EU. Meanwhile, central and eastern Europe, though it has a less dire economic outlook than the south, could suffer from rising disillusion with the EU when it receives less funding from the bloc's budget than in the past, or if there is a growing sense that the EU is encroaching on national sovereignty and traditional values. Overall, while Brussels is doing a lot to avoid covid-related structural divergences between different parts of Europe, especially in the context of budget negotiations, there is a risk that new resentments will emerge in different geographical parts of the EU, making cooperation more difficult in years to come.

This could provide populists across the continent with new opportunities. While they have not yet experienced much advantage, their popularity has not necessarily suffered either. In France, Marine Le Pen polls at a stable 25 per cent, level with Macron, ahead of the 2022 presidential election. In the Netherlands, Geert Wilders's Freedom Party has risen from 15 per cent in June to almost 25 per cent today, with a general election scheduled for March next year. The Finns Party and Sweden Democrats can also rely on a steady 20 per cent of support; Spain's Vox regularly polls at 15 per cent; and the decline of Alternative for Germany has levelled off at around 10 per cent. In Italy, while Lega has lost one-quarter of its voters since December 2019, it is still leading in the polls – and Brothers of Italy, another right-wing populist party, is rising rapidly. There is plenty of room for new social discontent across Europe driven by gloomy economic prospects in the coming months. With the second wave of the virus under way, Europe's populists may still hope to prosper from the pandemic.

A populist upsurge would weaken the European citizens' engagement with their continent. But it is just as easy to imagine a scenario in which incompetence in the management of the crisis erodes the power base of Jaroslaw Kaczynski in Poland and Viktor Orban in Hungary (allowing both societies to recover their engagement with Europe in the years to come), while relative success allows Mark Rutte and Angela Merkel's successor to respectively hold at bay their populist rivals in the Dutch and German parliamentary elections next year.



All of this might take place in the context of radically reduced opportunities to experience Europe first-hand. Flight traffic in Europe should return to 2019 levels by 2024 if an effective vaccine is available in 2021. But in the absence of an effective vaccine, 2021 would see only half as many flights as 2019, rising to 75 per cent by 2024. Fewer students might apply for Erasmus, due to restrictions on universities, obstacles to international travel, health concerns, and economic limitations. But – looking at the picture more broadly – logistical limitations should not necessarily lead to people losing their attachment to Europe. After all, Europeans are all in it together.

CONCLUSION

As the glue that holds EU countries together, cohesion is more complex and more enduring than is generally assumed. It has proved to be their greatest strength in difficult times, including the eurozone, migration, and covid-19 crises. Even when people lose confidence in the EU's future, start voting for populist parties, or when their country's economy tumbles, there are usually several other factors that keep them closely connected to the rest of Europe.

Based on this analysis of European cohesion from 2007 to 2019, and the review of the EU's handling of the covid-19 crisis so far, national and European leaders should consider the following eight recommendations to keep European cohesion strong in years to come.

- **Be prepared to offer more financial support.** The recovery fund is a big achievement, but it was designed during the first wave of covid-19, and thus may prove insufficient. In particular, countries in the south and south-east that were vulnerable before the pandemic or are strongly dependent on tourism may turn out to need more economic support than initially forecast. Leaders should take these needs seriously, which may mean new agreements on structural support to address the "southern challenge" to European cohesion.
- **Think about the long-term effects of recovery funds on people's feelings about Europe.** During the EU's 2020 budgetary negotiations, a delicate balance had to be struck between the EU's south, north, and east. Those in the south needed to feel they could rely on other member states for help in their economic distress; those in the north needed to feel they were not being taken advantage of, and that the EU recovery package was in their interests too; meanwhile, those in the east needed to not feel abandoned or stigmatised. This balance will have to be preserved in the implementation of the budget. Failing to satisfy any of these requirements could lead to rising disillusion with the EU – and a rise in Euroscepticism – in any of the regions. In practice, this implies a careful application of conditions for those accessing EU funds, such as structural reforms in the EU's most vulnerable economies, and clear, non-arbitrary, actions on the rule of law.
- **Be serious about the protection of the rule of law:** While the rule of law mechanism has been approved by the EU member states as part of the budgetary package, it cannot substitute for the EU's other efforts to protect the rule of law in the bloc. Many rule of law defenders have criticised the mechanism for being weak, insufficient, and strongly dependent on political decisions by the European Commission and member states. What is more, the mechanism will become operational in only one or two years' time, after the European Court of Justice rules on its compliance with the EU treaties. Thus, there is no room for complacency. Brussels and the member states need to defend the rule of law more vigorously using all measures available.

- **Avoid stigmatising member states.** Notwithstanding the recommendations above, Brussels and member states need to be careful not to cross the fine line between defending the rule of law and stigmatising individual countries. In particular, they should not put all central and eastern European countries in a single basket, but should be precise in pointing to concrete breaches of the rule of law by governments of specific member states. In the same sense, they should not consider all southern economies as equally vulnerable – but point to their specific weaknesses, which may require different solutions.

- **National leaders should carefully consider the narratives they tell their voters**. For this to become a moment that forges Europe, and not one that breaks it, national leaders need to pay close attention to the way they talk about Europe to voters at home. In the south, this means giving the clear message that EU funds are only one ingredient in recovery, and must be accompanied by difficult structural reforms, for example in areas such as greening and digitalisation. Those in the north need to show their voters that the EU is not just an economic project – and that it is in their interest to treat it as more than a market. This is especially given the EU's increasing role as a framework for cooperation on foreign policy, climate, and health. Meanwhile, certain governments in central and eastern Europe need to accept that membership entails obligations in terms of respecting common values. All in all, the EU27 members should avoid the temptation to use the pandemic to claim that nation states are more important than European or international cooperation. If they fail to convey this message, they risk being replaced by populists.

- **The EU27 governments should monitor inequalities within countries**. After covid-19, new divides could grow within societies between winners and losers from the pandemic. The most vulnerable – economically, physically, and mentally – will need attention. This includes young people, who have suffered a huge blow from being stuck in lockdown or been held back in starting on their careers. Governments should put in place vocational programmes and tax incentives for the self-employed where they are lacking; not least because young people's political orientation for decades to come may depend on whether they feel that the EU and national leaders have succeeded in their response to the crisis.

- **Member states should seize opportunities to channel changes in a positive direction**. The decline in travel, the transition to digital communication, the rebalancing of work and personal life, and the shared experience of the crisis and outpouring of European solidarity all present both challenges and opportunities. The crisis allows Europeans to question their assumptions and imagine new possibilities. There might be an important element of creative destruction in this crisis which should not go to waste – especially as it is closely aligned with the EU's efforts to make Europe greener, and more just, more digital, and more innovative.

- **Finally, the EU27 governments should remember that they all have a stake in ensuring European cohesion – not least because of the international challenges facing Europe.** It would be increasingly difficult to expect the 27 member states to be united on foreign policy if governments stopped trusting each other, if countries were not structurally synchronised, and if citizens did not recognise the importance of European cooperation. The EU is only as strong as its least cohesive member: not just because of the limitations that EU voting procedures impose on its foreign policy, but because it is through unity that the EU can project power and promote its values and interests. This becomes increasingly important in times of renewed international competition, when the EU needs to position itself vis-à-vis the United States, China, Russia, and others, and needs to find ways to engage all of these powers in seeking collaborative solutions to global problems, with public health only one among many.

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