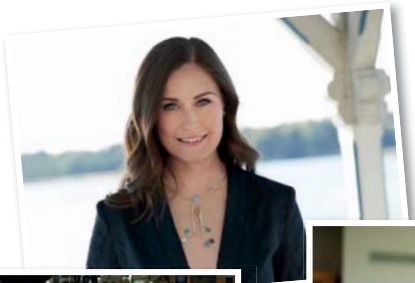


PROGRESSIVE YEARBOOK 2021



FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES





**PROGRESSIVE
YEARBOOK 2021**



**PROGRESSIVE
YEARBOOK 2021**





Published by:

FEPS - Foundation for European Progressive Studies

Avenue des Arts, 46 – 1000 Brussels, Belgium

T: +32 2 234 69 00

Website: www.feeps-europe.eu

Copyright © 2021 by Foundation for European Progressive Studies

Editors:

Dr. L. Andor

Dr. A. Skrzypek

Dr. H. Giusto

FEPS project coordinators:

Dr. H. Giusto

Dr. A. Skrzypek

C. Guedes

English language editors:

O. Bruns

N. Robinson

R. Bennet (of contribution by B. Thomsen)

Design, layout and printing:

Oficyna Wydawnicza ASPRA-JR

Logo and cover design:

Les Marquisettes (V. De Wolf)

E. Gil

Cover pictures:

Belarus: Editorial credit: Hairem / Shutterstock.com

Poland: kamilewski / Shutterstock.com

Biden: lev radin / Shutterstock.com

COVID: Vaggelis Kousioras / Shutterstock.com

Sanna Marin: Jonas Lundqvist/A-Lehdet Oy

Next Generation EU: EC - Audiovisual Service

Social Democrat leaders: Party of European Socialists

Education: Shutterstock.com

This book was produced with the financial support of the European Parliament.



ISBN 978-2-930769-51-6

This book does not necessarily represent the collective views of the Foundation for European Progressive Studies, but only the opinion of the respective authors. The responsibility of the Foundation for European Progressive Studies is limited to approving its publication as worthy of consideration for the global progressive movement.

INDEX

7 Foreword

LOOKING BACK

11 2020 European Chronology

17 Europe's fight for health and unity
László ANDOR

PROGRESS IN EUROPE

31 Compassionate and visionary leadership. Key lessons of Social Democratic governance in times of Covid-19
Ania SKRZYPEK

45 The Conference on the Future of Europe. Increasing citizen's ownership for a better EU
Gabriele BISCHOFF

55 Green recovery. 'Let's reimagine our future'
Saïd EL KHADRAOUI

67 Progressive Person of the Year
László ANDOR interviews Sanna MARIN

BIG ISSUES

75 Health and European solidarity after the pandemic
Xavier PRATS MONNÉ

85 The EU's rule of law: work is needed
Michiel LUINING

99 Towards a Child Union. A European agenda to break the cycle of disadvantage
Albert F. ARCARONS

NATIONAL FOCUS

113 Experiences from Denmark
Britta THOMSEN

125 Poland at the edge of political and social transition
Bartosz MACHALICA

GLOBAL FOCUS

137 Time to renew multilateralism
Maria João RODRIGUES

- 141** America's democracy holds
John HALPIN

PREDICTIONS

- 151** The main political trends in post-pandemic Europe
Mikael LEYI
- 153** A social response to the weaknesses of democracy
Sébastien MAILLARD
- 157** Education in Europe after the pandemic. Between opportunities and divides
Mialy DERMISH
- 161** The best-skilled generation in the face of the pandemic
Alícia HOMS GINEL
- 163** European economic prospects in 2021
Andrew WATT
- 167** Social rights, wages and industrial relations
Erika MEZGER
- 169** Prospects of a eurozone recovery
George PAGOULATOS
- 171** Europe's year zero after Merkel
Christian ODENDAHL
- 173** 2021: the year of sustainable globalisation
Gerhard STAHL
- 175** Transatlantic relations 2021: nostalgic rhetoric, disappointing results?
Edward KNUDSEN
- 179** Predictions for UK labour law in 2021
Catherine BARNARD
- 181** Is the future of the Western Balkans in Europe at stake in 2021?
Pierre MIREL
- 183** Peaceful, creative, inspirational. Europe must stand by the Belarusian people
Frank HOFFER

- 185** **BIOGRAPHIES**

Foreword

What an extraordinary year 2020 was! And what an extraordinary challenge it is to drive Europe to a sustainable recovery in 2021!

It is a commonplace at the time of crises that the world will not be again what it was before. This is perhaps doubly true this time, due to Covid-19 and its manifold consequences.

With an EU diving into health policy coordination, a counter-cyclical budgetary component financed by joint debt issuance, reinforced *Kurzarbeit* schemes and a youth guarantee, there seems to be a Social Democratic momentum. However, it remains to be seen whether in the period of recovery we manage to keep the Green Deal and the social agenda in focus, and whether we are able to step up European solidarity. The answers to these questions will determine our future for a very long time.

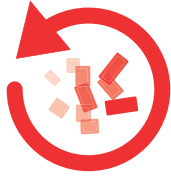
The Progressive Yearbook 2021 presents some key issues of the past year, including the emerging concept of the Health Union, the rule of law conundrum, pioneering policies like the Child Guarantee, and the added value of Social Democratic governments.

In the past year, the US elections were the most important, while in 2021 the German Bundestag elections will be the most significant. This yearbook offers readings on both. Predictions cover the economic recovery, the developments in Belarus, and the (so far ghost) conference on the future of Europe.

In 2020, FEPS had to learn to work amidst the extraordinary circumstances, to adapt to the conditions of confinement, to organise research projects and public events online, and to maintain close collaboration with our member foundations despite it all.

In 2021, we look forward to continuing the move to a new operational model, to returning to our new headquarters, and to putting these newly learned skills at the service of the progressive recovery and partnerships.

László Andor
Ania Skrzypek
Hedwig Giusto



LOOKING BACK

2020 European Chronology*

January

- 2 January Iranian Major General Qasem Soleimani is killed in US drone strike
- 5 January Croatia holds second round of presidential elections. Zoran Milanović from the Croatian Social Democratic party SDP is elected president
- 7 January Pedro Sánchez (PSOE) is re-elected Prime Minister in Spain
- 8 January The Duke and Duchess of Sussex emancipate from the British royal family
- 9 January WHO announces mysterious coronavirus-related pneumonia in Wuhan, China
- 11 January China records its first coronavirus death
- 23 January Wuhan, China, is placed under an unprecedented lockdown
- 24 January First European case of Covid-19 is reported in France
- 31 January WHO declares the outbreak of the Covid-19 pandemic a Public Health Emergency of International Concern
- 31 January The United Kingdom officially withdraws from the European Union

February

- 5 February The US Senate acquitted President Donald Trump and the impeachment trial (over charges that he asked Ukraine to investigate former Vice President Joe Biden and his son Hunter) comes to an end
- 6 February Ireland holds parliamentary elections. Sinn Féin makes unprecedented gains but Fianna Fáil, Fine Gael and the Green Party form coalition government
- 11 February The World Health Organisation names the coronavirus disease Covid-19
- 21 February Clusters of Covid-19 cases are detected in Lombardy and Veneto (Italy)
- 29 February Slovakia holds parliamentary elections. Leader of anti-corruption movement Igor Matovič becomes Prime Minister.

* Special thanks to Fernando Rejón Sánchez for compiling this chronology.

March

- 8 March Thousands march in Spain on Women's Day despite coronavirus fears
- 9 March Italy issues first nation-wide quarantine in Europe
- 9 March The Dow Jones industrial average suffers its worst single-day point drop ever. The coronavirus pandemic triggers a global recession as numerous countries go into lockdown
- 10-13 March Cheltenham Festival (horse racing event) with 440,000 participants fuels the deadly spread of coronavirus in the UK
- 11 March WHO declares Covid-19 a pandemic
- 15 March France holds the first round of municipal elections. The second round, initially planned for 22 March, is postponed to 28 June due to the pandemic
- 17 March EU leaders agree on closing the EU's external and Schengen borders
- 18 March Central Bank announces the €750 billion Pandemic Emergency Purchase Programme
- 23 March EU finance Ministers agree on the suspension of the Growth and Stability Pact in order to ease Member States' fiscal rules
- 26 March The European Parliament goes fully digital and uses remote participation for the first time in its 62-year history
- 30 March The Hungarian Parliament passes the Act on the Protection Against the Coronavirus ("enabling act") which aims to extend the "state of danger", allowing the government to rule by decree for an indefinite period
- 30 March 2020 Summer Olympics, planned to take place in Tokyo from 24 July to 9 August 2020, are postponed to 2021, due to the pandemic

April

- 2 April The European Commission proposes the creation of the SURE instrument (to support Short-Time Work arrangements with loans up to €100 billion)
- 4 April Sir Keir Starmer (shadow Brexit secretary) is elected UK Labour Party leader with 56 per cent of votes on first round
- 23 April The number of confirmed cases of Covid-19 in the EU and the United Kingdom surpasses one million
- 24 April The European Commission launches the Coronavirus Global Response initiative aimed at supporting partner countries' efforts in handling Covid-19

May

- 11 May Several countries, such as Spain, Iran, Italy, Denmark, Israel, Germany, New Zealand and Thailand, begin to ease their lockdown restrictions
- 18 May France and Germany propose €500 billion EU recovery fund
- 21 May UN Secretary General António Guterres launches UN initiative dubbed *Verified* to fight Covid-19 misinformation
- 25 May The police killing of George Floyd (in Minneapolis) sparks a wave of demonstrations and riots across the world to demand an end to police brutality and racial injustice, giving rise to the “Black Lives Matter” movement
- 27 May The European Commission presents the NextGenerationEU recovery package

June

- 4 June 100th anniversary of the Treaty of Trianon (partitioning of Hungary following World War One)
- 10-11 June FEPS Call to Europe IX – version 2.0 on Climate Justice and Gender Equality is held online
- 16 June UK government extends meal voucher programme for the summer period following the campaign by Manchester United striker Marcus Rashford
- 28 June France holds second round of local elections. Socialists and Greens win control over key cities such as Paris, Lyon and Marseille
- 28 June Poland holds first round of presidential elections (incumbent President Andrzej Duda is in pole position)
- 29 June The number of confirmed cases of Covid-19 worldwide surpasses 10 million
- 30 June The Standing Committee of the National People’s Congress of the People’s Republic of China unanimously passed a new national security law for Hong Kong, setting off a fresh wave of mass protests

July

- 1 July Russia holds a referendum on a constitutional amendment that enables President Vladimir Putin to seek two further six-year terms beyond 2024
- 10 July Turkey’s highest administrative court issues a ruling paving the way to revert Hagia Sophia into a mosque

- 13 July President Duda, supported by the Law and Justice Party of Poland, wins the second round of presidential election and remains Polish head of state
- 5 July Croatia holds parliamentary elections. The ruling Christian-democratic party obtains a surprise victory (Davor Bernardić steps down as Social Democratic leader)
- 21 July EU leaders agree on the NextGenerationEU recovery plan and Multiannual Financial Framework (MFF) for 2021-2027 in a four-day summit

August

- 3 August Former king Juan Carlos leaves Spain amid a corruption investigation
- 4 August Two explosions of unsafely stored ammonium nitrate kill over 220 people in Beirut, Lebanon
- 9 August Belarus holds fraudulent presidential elections. President Aleksander Lukashenko reportedly wins a landslide with over 90 per cent of the vote. The rigging of the election sparks unprecedented civil unrest in the country
- 10 August German SPD chooses Finance Minister Olaf Scholz as candidate for Chancellor (ahead of Bundestag elections to be held in 2021)
- 13 August Israel and the UAE agree to normalise relations, marking the third Israel-Arab peace deal
- 24 August EU Commission proposes to provide €81.4 billion in financial support for 15 member states under SURE

September

- 16 September Ursula von der Leyen delivers State of the Union speech at the European Parliament (announcing European “Bauhaus”)
- 18 September FEPS UNited for a New Multilateralism conference is held online
- 21 September Commemoration of the 75th Anniversary of the United Nations
- 21 September In delayed regional elections, Italy's left defeats far-right bid to take stronghold Tuscany
- 27 September Deadly clashes between Armenia and Azerbaijani forces erupt over the disputed region of Nagorno Karabakh
- 28-30 September The second edition of the FEPS Annual Autumn Academy (AAA) takes place online
- 29 September Worldwide death toll from Covid-19 exceeds one million

October

- 3 October Pope Francis travels to Assisi to sign an encyclical laying out his vision of a post-Covid world built on solidarity, fraternity, and care for the environment
- 10 October Armenia and Azerbaijan agree on a ceasefire to halt hostilities in the ongoing Nagorno-Karabakh conflict
- 11 October Lithuania holds parliamentary elections. Homeland Union (Christian Democrats) expand their majority and Ingrida Šimonytė is elected Prime Minister
- 11 October In Vienna municipal elections the Social Democratic Party of Austria remains comfortably in first place with small gains
- 21 October The European Commission issues EU SURE social bonds for the first time
- 30 October In Poland the biggest protests in decades with over 100,000 participants are held against abortion ban
- 31 October Slovakia begins a programme to screen its entire population for coronavirus with antigen tests in a global first, involving 45,000 medical workers, army and police

November

- 3 November Tumultuous presidential elections take place in the United States. Joe Biden is elected as the 46th President of the United States (and Kamala Harris becomes Vice President-elect). Incumbent President Donald Trump refuses to concede
- 11 November The European Commission presents first set of measures to create a European Health Union
- 15 November Moldova holds 2nd round of presidential elections. Maia Sandu becomes the first women elected President in the history of the country
- 9 November Pharmaceutical companies Pfizer and BioNTech announce the completion of phase III trial of a Covid-19 vaccine, showing more than 90 per cent effectiveness

December

- 6 December Romania holds parliamentary elections. Social Democratic Party wins the election with 28.9 per cent of the vote (but without majority needed to form government)
- 8 December First patient in the world receives the Covid-19 vaccine in the UK

16

- 9 December European Council reaches agreement with Hungary and Poland over MFF rule of law mechanism
- 16 December European Parliament awards Sakharov Prize to Belarus opposition
- 17 December EU MFF for 2021-2027 is adopted
- 24 December EU and UK reach post-Brexit trade deal

Europe's fight for health and unity

László Andor

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

Covid-19: a medical emergency

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

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

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

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

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

Trial and error

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

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

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

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

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

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

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

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

Economic and social consequences

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

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

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

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

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

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

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

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

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

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

Budget revolution: solidarity reborn

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

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

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

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

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

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

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

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

An EU that does not blink

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

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

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

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

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

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

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

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

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

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

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

Towards a Health Union

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

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

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

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

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

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

Pondering the future of Europe

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

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

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

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

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

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

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

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



PROGRESS IN EUROPE

Compassionate and visionary leadership

Key lessons of Social Democratic governance in times of Covid-19

Ania Skrzypek

The Covid-19 pandemic has triggered an unforeseen reaction from European citizens. People – the same people that until a year ago were very vocal in expressing their mistrust in politics and institutions – instinctively turned to their national government to receive care and cure in a moment of deep crisis. Furthermore, they found a feeling of mutual solidarity, particularly in the first stages of the lockdown, and naturally longed for a more robust welfare state. These are not changes that one can consider permanent or long-term. Yet they have had significant implications for politics and for political parties, and for the Social Democratic ones in particular, which are strongly committed to values such as solidarity, and have traditionally been champions of the European welfare states. The new public mood has allowed for welfare policies to be recognised as essential, that during the 2008 financial crisis were considered simply too costly. What is more, the crisis has offered the opportunity for the Social Democratic parties in government to set the direction rather than merely manage the crisis. Empathy and communication focused on safeguarding jobs have become fundamental tools for establishing a connection with the European people.

At the end of 2020 social media were flooded by memes that would immortalise the passing year as a complete disaster. The depiction varied with some suggesting 'all down the drain' and others implicitly offering the hope that from the absolute low in which the world had found itself, there was no other way but upwards. Simplistic as they were, they did not of course reflect the pain connected with the losses every society had experienced, and they did not take account of the fear and the longing for any kind of viable idea when this is all over. But while this terribly aching side of Covid-19 was quite understandably not depicted in the widely shared popular art pieces ahead of the New Year, neither were too many references to the world of politics, with the exception of the fact that Donald Trump had lost his bid and would not be continuing as the American president.

One might wonder why there was so little politics there, and the right answer does not seem to be the often-repeated one about growing estrangement between society and institutionalised politics. In fact, the opposite seemed to be happening because when the pandemic hit, citizens turned to those they may have distrusted before but who were at least familiar and could offer some kind of anchoring point in these turbulent times. In their hour of need, people instinctively looked to their respective national governments – from whom they expected care and cure. And as that happened, the previously unthinkable suddenly became reality: the concept of welfare state re-emerged as an embodiment of people's greatest desires. Moreover, its resurrection overnight erased the past and painful narratives: those of the 1990s (dismissing the state as too weak to face the challenges of globalisation); those of the early 2000s (when in the midst of the financial crisis, the argument was coined that the welfare state was simply unaffordable); and those of the last decade (when the topic of the state was mainly hijacked by nationalists).

**In their hour of need,
people instinctively
looked to their
respective national
governments – from
whom they expected
care and cure**

But while the citizens turned towards their states, it was not just an anchoring point that they were looking for. In fact, the more the respective countries proceeded with implementing varying degrees of lockdown, the more the sense of solidarity, community and mutual responsibility became apparent. The iconic daily gesture of clapping hands for medical personnel – and all others on the frontline of the battle with the pandemic – was a symbol of a profound change in attitude: the more isolated people were, the less they were individualised; the more in lockdown, the more appreciative they were of intrapersonal relations; and finally, the more alone people were, the more they felt 'we are in this together'.

These transformations are of profound sociological, and consequently political, importance. Especially for Social Democrats, who frankly have been having a rough decade (if not longer), leading some to question their very sense of existence. The less friendly observers called the Social Democrats' historical mission, especially in 2008, financially irresponsible; the more friendly claimed Social Democrats were victims of their own success: having accomplished so much, they had to accept not being a 'political force on the rise' any longer. So, for these more friendly observers a return to concepts such as solidarity, community and welfare state could have been seen as a hope, as if their time had finally come. But learning from the past (even from the 2008 crisis), one should not indulge in the illusion that there will be an automatic correlation between the ongoing changes and the growth of popular support for the centre left. No, if recent history has taught Social Democrats anything, it is that the pendulum does not swing in their favour by default.

Quite the contrary. Social Democrats faced an incredibly tough test in 2020 – especially when in power. Ambushed by the pandemic, they needed to set the course, keep it steady and make tough choices. These generally boiled down to the decision between a path exclusively focused on 'managing' the apparent crisis, or the trickier road that would make them respond to the crisis but without giving up their agenda and aspiration to finally govern. All six

Social Democratic prime ministers in the EU opted for the latter, which puts another historical mark on the past year. After years of having been accused of being old-type, establishment and glued-to-any-kind-of-power parties, Social Democrats turned this characteristic to their advantage. They found the courage to show that their institutional embedding, their predictability and experience, allow them to master the art of governing, no matter the context. This article aims to highlight and discuss this epic achievement, which has remained under the popular radar.

Social Democrats faced an incredibly tough test in 2020 – especially when in power. Ambushed by the pandemic, they needed to set the course, keep it steady and make tough choices

The strong leaders of today

The arrival of Covid-19 in Europe was sudden, but gradual at the same time. It had been feared while it had been conquering other continents, but back then leaders considered that the European welfare states would prove resilient and that they would manage to prevent a large-scale expansion of the disease. When the virus hit Europe in the early months of 2020, however, it was like a storm that saw entire countries surrender and declare a state of emergency within a matter of days.

Politically speaking, Social Democrats were not in the best of places at this point. Yes, they had had an unexpectedly good result in the European elections (looking at the composition of the European Parliament) and were well positioned in the context of the EU institutions (see FEPS Progressive Yearbook 2020), but they were struggling when it came to the national level. In the north, in Finland, there was a new government, talked about extensively by media. The friendlier comments saw the historic breakthrough of a coalition of four governing parties, all headed by women. The less friendly ones doubted if Sanna Marin was up to the job of prime minister, and made unflattering comparisons to the Spice Girls and the like. In neighbouring Sweden, although remaining the first party in numbers, Social Democrats no longer enjoyed the same position of primacy as before. Every decision was subject to tough negotiations and was announced with a footnote listing the parties that would endorse it. In Denmark, half a year after the parliamentary vote, Mette Frederiksen kept facing questions about her party's identity and if her strategy would pay off in the long term.

The situation was no easier in the south. Portugal is ruled by a stable government coalition of centre-left parties and was initially quite exceptionally spared by Covid-19. But in neighbouring Spain, Pedro Sánchez quickly found himself facing one of the gravest situations in Europe. It emerged just when he finally could have assumed he would get to govern, after turbulent years marked by a leadership contest in his PSOE; repeated national, regional and European elections; and very difficult coalition negotiations which, after a previous breakdown, finally brought the PSOE and Podemos into a common cabinet. In parallel, in Malta, it was the time when the prime minister, Joseph Muscat, had to resign due to a scandal caused by the murder of journalist Daphne Caruana Galizia, and when Muscat was then replaced by Robert Abela.

These were the beginnings of 2020, which would suggest that when the pandemic hit, it could have been, colloquially speaking, anyone's game. Looking at the popularity of the centre-left parties 12 months ago and today, it seems that, if anything, Social Democrats in power have solidified their positioning. POLITICO's poll of polls shows that the Finnish SDP started the year with 15 per cent of support and as the third party, and ended it with 21 per cent and as the leader in polls, reflecting a level of popularity that has been stable since the end of April. Social Democrats in Sweden uphold their frontrunner status, with 24 per cent in January 2020 and 27 per cent in December, while the polls showed them at 31 per cent in May and distancing both the Sweden Democrats and the Moderates in the second half of the year. The Danish Social Democrats grew from 26 per cent to 32 per cent, expanding the gap between them and the liberals (who lost 5 per cent) and seeing their leader doubling her popularity already in April (reaching 72 per cent job approval). The PSOE, in Spain, kept 27 per cent (with 30 per cent being their top score in July), while Podemos dropped from 15 to 11 per cent, which indicates that the decisive factor is not simply to 'be in government'. The Maltese Labour Party started the year with 61 per cent, reaching 66 per cent in the summer, but it fell back to 58 per cent in early 2021. In Malta, the situation is perhaps somewhat different from the earlier quoted results, since the gap with the opposition Nationalist Party is narrowing. Finally, the Portuguese PS began with 36 per cent and rose to 38 per cent (while the coalition partners noted small drops).

These numbers tell a story that has not yet been explained. Many important political analysts focused in the first half of 2020 on the rising popularity of leaders, and in the second half on the contrasting plunge of so-called 'populist' leaders. The analysts also alluded to the already quoted so-called *rally round the flag* effect, which boosted governments' trust-ratings in the polls. Until now, however, not much attention has been paid to the dimension of political parties, although the conclusions for Social Democrats in power in this area are particularly encouraging. The respective personalities of their leaders mattered a great deal, but what seems to have weighed equally much was the nature of their politics and the content of the policies they delivered.

With the people and for the people

The earlier mentioned idea that Covid-19 put an end to the argument about the gap between politics and society, as the citizens turned to their representatives and institutions in the search for care and cure, is of course only one side of the coin. The other is that Social Democrats in power articulated a message of confidence in the people of the country right from the start. This was a qualitative change, as previously they had tended to speak about 'them, the ordinary citizens', while now they started addressing citizens directly. This contributed to an image of parties who listen and respect, who are ready to lead while being humble and humane at the same time.

The most telling example of this image comes from Finland. In her first parliamentary speech after the Covid-19 outbreak, Sanna Marin insisted that only "by helping and supporting each other, can we get through difficult times".¹ Marin kept explaining that the state

1 Prime Minister Sanna Marin, 'By helping and supporting each other, we can get through difficult times', Government Communications Department, 17 April, Press release 262/2020. (<https://valtioneuvosto.fi/en/-/10616/paaministeri-marin-auttamalla-ja-tukemalla-toisiamme-jaksamme-vaikkeiden-aikojen-ylitse>).

of emergency affected everyone, putting limits on everybody and making people give up many things. She called on Finns to take a moment to reflect how much great work was being done by so many, whilst she gave reassurances that the government would do everything in its powers to provide support. In another address in April, Marin expressed her deep appreciation for citizens' compliance with the measures which made it possible to stop the spread of the virus. While she thanked each and every one, she especially thanked "healthcare workers, teachers, cleaners, police officers, public transport drivers, retail and catering workers and many other groups of professionals for keeping society functional". This connected her speech to the sentiments present across society. But beyond this connection, which could perhaps be credited to skilful rhetoric, she said something else, something truly extraordinary for a prime minister: she recognised that the government had also made mistakes, and gave as an example the fact that the situation had continued too long of passengers arriving from abroad at Helsinki's Airport without being subject to medical controls for Covid-19. She insisted that all experiences are to be seen as lessons, reaffirming the readiness to learn from them and to reinforce the country's capacity to deal with the crisis.

On information and communication throughout the crisis, Marin insisted on a twofold approach. First, an understanding that all measures that are taken should initially be debated in parliament, giving the opposition the possibility to react but also to take ownership of the strategies to counteract the pandemic. In her parliamentary speech in April, she acknowledged that all the parties took the pandemic very seriously and cooperated extremely well, with a sense of duty in these extraordinary times. In parallel, the government expanded the communication channels towards the citizens. Second, she invested heavily in an information and communication campaign.

This campaign used a number of tools, all driven by an understanding that the government needs to be accountable but that its actions will only translate into a universal effort if there is a solid communication about them, allowing people to take their share of responsibility alongside common guidelines. To begin with, the National Institute for Health and Welfare (THL) was tasked with sending an information package on the coronavirus in both official languages of Finland to every household. THL was then further mandated to translate the work of experts into guidance and support for citizens. As part of this, a smartphone application was developed in parallel with the online service *oma/o.fi*, offering everyone the possibility to answer a questionnaire to assess at any time if they were showing Covid-19 symptoms. For the government, this embodied the principle that everyone has the right to healthcare and to information. Beyond that, as early as March, the prime minister also initiated cooperation with the Finnish Media Pool (part of the National Emergency Supply Agency)

Social Democrats in power articulated a message of confidence in the people of the country right from the start. This was a qualitative change, as previously they had tended to speak about 'them, the ordinary citizens', while now they started addressing citizens directly

and PING Helsinki (an internet influencers company). The aim was to “support social media influencers in sharing information on the coronavirus with their followers”. This added to the official communication and traditional media channels, which do not currently always reach all parts of society.

These first steps were broadly welcomed by the population, encouraging the government to go even further. At 11:00am on 23 April, a “coronavirus info session for children” took place, featuring the prime minister herself, alongside the minister for education Li Andersson, and the minister of science and culture Hanna Kosonen – a first in Finnish history. The event was organised in partnership with communication agencies, which facilitated the participation of 7-12 year old children via a videoconferencing system. The conference was not only a self-standing event, transmitted also via YouTube, but next to the live-feed it provided recorded material to be used in distance teaching and young people’s media channels.

Months later, the government announced a series of 27 “Lockdown Dialogues”, which would yet again focus on connecting citizens and institutions in a conversation about life in Finland and how it had been under the Covid-19 emergency measures. Citizens had a chance to share their experiences, which were later compiled in a report. The selected participants represented diverse social groups (parents of young children, teachers, young people, pensioners, activists, prisoners on probation, immigrants, managers, freelancers, cultural sector professionals, entrepreneurs, researchers, but also officials from central government and municipalities). Unsurprisingly, the common thread of the conversations turned out to be anxieties around Covid-19 and its aftermath. While the results were universally available on a special website, summarising the dialogues, a government press release stated that for many people the crisis seemed to have brought to the surface a new kind of awareness of their own privileged position and a desire to help those who are less fortunate.

This reinforced the idea of a new ‘Finland Forward’ communication campaign, which would operate first as an online platform showcasing all the big and small acts of solidarity. Marin insisted it could be about anything, including “someone going to the shop on behalf of an elderly person, someone else helping a pupil with their distance learning assignments...”. It would be there to inspire, but above all to pay tribute to the fact (quoted also in the figures of Finland’s statistic survey) that “in Finland most people say they have helped others during the pandemic”.

All these efforts have proven very successful. Surveys conducted both during the first and second waves of the pandemic showed that close to all (95 per cent plus) citizens felt well informed, able to follow government instructions, and even “happy or fairly happy” to do so. They considered authorities’ communications on the situation as “reliable and balanced”. But beyond that, it brought Sanna Marin and the SDP (which she has led since August 2020) recognition from voters as being “knowledgeable, reliable, and trustworthy”. The growth in popularity was unprecedented. And great numbers of citizens would consider Marin as a solid candidate for the country’s presidency. Many others also came to consider backing the party in local and parliamentary elections.

Back to ‘jobs, jobs, jobs’ – to have a hope for the future

One could say that the communication of course mattered a great deal, as it was the only connection among people otherwise left in isolation for so many weeks and months. And as explained in the previous paragraphs, it was not only the tools, but above all the humble tone and the interactivity, that made a qualitative difference, compared to the political messaging that for so long had been captured by an aggressive tone. It was possibly a turning point, allowing a move away from a period of electoral victories by ‘those, who finally told them’ (as populists were often described) towards those ‘who actually listened and responded’. But the next point is that it is not only how you communicate, but also what you have to say and what you intend to do, that is important.

In the early days of the pandemic, it quickly became clear that this would be not only a health crisis, but a multilayered one. Social Democrats in power managed to anticipate this right from the start. Among many other examples, some very telling evidence of this is the speech given by the Swedish prime minister Stefan Löfven at the end of March.² “The Covid-19 virus is testing our country, our society and all of us as fellow human beings. Every person now needs to mentally prepare for what is coming (...) Lives, health and jobs are at risk. More people will get the disease, more people will have to say a final farewell to a loved one (...) The only way to manage this crisis is to face it as a society, with everyone taking responsibility for themselves, for each other, and for our country (...) I, as Prime Minister, and the Government I lead, will take every decision that is necessary to protect the lives, health and jobs of as many people as we possibly can”.

The first thing that the Swedish government therefore opted to do was to make a temporary change to the labour law regulations, which would serve as an incentive for people to consider staying home from the moment they sensed they could be positive for Covid-19. The change in regulations translated into making sickness benefits available for employees from day one of illness and a temporary suspension of the medical certificate requirement (until the eighth calendar day of the sick pay period).

Secondly, as early as mid-March the government announced a new “crisis package for Swedish business and jobs”,³ which was based on an agreement between four parties. The package included payouts of 300 billion SEK and focused on contributing to the employers’ wage costs with the hope that this would enable more jobs to be preserved in the period of economic slowdown. According to the proposal, the central government would assume responsibility for the cost of all sick pay in April and May, and also there would be compensation for the self-employed in the form of standardised sick pay for up to two weeks. To reinforce liquidity, companies would be allowed to defer payment of the employers’ social security contributions, preliminary tax on salaries, and VAT.

2 Speech from Prime Minister’s Office, Prime Minister’s address to the nation, 22 March 2020, published 23 March 2020 (www.government.se/speeches/2020/03/prime-ministers-address-to-the-nation-22-march-2020/).

3 Crisis package for Swedish businesses and jobs, published 16 March 2020 (<https://www.government.se/press-releases/2020/03/crisis-package-for-swedish-businesses-and-jobs/>).

In the following weeks, the proposals were further updated. The phenomenon of short-term layoffs was tackled by providing a supplementary system of support for short-time work schemes. This would see a temporary reduction of working hours, the costs of which would be shared between the government, employers, and employees. Next, it was paired with a “crisis package for jobs and transition”, which would be a set mix of five policies: 1) temporary reinforcement of unemployment insurance; 2) more active labour policies (including grants to municipalities to fund more summer jobs for young people, as well as green jobs); 3) more places for students and more distance learning for higher education; 4) more opportunities for vocational education and training throughout the country; 5) removal of the income ceiling for student aid (so that help and medical care students could help the sector without their student aid being reduced).

While these policies were put in place to cushion the first shock, the government continued its efforts to find ways out of what transformed into a more permanent situation than previously expected. In that spirit, the Swedish government looked at ways it could not only help businesses but make them more resilient and sustainable. It then raised the capital contributions to Almi Företagspartner AB (a national company co-owned by regional and city councils) and the Swedish Export Credit Agency to ensure that credits for SMEs across the country were increased. Further guarantees were issued on up to 70 per cent of the new loans to be provided under the supervision of the Swedish National Debt Office by banks to companies – all with clear guidelines that read (amongst other things): “it is expected that the guaranteed loans will not be used for bonuses or variable remuneration to senior officers”. The government then also started looking for strategies that would help businesses (such as hotels, restaurants, and durable consumer goods) while no economic activity was possible in their sectors. The strategic solutions included renegotiations of rents and support to pay 50 per cent of the rental costs. All these loans and tax reliefs would have a temporary character, and their implementation as well as impact would be closely monitored.

As the crisis persisted and the expectation of further negative impact by a global economic recession became stronger, the Swedish government continued to provide further assistance. This went beyond financial help. One of the additional objectives was to help people in sustaining themselves and to help businesses in ‘weathering the crisis’ while readapting and reorientating their activities. This covered a broad range of activities. When it came to assisting people, the government opted to accelerate efforts to provide safety and to increase various life opportunities. This meant changes to the unemployment insurance scheme (to make it more accessible) and more assistance for individuals in transition (including expanding the number of places at universities and other higher and vocational education institutions).

The Swedish government also offered its support to those businesses ready to adjust to operating in the new circumstances, and it provided financial support for various adaptations – for example, restaurants which could refocus on selling more takeaway food; taxi companies, which could switch into deliveries; or manufacturers, which could start producing healthcare materials. The criteria for eligibility included companies having a minimum turnover in the previous year and a loss of turnover of at least 30 per cent (calculated in March and April). In those sectors where such adjustments would prove impossible, the government looked at temporarily easing regulations.

With all these measures already in place before the summer, the Swedish minister for finance Magdalena Andersson was able to report that the impact of the Covid-19 pandemic was decisively cushioned and that both the recession and the unemployment levels were likely to be less than expected, even if growing public debt and the deficit it would cause would require a longer time to recover. Most importantly, however, many Swedes could hold onto their jobs, and businesses (including SMEs that had been well off before the crisis) could either carry on or be assisted in refocusing. Those in need were offered adequate protection and opportunities (including training) to be able to get back on their feet. The government was equally confident that the help it provided would also matter in the times to come – as the government help packages were not only focused on the ‘here and now’, but also tried to use the crunch momentum to inject funds for future-oriented strategies. An example of this was the additional funds that would back the Swedish Climate Act, which would assist green industries in employing more people. The incentive to speed up the work on that Act may have been the absence of the foreign seasonal workers in the time of harvest, but the outcome was effectively a further greening of the Swedish economy.

These Swedish government policies illustrate the overall direction of European Social Democrats in power in 2020. First of all, they correctly anticipated that the pandemic would result in a multilayered crisis and they reacted with the painful lessons of 2008 in mind. They were ready to do more than just try to manage, they were governing, and they did it guided by the very core Social Democratic principles in mind: safeguarding jobs, protecting and helping the vulnerable. As the Swedish government supported its fish farmers, the Spanish government of Pedro Sánchez was quick to provide help to its land farmers, also by calling upon the European Union to revise – at least temporarily – the rules of the Common Agriculture Policy. He was supported in this endeavour by his Maltese counterpart, Robert Abela.

Secondly, the various loans were to be granted with strict conditions. The rules in Sweden included no bonuses for senior managers. But there were more, and they transcended borders. In Finland only those companies that had not suffered losses in the previous years were to be eligible for the credits, to make sure that the painful collective effort helped those who could keep people employed and make themselves resilient for the future. In Denmark, Mette Frederiksen coined the rule that only those businesses that had duly been paying taxes in Denmark could expect to be helped by the state, making a clear case for justice and an immensely relevant step in the fight against tax havens.

Thirdly, the support and investments have been provided with a long-term perspective in mind. Pedro Sánchez’s government, with Salvador Illa as the minister for health, opted to give substantial support to the healthcare services. This support was designed not only to overcome the results of the cuts from a decade ago, but also to ensure the workforce and supplies that could make Spanish healthcare provision one of the most modern in Europe. In Malta, Robert Abela and his government had to find ways to sustain the economy, which so heavily relies on fisheries, tourism and culture. Digitalisation helped in providing a partial answer – making the necessary and initially only temporary transformation gain prospects also for the future, as virtual tours and performances started increasing in popularity. Experiencing a similar migration of many activities into a virtual space, the Finnish government set up a spe-

cial commission to analyse the impacts of the Covid-19 crisis and the digital leap (especially connected with teleworking), aiming to design ways in which the country could regulate and benefit from digitalisation in the future.

Finally, political colours actually do matter

In substance, Social Democrats in power have re-established themselves as humane and responsible political parties. They have shown that it is possible to govern by 'putting people first', while safeguarding jobs and creating new (also green) jobs at the same time. But possibly the most interesting development of the last year was that finally, when the governing Social

Social Democrats in power have re-established themselves as humane and responsible political parties. They have shown that it is possible to govern by 'putting people first', while safeguarding jobs and creating new (also green) jobs at the same time

Democrats were literally faced with a mortal enemy – Covid-19 – they stopped hesitating about their true colours. They dropped the 'there is no alternative' narrative (which they had gradually assumed and which had been haunting them since at least the 1990s) and they shook off the almost obsessive search for conciliatory policies. Instead, they acted upon the values and principles on which the movement was built. They allowed themselves to be authentic, which not only empowered them, but also made people look up to them again.

We have explained how the return to the commitment to jobs offered Social Democrats the confidence to take adequate economic decisions, proving that it is still possible to put the economy at the service of the people. But there have been more actions that they have taken in these incredibly challenging times which have proven Social Democrats' re-established commitment to values such as solidarity, equality, and freedom, as well as to principles such as democracy and gender equality.

A good illustration of these principles can be seen in Pedro Sánchez's speech of 4 April,⁴ when Spain was well into the fight against the first wave of the pandemic and was, as Sánchez said, moving closer to a hope of finally flattening the curve. The Spanish prime minister compared Covid-19 to a kind of civil war. His conclusion was that while the country would have to activate all its resources, it first and foremost had to "protect those people and families that are most vulnerable, so that Covid-19 does not also leave with these civilian victims (...) a veritable legion of social victims". But while recognising the challenges ahead, he remained hopeful, stating that "we can appreciate that the new world, that we are already entering, will not be the same as yesterday's world, and much less like the one before that, when people lived ignoring others and society lacked any form of collective protection. There is no selfish or

4 Press briefing by President of the Government on new measures to combat COVID-19, 4 April 2020 (<https://www.lamoncloa.gob.es/lang/en/presidente/intervenciones/Paginas/2020/20200404press-briefing.aspx>).

individual solution (...), our strength comes from being able to count on one another". He also mentioned the need to protect the elderly, the young and women.

The words of Pedro Sánchez have been playing out in the government's actions, starting with gender equality, which Sánchez's cabinet has made a top priority right from the start. When the pandemic hit, special attention was given to its gender-related consequences. Reports, including the periodical ones by the Carlos III Health Institute, noted that women found themselves in increasingly vulnerable positions again. They constituted the majority of care workers (76 per cent of healthcare professionals in Spain) who were at the frontline of the fight with the pandemic (and hence more exposed to being infected). Women were the first to be overburdened in domestic circumstances (teleworking became the norm for many and schools closed, adding full-time childcare to daily professional duties). The figures showing the number of women affected by domestic violence also increased. The government was determined to act, putting additional resources into support for women on the labour market (including an extraordinary subsidy for the lack of activity of people, under the Special System for Domestic Workers) on the one hand, and into preventive and care programmes, as well as projects assisting victims, on the other.

The Spanish government's line was exemplary, but similar or even broader-reaching actions were also taken by the Social Democrats in power in other countries. In Finland, the government accomplished a "New Government Action Plan for Gender Equality", which was adopted at the dawn of the first phase of the pandemic. It spelled out many issues including improving gender equality in work life and families, combating gender-based discrimination and violence against women, increasing pay transparency, improving the status of sexual minorities, and promoting gender equality in the EU and internationally. In Sweden too, the government recognised that "those already disadvantaged were affected the most", including children and young people, as well as women (especially young women), older people, LGBTI and people with disabilities. Against this backdrop, the Swedish government asked the Swedish Gender Equality Agency to reach out to victims of violence. And the National Board of Health and Welfare was assigned to allocate 100 million SEK to non-profit organisations in order to assist them in their fight against the increased vulnerability resulting from the Covid-19 outbreak. In this area, the Swedish government's activity was unprecedented. The country was also one of the signatories of the "Joint Press Statement Protecting Sexual and Reproductive Health and Rights and Promoting Gender-responsiveness in the Covid-19 crisis"⁵ (signed by 59 countries).

Gender equality is one – but far from the only – example of how Social Democrats in power acted upon their core values in 2020. Another example is international solidarity, where 2020 saw all Social Democratic governments in the EU not only sustaining, but also reinforcing, existing global cooperation.

⁵ Joint press statement Protecting Sexual and Reproductive Health and Rights and Promoting Gender-responsiveness in the COVID-19 crisis, published 06 May 2020, Joint press statement by 59 countries (<https://www.government.se/statements/2020/05/joint-press-statement-protecting-sexual-and-reproductive-health-and-rights-and-promoting-gender-responsiveness-in-the-covid-19-crisis>).

The Swedish government spoke up forcefully against the anti-democratic behaviour manifested by several countries' governments, where the ruling forces used the pandemic as a pretext for changes that not only do not protect people, but also limit basic freedoms and impede the rule of law as well as human rights. To build a coalition, the Swedish government launched the "Government's Drive for Democracy" initiative, featuring a series of digital conversations with foreign ministers and representatives of key intergovernmental organisations. Furthermore, Sweden remained engaged in international aid. The government argued that international work would not only be about managing the crisis,

Social Democrats chose to break away from the confining narrative of 'it cannot be afforded', looking at principles-driven initiatives not as spending, but as investments in a prosperous future

but also about pursuing the mission to build a "sustainable, equitable and gender-equal world". It therefore allocated further funds to the UN, the International Red Cross Movement and in support of multilateral organisations and development banks.

Spain too argued that global cooperation remains crucial. Already in April, the Humanitarian Action Office and NGO Department of the Spanish Agency for International Development Cooperation activated emergency agreements of the NGO consortium of Medicos del Mundo and Faramundi, alongside Accion contra el Hambre, to offer additional funds in several countries in desperate need of humanitarian action (including in the Middle East, Africa and Latin America). Furthermore, Spain was among the key instigators of the Conference of

Donors in solidarity with Venezuelan refugees and migrants; and it kept repeating that all countries should rally behind the UN Secretary General's Agenda to forge multilateralism.

The commitment of these countries' respective governments to act in accordance with their values not only showcases that Social Democrats in power stayed true to their movement's principles, but also manifests a qualitative change. During the previous crisis of 2008, austerity was a mantra. Cuts affected many welfare programmes, gender equality initiatives and international cooperation. This time, however, Social Democrats chose to break away from the confining narrative of 'it cannot be afforded', looking at principles-driven initiatives not as spending, but as investments in a prosperous future. This, despite all the limitations of the Covid-19 era, might be a liberation in the long term.

Key lessons for Social Democratic leadership

Looking back at the past months, it seems that progressives in power contributed to an incredibly important transformation. Truly governing with clear values and a clear mission, instead of merely trying to manage the situation, was what boosted the respective prime ministers' approval ratings, even doubling them in some cases, and was what solidified the parties' positions. They moved away from being seen as traditional, old, organisations, confined by institutional anchoring and addiction to power, to being seen as the governing, responsible

and capable parties that have the necessary strength to lead through the most turbulent times.

They may have benefited, as others have, from the impulse that drove people towards their governments and states when the pandemic hit. But this drive counted only for the beginning, while the extraordinary achievement of Social Democrats was to keep up and fortify the newly established connection between politics and citizens. They sustained and invested in communication channels, broke free from the dominance of the radical forces that were winning votes with the slogan 'we will tell them'. They moved to being the key interlocutors – the ones that listen, understand, care and respond. The ones that prove to be humble and, when needed, admit their mistakes.

What made their governing qualitatively different this time was also the readiness to shift the paradigms and indeed to put people first; to commit to Social Democratic values and to act upon them; to think and proceed with the long term in mind. This allowed them hope, confidence and emancipation from the TINA-dogma (there is no alternative), from austerity and from the overwhelming search for conciliatory solutions. This rediscovered authenticity, combined with the ability to be humane and humble, is at the core of what the polls consistently showed last year. And it is also the reason why it is no longer an impossible dream to think about Social Democrats elsewhere returning to the helm.

But – to end on a note of caution – nothing happens by default. The fact is that societies have recovered their sentiments of solidarity, that societies long for more robust welfare states or that there is an understanding that European cooperation needs to translate into improvements for all. But all these convictions, no matter how broadly shared, do not automatically turn citizens into centre-left movements' members or supporters. There is a long way to go, which will require a great deal of effort to build and rise up on the newly built fundamentals. No matter how difficult it may get, it is reassuring that the ideological compass, and the willingness to persevere and to seek a better, more egalitarian world, are back in place!

Progressives in power contributed to an incredibly important transformation. Truly governing with clear values and a clear mission, instead of merely trying to manage the situation, was what boosted the respective prime ministers' approval ratings and solidified the parties' positions

The Conference on the Future of Europe

Increasing citizens' ownership for a better EU

Gabriele Bischoff

In 2020 the Covid-19 crisis stopped many human activities all over Europe. One of them was the planned Conference on the Future of Europe that was scheduled to start on 9 May. At the beginning of 2021, we are still adjusting to the new circumstances that the pandemic and the fight against it have forced on us, but we now have the technological tools and experience to hold conferences in a virtual environment. No further time should therefore be wasted, as the issues at stake which the Conference on the Future of Europe should address to correct the dysfunctions of the European Union are too urgent to admit any further delay. Yet we are still struggling and in political deadlock over the format of the conference. This is, however, not a secondary feature, since it will affect the ability of this initiative to take on board the voices and opinions of European citizens, youth and civil society organisations, which have too often been overlooked.

A delayed festival of European democracy

The date of 9 May 2020 should have marked the start of the Conference on the Future of Europe. It was chosen in the spirit of Robert Schuman who, on 9 May 1950, laid the basis of the European Union as we know it today by proposing the establishment of a European Coal and Steel Community, “the first concrete foundation of a European federation indispensable to the preservation of peace”.

The launch of the urgently needed and long-awaited Conference on the Future of Europe was planned for 9 May 2020, exactly 70 years after the signing of the Schuman Declaration and 75 years after the end of the second world war. This Europe Day should have been a festival of democracy, celebrating the further development of the European integration process under the leadership of its citizens. That was the initial plan.

But then the European Union was hit by a global pandemic at the start of the year, and this plan was turned upside down. The outbreak of Covid-19 has had far-reaching consequences

on the social and economic level. The urgent need for a coordinated European response with a thorough recovery plan for citizens and industries, especially in the most affected regions, has meant that other important initiatives have had to be postponed. The Conference on the Future of Europe was one of them.

Europe at a crossroads

The European Union is currently facing some extremely serious challenges. It did not need a pandemic to show us this, but the current context has highlighted the urgent necessity of reforms even more. To take an example, one of the immediate reactions to the outbreak of the pandemic was the closure of internal borders in the Schengen area, and it is shocking to witness workers' rights still being ignored today because there are no pan-European legal frameworks to protect these people – particularly cross-border workers.

The list of challenges to be tackled with great urgency is long: breaches of fundamental rights, rising social inequalities within the Union, big environmental challenges and the climate emergency, outdated asylum and migration policies that lead to inhuman situations at the EU's external borders, and the creation of a sustainable economic system for all. The list could easily go on.

Eleven years after the Lisbon Treaty came into force, the question arises as to whether the EU's legal and political framework is fit to address our current challenges

Only eleven years after the Lisbon Treaty came into force, the question now arises as to whether the EU's legal and political framework is fit to address our current challenges. In the context of the Covid-19 pandemic, some of the obstacles to the creation of an effective and sustainable EU have at least been partially removed, as has been shown by the introduction of new EU own resources. However, a recurrent and problematic pattern can also be seen, which was already evident in the management of previous crises, such as the financial crisis over ten years ago or the refugee crisis after 2015. The EU did not manage to solve the fundamental problems that caused these crises, but instead limited itself to damage control by fighting the symptoms. Now, the time has

come to reflect on the systematic dysfunctionalities of the European Union, and how these can be overcome in the future.

The Conference on the Future of Europe is an opportunity to address these pressing questions and to find suitable solutions. This needs to be done in close cooperation with European citizens, as past experience has shown that it is not enough to let only the European institutions deal with major challenges. By involving EU citizens directly in this debate they will be both empowered and instilled with a sense of ownership of the outcome of the debate.

We need to make sure that the Conference on the Future of Europe is not just the sum of 27 national conferences. Instead, truly European exchanges are needed, and the conditions

must therefore be created for a real European debate that does not stop at national borders. Furthermore, this conference is also a great opportunity to create a European space for debate and a pan-European political sphere. The vehicles for this debate must be the agoras with European citizens who meet in public in the most diverse places all over the EU. At the same time, the technical means to create a European dialogue should also be made available. Indeed, thanks to the language tools already used by the EU institutions to accommodate their multilingualism, and thanks to the enhancement of digital working spaces due to the social distancing obliged by Covid, these technical means are already available! They comprise, for example, the multilingual conference platform announced by the Commission. As many citizens as possible need to be integrated into the discourse through opportunities to participate in side events held both digitally, and in other formats.

Battle of concepts – citizens as drivers or as passengers

Holding a Conference on the Future of Europe, as announced by Commission President Ursula von der Leyen in her candidature speech to the European Parliament, was something on which all the institutions were quickly able to agree. What remains open, however, is what the conference will look like in concrete terms. The set-up of the conference will determine whether this initiative prepares the EU's roadmap for the coming years or whether the conference ends up as another half-hearted initiative without any real impact. The three European institutions have now published their respective proposals on how the Conference on the Future of Europe should be organised.

A proposal by the European Parliament

In a resolution dated 15 January 2020, we MEPs called for the Conference on the Future of Europe to be organised with two closely interwoven dimensions. Firstly, we suggested a conference plenary with institutional representatives from the European Parliament, national parliaments, the Council, the Commission, the European Economic and Social Committee, the European Committee of the Regions, the social partners, and organised civil society.

The second dimension, which is key, involves citizens' assemblies. These would be composed of EU citizens who are selected at random, according to representative criteria that reflect the diversity of the EU. These so-called Citizens' Agoras would be complemented by Youth Agoras, which would take into account the special role of young Europeans in the future of Europe.

No thematic priorities would be defined by the institutional plenary in advance. Instead, these priorities would result both from the outcomes of the agoras and from the results of Eurobarometer surveys to be carried out for this purpose.

In the agoras, broadly defined policy areas would be discussed in parallel with the deliberations taking place in the conference plenary. The Parliament's resolution includes examples of areas such as European values, fundamental rights and freedoms, democratic and institutional aspects of the EU, environmental challenges and the climate crisis, social justice and

equality, economic issues including taxation, digital transformation and security, and the role of the EU in the world.

The Citizens' Agoras would aim to formulate political priorities for each of these broad policy fields and, in close cooperation with the institutional representatives, would eventually draw up concrete proposals for the implementation of these political priorities at EU level. The proposals would be submitted to the plenary, which would then decide on their feasibility, in consultation with representatives from the agoras.

Proposal of the European Commission

The European Commission has also proposed an open, inclusive, transparent, and structured citizens' consultation in principle. The Commission's proposal sketches a concept of the Conference on the Future of Europe in which citizens and experts would meet at regular intervals in panel discussions on specific topics. In addition, a new online platform would ensure the transparency of the debates and promote broad participation. However, the Commission does not stipulate in concrete terms how the proposals made by citizens would be managed. The Commission's proposal is thus business-as-usual in terms of citizen engagement, and does not go beyond the citizens' dialogues with which we are already familiar.

Proposal of the Council

The Council adopted its position on the Conference on the Future of Europe only in June. However, after more than half a year of internal discussions its position remains quite vague. In terms of structure, the Council foresees a subdivision of the conference into different levels. Structurally, this resembles the proposal of the European Parliament. In terms of content, the Council's proposal is fully in line with the 2019-2024 Strategic Agenda: the focus is on sustainability, social challenges, innovation, competitiveness and transformation, fundamental values, rights and freedoms, and the international role of the EU.

However, like the Commission, the Council omits the sustainable impact and concrete implications that the results of the conference should have on future EU policies. A report to the European Council is foreseen as the ultimate output of the conference, and this could be a 'source of inspiration' for the future development of EU policies – but not more than that. Such disregard for the results of the conference is unacceptable given the importance of citizen involvement in shaping and legitimising the European Union.

Joint declaration of the institutions

Having presented their respective positions, the three institutions should now be negotiating a joint declaration on the Conference on the Future of Europe. This declaration is key, as it will set out the framework for the organisation and activities of the conference. Its content will thus be crucial to the success of the whole project. However, the negotiations have stalled, meaning that the structure and scope of the conference still remain unclear.

Looking at the major challenges ahead for the European Union, it is particularly frustrating that the current delay is mainly due to the disagreement within the institutions over the chair of

the conference. It is clearly unacceptable that the conference – already significantly delayed by the circumstances caused by the pandemic – has been further postponed because of this political deadlock. Anyone who seizes the importance and necessity of a Conference on the Future of Europe for the European integration process should show a certain pragmatism and willingness to compromise in this context. In the end, we need to make sure that the delays encountered thus far do not lead to a shortened ‘conference lite’ at the expense of the depth of debate. A meaningful debate throughout the Union will take time. It is therefore important to ensure the two-year framework of the conference, whether this means it eventually ends in 2022 or 2023.

Strengthening democracy through meaningful citizen participation

“Your voice was heard today in Brussels. Because Europe can only succeed with the support of its citizens”. Those were the words of Angela Merkel in December 2018 after the conclusion of the so-called ‘Citizens’ Dialogues’ organised by the Commission in cooperation with the member states. But what has remained of this? The results of the dialogues were discussed at a summit of heads of state and government, and promises were made for the results to be taken into consideration for the future. Two years later, almost no concrete legislative proposals have emerged from them. The European Citizens’ Initiative has a similar ‘success’ rate. It is no wonder that more and more people are dissatisfied with the democratic participation system at EU level.

It is thus high time to give Europe’s citizens a direct voice, and to reflect on the recovery from the Covid-19 pandemic with innovative citizen participation at EU level. The Conference on the Future of Europe offers a unique opportunity to turn this need into reality. One of the greatest dangers to the success of the conference is that it raises expectations that cannot be met. There needs to be a clear agreement on the impact of citizen participation. This includes information, for example in the form of a feedback process, on what ultimately happened with the citizens’ proposals.

One of the greatest dangers to the success of the conference is that it raises expectations that cannot be met

Seize the opportunity of the zeitgeist

At the last European elections, the first increase in voter turnout for decades showed that citizens of the Union increasingly want to participate in European political debate. We must build on this wave of interest.

By contrast, many citizens were also disappointed after the last European elections that the promise was broken of their vote having a direct influence on who would be the next president of the European Commission. This was also the reason why approval ratings for the EU’s democratic system dropped for the first time in years in the Eurobarometer after the

election of von der Leyen as Commission president. To calm the critical voices, the new Commission president raised the prospect of legally anchoring the *Spitzenkandidaten* principle and transnational electoral lists, provided that there was sufficient support for this. Commenting on public participation in the conference, von der Leyen said at the time: “People must be at the centre of all our policies. I therefore hope that all Europeans will play an active part in the Conference on the Future of Europe and that they will play a leading role in defining the European Union's priorities. Only together can we build our Union of tomorrow”. The conditions must now therefore be created to ensure citizens' participation.

Broad participation as a success factor

Broad participation will be crucial to launch an inclusive and collaborative debate among European citizens. To deliver the promised bottom-up process, the conference must go beyond the usual EU-friendly and well-informed stakeholders, and address all citizens. The conference should differ from previous formats of civic participation in the EU by enlarging the audience. In an inclusive and open process, those Europeans who do not feel directly impacted by European politics, or who feel the EU is not delivering for them, and who have doubts and reservations about the EU, should also be involved. It is only if we also take their criticism seriously that we can jointly draw up proposals that will lead to a more effective and accepted EU. It is precisely through broad citizen participation that the legitimacy of much-needed reforms in the EU can be increased. It will also be particularly important for citizens to understand clearly how they are involved in decision-making processes and what the ultimate impact of their participation is. Feedback loops must be created in a way that citizens can permanently monitor which proposals have been accepted and which rejected or amended and why. It is only a transparent process that can create the necessary trust for meaningful citizen participation.

Giving European youth a voice

At the same time, the meaningful participation of young Europeans must also be guaranteed. The current Covid-19 pandemic is having catastrophic consequences, especially for young people. An entire generation is currently being deprived of normal school and university life – perhaps even until they graduate. This affects socially disadvantaged young people in particular. In member states such as Spain, youth unemployment has again risen rapidly in the current pandemic. More than 40 per cent of the under 25s in Spain are currently unemployed. We must offer these young people prospects. The Conference on the Future of Europe should serve as a first step in this direction, allowing young Europeans to actively voice their concerns and priorities, but also their fears and criticisms. The fact that the younger generation wants to be part of the political discussion is shown both by the increased turnout of younger people at the last European elections, and by continuing protest movements such as the Fridays for Future, which are driven mainly by young people. This is why the European Parliament is calling for separate Youth Agoras. The young generations, who are naturally particularly affected by decisions on the future of Europe, must be given the necessary space to shape these decisions.

Innovation as a means of inclusion

One of the key questions to be answered in connection with the organisation of the conference is how to achieve the widest possible participation in order to obtain the strongest possible democratic legitimacy.

Close cooperation with the regions

A key factor in reaching EU citizens will be working closely with European regions. By their very nature, European regions have particularly close links with citizens and can thus develop their own mobilising power. The regions and their representatives must therefore be directly involved in the conference. At European level, the Committee of the Regions will be a strong partner in this respect. Indeed, the Committee of the Regions has repeatedly stressed the importance of the conference and pledged its support. For the European Parliament, it is particularly important that the Committee of the Regions should be directly represented in the plenary session of the conference. We have to make sure that the debate on the future of the European Union is not only conducted in Brussels but also extended to the European regions. After all, the impetus provided by the conference will ultimately have a very real impact on citizens' daily lives. Conference-related discussions must not get bogged down in capital cities. Rural areas in particular have an important role to play here. It is thus important to ensure that the agoras and other events are not just held in the usual places, but also in remote areas.

Civil society as a partner

Another important factor in citizen mobilisation for the conference is cooperation with organised civil society. Here, too, we can draw on the experience of the last European elections, when civil society groups in particular were able to increase voter interest. Important contacts include trade unions, citizens' initiatives, welfare organisations, and a wide range of associations. In Germany, for example, there are more than 600,000 registered associations and another 100,000 unregistered associations. These figures show the immense potential for mobilisation when these civil society groups are involved in the discourse. At the same time, however, it is also important to remain in close contact with those sectors of civil society that are already shaping political developments in the EU, as partners. Political groups in particular, such as the S&D, can draw on a large network of partners to take the debate on the future of Europe to the whole of civil society. As the house of European civil society, the European Economic and Social Committee can play an active role with the involvement of NGO.

Culture as a communicator

In addition to reaching out to citizens in the regions and through civil society organisations, consideration should also be given to how to involve the European cultural landscape in the democratic process. The current pandemic very clearly highlights the special role that culture plays in our lives. Whether it be a cinema, a musical evening in a pub, a concert, a theatre or a club, many of the well-known cultural events are currently having to be cancelled or postponed. This hits us all hard because culture is an essential part of our lives. The special signifi-

cance of culture also makes it an ideal space for communication and discourse on social issues. The cultural sector has always served in a variety of forms to deal with political issues.

Cultural practitioners have proven time and again that they have an interest in cooperating to further develop the European idea. At the Berlin Conference 2020 in early November, for example, workshops such as 'Performing Europe' and 'Cultural Capitals and Arts Festivals for Europe' discussed how cultural practitioners and politicians could be encouraged to cooperate more closely. In recent years, the Creative Europe programme has also established a link between the creative industries and the European Union. These approaches should be used in the framework of the conference in order to work together on creative and innovative solutions to the challenges facing Europe.

Time to act

The early months of 2021 will be crucial in determining how the Conference on the Future of Europe develops. Various scenarios are conceivable as a result of the negotiations on a joint declaration by the institutions.

However, it is clear that the time of waiting and postponing must come to an end. At the beginning of the pandemic, the conference had to be postponed because of the emerging health crisis and the unknown effects of Covid-19. Enough time has nevertheless now passed for adaptation to the new circumstances and for the start of the conference to be organised in the digital space. The end of the conference will now need to be postponed until at least the end of 2022 to reflect the importance of the issues to be discussed. Since the current legislature of the European Parliament will end in 2024, no further delays can be allowed if the initial results of the conference are to be implemented in this legislative term.

In her contribution to last year Progressive Yearbook, Iratxe García Pérez, my colleague and group leader in the European Parliament, quite rightly pointed out that the S&D has a special

The Conference on the Future of Europe is a unique chance, and perhaps the last chance for the time being, to strengthen Europeans' confidence in the EU and to develop together a vision for the future of our society

role to play in the planning and implementation of the Conference on the Future of Europe. Perhaps part of this special role could be to take the first steps towards launching the Conference on the Future of Europe, even if there is not yet complete agreement among the institutions. If this initiative does not start soon, there is a risk that the momentum for a truly European conference will fade.

It was Jean Monnet, the author of the Schuman Declaration, who once said: "Man does not accept change unless he sees the imperative of the hour, and he does not see the need unless he is in crisis". The current pandemic poses immense challenges for the entire European Union and the consequences of the crisis are likely to be with us for a long time to come. At the same time, the Conference on the Future of Europe is a unique chance, and perhaps the last chance for

the time being, to strengthen Europeans' confidence in the EU and to develop together a vision for the future of our society. We must therefore launch the conference promptly to give it the necessary space for the important discussions on a common tomorrow. Let us seize the Schuman moment!

Green recovery 'Let's reimagine our future'

Saïd El Khadraoui

We live in extremely complicated and challenging times. Confronted with the most serious health crisis for many decades, and anxious about the economic and social repercussions that will follow, we have to navigate tectonic shifts that are characterised by growing geopolitical tensions, a digital industrial revolution that is changing our economic system at a pace never seen, and a climate challenge that is even threatening human life on earth if no urgent action is developed on an unprecedented scale.

Nevertheless, many recovery plans designed to relaunch the economies are unique opportunities to foster long-term thinking and create the fundamentals for a more sustainable, climate-neutral and circular economy. And yet this will not automatically become a successful undertaking. It will require smart and strong governments and the contribution of all actors in society. At the same time, five years after the conclusion of the Paris Agreement, there is also renewed momentum to address climate change. Recent announcements by California to become climate-neutral by 2045, Japan and South Korea by 2050 and China by 2060, as well as the reintegration of the United States into the Paris Agreement, are all signs that a shared vision and global agenda on climate change are in the making. The COP26 gathering in Glasgow later this year can be a unique opportunity to take stock. With the United States back in the game, there is also the hope that international institutions can once again play their bridging role, even though international tensions and competition will remain strong.

The Covid-19 crisis shows how health and environmental emergencies are actually closely linked, much more than most of us previously thought. Peter Piot, the director of the London School of Hygiene and Tropical Medicine, recently predicted more pandemics in the future because of our inability to live in harmony with nature, the growing urbanisation and population pressure on natural habitats, and the hyper-connected world that accelerates the dissemination of viruses. Climate change, for its part, will further increase the risks of mosquito-transmitted diseases.¹

¹ Politico (2020), Interview with Peter Piot, EU Confidential Podcast, 12 November.

The Covid-19 crisis also reveals a number of weaknesses, such as the lack of preparedness and coordination between EU member states on health emergencies. Despite warnings from scientists, we were not ready. It is another wake-up call that demonstrates the need for the EU to be much more proactive, to think more strategically about possible future risks, and to discuss ways to address these as well as its implications for how the EU should function. A better exchange of information and streamlined data about the evolution of the crisis, and the need to have a strategic reserve or even local production of protective medical equipment, are just two examples of issues that have recently been debated.

Furthermore, the crisis brings previously existing challenges clearly into focus and highlights an acceleration of trends that otherwise would have taken many years to emerge. The digitalisation of our economy and society is one case in point. Teleworking has become the norm for entire organisations, whilst videoconferences and virtual events are replacing face-to-face meetings. Where schools and universities have closed during lockdown, technologies have enabled some continuity. Although we can expect this to be partially undone once the crisis is really behind us, it is clear that some of these changes are here to stay and may even further accelerate in the years to come. Covid-19 also exacerbates inequalities in our society, between and within countries, with the more vulnerable income groups affected most, both by the virus and by the economic consequences of it.

On the other hand, the fact that highly effective vaccines have been developed in record time also shows that humans can become really creative under pressure and that big challenges can be solved if sufficient resources are made available. In the EU, appetite to work together to address the pandemic grew slowly but surely. Unprecedented solidarity is emerging through the creation of EU debt to finance the Recovery and Resilience Facility, and through managing the purchase and distribution of vaccines at EU level on behalf of the member states. The Covid-19 crisis is certainly a disaster in many ways, but it is also a chance to change the system.

There will be no vaccines against the climate crisis

The other crisis that is looming, climate change, will be much more difficult to solve. Unlike with the Covid-19 crisis, we cannot develop targeted vaccines or 'silver bullets' against global warming. Instead, the whole economy will have to be transformed in the years and decades to come, not only to limit global warming but also to address a wider number of threats to life on our planet, such as the loss of biodiversity, unsustainable resource depletion or pollution. Redesigning our socio-economic model is a vast endeavour, a complex and systemic exercise across all sectors. It requires redesigning almost every aspect of society and the economy – the way we produce and consume, eat, travel, and build our cities.

Meanwhile, the latest data show another decrease of greenhouse gas (GHG) emissions in the EU. These fell by 3.7 per cent in 2019, leading to a total reduction of 24 per cent compared to 1990. The drop was mainly caused by a 15 per cent reduction in the power sector where coal-fired electricity production is being replaced by gas and renewables. At the same

time, our economy grew by 1.5 per cent in 2019, pointing to a long-term trend that shows economic growth can be decoupled from carbon emissions.² It is without doubt that the abrupt slowdown of our economies and human activity due to the Covid-19 crisis will push the emissions in the EU and elsewhere further downwards in 2020. Whether this means we are on track to address global warming and achieve climate-neutrality by 2050 remains to be seen. The United Nations' World Meteorological Organization emphasises that the impact on cumulative past and current emissions of a reduction in annual global emissions in 2020 between 4.2 per cent and 7.5 per cent will actually be negligible.³ At the same time, emissions in China, the first country able to reactivate its economy after the Covid-19 crisis, are projected to be higher in 2020 compared to 2019. Emissions will therefore rebound if the recovery is not cleverly designed.

But the clock is ticking. Global temperatures are already 1°C higher than pre-industrial levels. National meteorological institutions in Europe are adapting their guidelines of what is the 'normal average temperature of the year'. This has increased in Belgium, for instance, from 9.8°C in 2009 to an average of 10.6°C over recent years, to 10.9°C today. The increasing number of wildfires in California, the extreme droughts and heat waves Australia is experiencing in recent years, the ever-stronger hurricanes, devastating floods and rising sea levels that have all recently occurred, are very tangible examples of the impact of global warming and the disruptive forces of climate change. The intensity and severity of such events are going to become greater, with devastating consequences for life on earth, including human life.

Soon, climate tipping points will be exceeded, presenting a real threat of irreversible environmental change. Europeans should not be naïve. Even though some other places on our planet could be affected more heavily in the decades to come, the repercussions will be global, and a cascade of unprecedented impacts will be triggered. Our coastal communities will have to make significant investments to adapt to rising seawater levels, as will those who live close to riverbanks. Global value chains will be disrupted, growth potential will erode, and there is no doubt that technological and regulatory changes will totally transform whole sectors of our economy. Climate change will also offer the 'perfect storm' for international social and political tensions, with unknown consequences and additional migration pressures for sure. Meanwhile, human actions threaten more species with global extinction now than ever before. An average of around 25 per cent of species in assessed animal and plant groups are threatened, suggesting that around 1 million species already face extinction,

Redesigning our socio-economic model is a vast endeavour, a complex and systemic exercise across all sectors. It requires redesigning almost every aspect of society and the economy – the way we produce and consume, eat, travel, and build our cities

2 European Commission (2020), 'Kick-starting the journey towards a climate-neutral Europe by 2050', EU Climate Action Progress Report

3 World Meteorological Organization (2020), 'Carbon dioxide levels continue at record levels, despite COVID-19 lockdown', press release, 23 November

**Climate change
will offer the
'perfect storm' for
international social
and political tensions,
with unknown
consequences and
additional migration
pressures**

many within decades, posing a risk to global food security and undermining the resilience of many agricultural systems to threats such as pests, pathogens and climate change.⁴ In addition, Europeans have contributed historically to the accelerated growth of GHG emissions and other damages to our planet and should do their fair share to contribute to the solutions.

There are therefore plenty of reasons for Europe to lead the way towards the development of a new socio-economic model that is climate-neutral and compatible with the planetary boundaries. Europe's bet is that addressing these multifaceted challenges also implies many opportunities in terms of innovation, competitiveness, and job creation. For these to come about we need to recognise the interconnected nature of the challenges, develop systemic solutions and activate a wide range of policy tools jointly. This will have to happen at all policy-levels, from local to European and beyond, and together with all actors in society. It will be a complex endeavour. No 'invisible hand' will lead us to our destination. As the Covid-19 crisis has also underlined, strong and smart government and leadership are needed to manage these challenges, to bring everybody together around a shared vision, and to coordinate the transition to a sustainable model that is compatible with our planetary boundaries, and that provides a good life for all citizens at the same time.⁵ The latter is a critical success factor.

Moreover, agility will also be essential. Despite all the planning and impact assessments, the future cannot be predicted in advance. Transitions are fundamentally uncertain processes, with frequent surprises and unintended outcomes.

A once-in-a-lifetime opportunity to reshape the backbone of our economies

The current Covid-19 crisis can be seen both as a curse and a blessing. It is too soon to say whether it represents a setback for efforts to bring about the necessary mutation of our economic system, or a catalyst that accelerates the pace of change. Lower oil prices may slow down the process of decarbonisation in the energy sector, and the uncertainty associated with the crisis may lead to cuts in sustainable investment. On the other hand, clean technologies such as solar panels or batteries are fast becoming cheaper. Nevertheless, there is the danger of a brown stimulus, as it is very tempting for governments to keep alive the old world, back to business as usual.

4 IPBES (2019), *Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*. IPBES secretariat: Bonn.

5 Raworth, K. (2017), *Doughnut Economics: Seven ways to think like a 21st-century economist*, London: Random House.

A recent report emphasises that between 2020 and 2030, global coal, oil, and gas production would have to decline annually by respectively 11, 4, and 3 per cent, to be consistent with a 1.5°C pathway. However, government plans and projections indicate that, despite Covid-19, there will be an average 2 per cent annual increase for each fuel instead, thereby producing 120 per cent more fossil fuels by 2030 than would be consistent with limiting global warming to 1.5°C.⁶ The International Energy Agency (IEA) for its part has recently provided a stark summary of the scale of the challenge: even if we decide to switch today to climate-neutral infrastructure, running the existing infrastructure, such as power plants, petrochemical and cement industries, for its normal economic lifetime, would lock in by itself a temperature rise of 1.65°C.⁷ In other words, phasing out relatively new polluting infrastructure, especially in some of the rapidly developing economies in Asia, will be one of the many challenges we will have to address in the near future. The IEA outlook also underlines the urgency of the matter. Given that our energy systems have long path dependencies, investment decisions today will have an impact for the next 30 or 40 years.

The good news is that the scale of the stimulus packages that are currently being designed all over the world offer a once-in-a-lifetime opportunity to reshape the backbone of our economies, and to skip a few stages towards the sustainable infrastructure needed to transform our socio-economic model. A climate-oriented stimulus will indeed not only raise investment with benefits for economic output and jobs in the short term, but will also provide the basis for long-term innovation and an economic development aligned with environmental and climate constraints.

That is why it so important for the recovery plans that are now being designed by the EU member states to stand the test of time. The EU's long-term budget, coupled with the NextGenerationEU initiative, which is a temporary instrument designed to boost the recovery, will be the largest stimulus package ever financed through the EU budget. On top of the €1074.3 billion made available through the regular 2021-2027 EU budget, an additional €750 billion, including €390 billion in grants, can be spent through NextGenerationEU and the Recovery and Resilience Facility in particular. To be most effective, speed will be of the essence. The recovery needs to be operationalised and implemented as soon as possible, and it will have to be steered towards future-oriented projects. Guidelines include the requirement that 37 per cent of the funds be used on climate action and 20 per cent on the digital transition. Moreover, the 'do not significantly harm' principle will apply to ensure

The good news is that the scale of the stimulus packages that are currently being designed all over the world offer a once-in-a-lifetime opportunity to reshape the backbone of our economies, and to skip a few stages towards the sustainable infrastructure needed to transform our socio-economic model

6 SEI, IISD, ODI, E3G and UNEP (2020), *The Production Gap Report: 2020 Special Report*.

7 IEA (2020), *World Energy Outlook 2020*.

that the remainder of the spending does not go on projects that pollute and contradict our longer-term objectives.

The investment needs to boost just the green transition are actually higher, up to €400 billion extra per year for the EU according to some estimates, compared to a business-as-usual scenario. The transition efforts will also have to last longer than the lifetime of the Recovery and Resilience Facility, emphasising the need to start a discussion already today on how the stimulus could be prolonged and how it could be structurally embedded in the EU's regular budget as a transition investment instrument.

For now, it is crucial that the selected projects maximise the impact, and that the public investment be used to create a multiplication effect and mobilise additional private capital in such a way that the ball keeps rolling once the projects have been implemented. That is also the role that the European Investment Bank can play in cooperation with regional development banks and local banks, by accelerating its promise to dedicate at least 50 per cent of its lending activities to climate action by 2025. In addition, we should not forget the crucial role of the reform of the financial system itself. The EU's sustainable finance agenda should be strengthened further to reorient capital flows to productive long-term investments, and to make climate and other sustainability risks more visible, and thus more expensive. This can be done by obliging companies to be much more transparent about their impact on the climate and environment, including through their supply chain. To avoid greenwashing,⁸ the ongoing efforts to develop a green taxonomy, which explains what activities can be considered 'green' and to what extent, will need to include more categories and will increasingly also need to factor in the social dimension in order to better assess any trade-offs that may exist.

A critical condition for a successful green recovery is that the national recovery and resilience plans are carefully assessed and made consistent with what is needed in each of the member states to develop sustainable infrastructure and activities

If designed well, the taxonomy will help us 'speak the same language' and can be further developed as a key reference for a wide range of actors throughout the finance value chain, thus allowing comparability and benchmarking, the development of more credible and attractive green financial products, and better sustainability ratings, for example. For governments too, the taxonomy could become a source of inspiration to decide what type of activities it wants to support or subsidise.

A critical condition for a successful green recovery is of course that the national recovery and resilience plans are carefully assessed and made consistent with what is needed in each of the member states to develop sustainable infrastructure and activities. This implies that the monitoring of the 37 per cent of the money earmarked for climate action should not be limited to a pure calculation exercise. It also entails a qualitative assessment in line with the above-mentioned tax-

8 Greenwashing is a form of marketing spin in which green PR and green marketing are deceptively used to persuade the public that an organisation's products, aims and policies are environmentally friendly.

onomy and other plans that member states have had to develop in recent years, such as the national energy and climate plans or the just transition plans. Not every euro spent on climate action leads automatically to better outcomes.

Ideally, the plans should also be aligned with the EU's strategic thinking on industrial policies to support the green and digital transitions. Indeed they also have a geopolitical and a social dimension. Recent developments such as the election of Joe Biden as president of the United States and China's commitment to become carbon-neutral by 2060 are extremely positive, but they also trigger rivalry to set the terms of a future decarbonised world. The challenge for the EU will therefore be to move quickly enough to stay a frontrunner in green technologies, to use its regulatory and standard-setting superpower, and to create industrial alliances to strengthen our economies. At the same time, we need the skilled workforce to master the green and digital transitions.

Moreover, the rules of the game today are not always fit for the world of tomorrow. The current system is hard-wired linear instead of circular or resource-efficient, and it still favours yesterday's fossil-fuel economy. That is why it is extremely important for the recovery and resilience plans also to be used to reform some aspects of our economic system, labour market and tax system, in support of fair digital and green transitions.

It also remains to be seen whether the European Semester process, which is supposed to follow up on the implementation of the plans, can produce sufficient steering power in line with our long-term societal objectives. The revised European Semester, with more focus on climate and social considerations, should be part of a broader realignment of how the European institutions and member states communicate about successful economies. It is not the growth rate that should be the flagship indicator, but the direction of the growth. Ongoing reflections within the European Commission on the development of a transition performance index, a more outcome-oriented composite indicator that includes economic, social, environmental and governance parameters, should therefore be further stimulated and formalised.

2021 will be a make-or-break year for the European Green Deal

In this perspective, the European Green Deal is a powerful attempt to provide a vision and a framework for action. Of course, environmental and climate policies are not new in the EU, but they were never 'top of mind' or at least were not as mainstream as today. By contrast, the European Green Deal has been positioned as the EU's flagship initiative and is structurally embedded in everything we do. All other policies will have to be made consistent with it and coherent with the long-term climate objectives. The 2050 climate neutrality objective and the EU's recent commitment to reduce greenhouse gas emissions by at least 55 per cent by 2030 compared to 1990 are orientation points that help our citizens and economic actors understand the direction of travel, and that ensure some predictability, in this unpredictable world, to secure investments in the carbon-neutral economy of tomorrow.

After its first big initiative of publishing the European Green Deal communication in December 2019, the European Commission launched an impressive number of strategies and action plans over the course of 2020 on each of the key building blocks of the Green Deal. These strategies and plans address most of the key systems that define the way we live and work, from the food system and biodiversity to mobility, the built environment and the circular economy. Some horizontal issues have been partially addressed through the introduction of the Just Transition Mechanism and a Sustainable Development Investment Plan, for instance.

Meanwhile the Multiannual Financial Framework, the EU's budget for the 2021-2027 period, foresees that 30 per cent is to be used for climate action. Most importantly, the European Climate Law provides the architecture for the mechanics that should keep us on track on our journey towards climate-neutrality, with a five-yearly update that offers an opportunity to see where we are and readjust policies where needed. In my view, this five-yearly review should not be put in the hands of a few Commission officials or the Council. Instead, the EU should consider creating a European 'Intergovernmental Panel on Climate Change' (IPCC) that would bring the scientific community and experts into the discussion in an interdisciplinary way in order to facilitate a more transparent and publicly debated assessment.

It is one thing to agree on a narrative, strategies and on longer-term targets, but it is quite another to make it happen on the ground

Nevertheless, it is one thing to agree on a narrative, strategies and on longer-term targets, but it is quite another to make it happen on the ground. As we all know, the devil is in the detail. That is why 2021 will be a make-or-break year for the European Green Deal. Indeed, crucial for the forthcoming years will be the translation of the new 2030 targets into new legislation and accompanying measures. By this summer, the European Commission will come with its plans to redesign the Emissions Trading System (ETS) and its twin brother, the Effort Sharing Regulation, which defines the efforts member states should make to address the climate crisis. The Commission will also come with an update of the broader EU energy legislation by the summer. Many of the concrete actions announced in the wide variety of strategies launched in 2020 will also come to life.

It will not be a walk in the park. The revision of the ETS, for instance, which in the early days was considered a very technical issue mastered only by a few experts, will have wider ramifications on what will appear to be extremely sensitive political issues. If well designed, a reformed ETS offers the perspective of slowing emissions down almost mechanically in a wider number of sectors than today. But it will also raise questions about the distribution of revenues between the European Union and the member states, about what the revenues can be used for, and to what extent the reformed ETS will affect the competitiveness of those sectors that face competition from outside the EU. The review of the ETS is therefore intrinsically linked to the debate on own resources for the EU and the EU's global climate policy, including the possible introduction of a carbon border adjustment mechanism that would tax carbon-intensive products when entering the EU. From what we know today, the mechanism could be used as a carrot and stick. It would initially address a limited number of sectors, such as cement and

steel, but could be expanded to more sectors later on. It would only apply to products coming from states that do not have equivalent measures in place to reduce their emissions, thereby promoting the introduction of carbon pricing in third countries.

In fact, as with the ETS, all Green Deal issues are interlinked, and the different pieces of the puzzle will have to be carefully calibrated with the level of ambition that we have agreed, while an eye is kept on the repercussions these issues may have on people in Europe. This is all the more true, given that tough decisions at the core of the European Green Deal will have to be taken, coinciding with the gradual reopening of our economies over the course of 2021, and the likely backlash and higher unemployment figures when the massive state support is gradually phased out. The political support and appetite for high-ambition reforms will of course depend on the economic situation at the time these issues come to the discussion table. Hence, once again, the importance of well-developed recovery plans. The more these plans are designed to support an accelerated transformation in the member states, the more likely the backing for regulatory reforms to enhance the level of ambition.

The Green Deal should also be about reconnecting people

This brings me to a dimension that I find deserves more attention in the future development of the European Green Deal – the human dimension. As with all transitions, there will be winners and losers. Indeed, transitions imply creative destruction. Europe should become better in supporting winners and quicker in scaling up innovative solutions, products and services that will help us create a future-proof carbon neutral economy. That is why the mission-oriented innovation approach that is being rolled out at EU level is a promising avenue. Four of the five identified missions are related to the Green Deal. Combined with more strategic industrial policies, this approach has the potential to make our economies stronger and to create new jobs in new sectors. And this will be all the more the case if we succeed in cleverly linking the green transition to the digitalisation of our economy and society in such a way that these two developments reinforce each other. Digitalisation can certainly support and accelerate the transition to a circular and climate-neutral economy, but it also entails the potential to create new inequalities or to concentrate economic power.

Given the existential nature of the challenge, we more than ever need to have everybody on board. We cannot afford for our mission to fail. 'Leaving nobody behind' should thus be positioned much more at the heart of the European Green Deal policymaking. A considerable number of people are not sure if there will be a place for them in future. It must not be forgotten that globally the richest 1 per cent is responsible for twice as many GHG emissions as the poorest half of humanity, and has a carbon footprint that is 100 times higher.⁹ The transformation of

As with all transitions, there will be winners and losers. Indeed, transitions imply creative destruction

9 Oxfam (2020), 'Confronting carbon inequality. Putting climate justice at the heart of the Covid-19 Recovery', Oxfam Media Briefing, 21 September.

our economy will affect regions and industrial sectors in different ways. Similarly, the transitions will affect people to different degrees depending on their personal situation and their social status. Subsidies for buying electric cars or installing solar panels are clearly used more by people who can afford to make these investments. By contrast, poorer people spend a larger share of their budget on energy. They will oppose change if it creates and aggravates inequalities. This will make them rely on polluting assets or activities even more, keeping them in a vicious circle as carbon is expected to cost more and more as time goes on.

The EU and its member states should invest more resources in an improved understanding of the distributional outcomes of Green Deal policy measures at different policy levels

The Just Transition Mechanism is an honest but insufficient attempt to address the social dimension by investing more money in some of Europe's energy-intensive and coal-mining regions and helping them establish alternative development strategies. In addition, the European Skills Agenda is a plan to identify the key sectors that will be disrupted by the green and digital transitions, and to design upskilling and reskilling strategies with the relevant social partners. Social considerations should however be embedded more structurally in everything we do, starting with better monitoring and knowledge-sharing. That is why the EU and its member states should invest more resources in an improved understanding of the distributional outcomes of Green Deal policy measures at different policy levels. To ensure that social considerations start at the design phase of policy proposals, the European

Commission's impact assessments could be strengthened for this purpose. Furthermore, the European Environment Agency could be transformed into a 'Climate Transition Agency' and its mandate could be extended to include much more analysis of socio-economic considerations, as well policy options at a more local or regional level to address some of the trade-offs or unintended effects of climate action, even if the solutions do not necessarily lie at EU level.

Indeed, the most straightforward way to compensate for some of the distributional effects is to raise carbon taxes and to redistribute the carbon dividend (or revenues from the ETS or similar schemes) in a very transparent way to those most in need. This can include very visible and targeted investment in the massive renovation and upgrading of social housing for instance. In this way, triple-win situations could be created: energy poverty would be addressed, markets for innovative solutions would be scaled up, and local jobs created. Similarly, in the area of mobility, smart public-private mobility solutions could be developed for more remote areas where regular public transport offerings are absent or would be too expensive. Showcasing real solutions that can change people's lives will be crucial. We need to make these solutions tangible, shape a positive story and act accordingly. Hence the importance of linking this to national policies, and of using the additional insights to further fine-tune the recommendations through the European Semester process.

When it comes to regional disparities, the member states could also be inspired by Spain's Institute for Just Transitions that brings together knowledge and accompanies regional transitions alongside the national and regional authorities, trade unions, local businesses and other

stakeholders. It is important, however, to expand the scope of 'just transitions' beyond coal-mining regions or energy intensive regions. This is actually about change management that applies across sectors and that covers wider issues such as the transformation of our food system, and agriculture in particular, as well as the transformation of the built environment, everywhere.

The human dimension should also cover the way the European Union connects with people. The climate transition can only succeed if it becomes a societal project where top-down government interventions are combined with bottom-up action by diverse actors. Beyond a good narrative, people, cities, local communities and new types of organisations need to be inspired, encouraged and stimulated to participate in co-creating solutions for a better future. New business models and the changing regulatory environment need to support new cooperative models that provide for instance more locally sourced food, innovative mobility solutions or decentralised energy generation. The transition therefore also requires new types of coalition and new ways of working together. The Climate City Contracts¹⁰ that the European Commission is considering developing with more than a hundred European cities as part of the Mission on Climate-Neutral and Smart Cities is one way to connect the different policy levels and support local participatory approaches.

These developments also imply that member states should accept that the European Union develops much closer ties with local communities and citizens directly – something they currently do not tend to like as this may increase the EU's legitimacy. For cities it may mean that they would have to work more together by aggregating local projects from different cities to reach the scale necessary to become interesting for institutional investors.

The logic of subsidiarity with a clear division of tasks and competences between the different levels should be replaced by a logic of cooperation across policy levels. This is the consequence of the systemic character of the climate crisis, and is necessary to ensure policy coherence and consistency, and to create the dynamics needed on the ground.

If taken seriously, the transformation of our economy to address the climate crisis could actually help us achieve a wider range of co-benefits and a fairer society. It could also help us reinvent and strengthen our democracies. It would create a better future for all.

¹⁰ The Mission Board for Climate-Neutral and Smart Cities proposes to introduce a Climate City Contract as a new mechanism to deliver EU support to cities in the form of more innovation, better regulation, and integrated financing. It will be signed by the mayor on behalf of the local government and local stakeholders, by the Commission, and by national or regional authorities. A precondition for a Climate City Contract is that citizens are given a new active role, new platforms to act and better resources to play their role. The European Commission is currently considering how to follow-up on these recommendations.

Progressive Person of the Year

The year 2020 was dominated by the Covid-19 crisis. No country remained unharmed by this pandemic, and Europe has to respond collectively to the resulting economic and social crisis. But some governments managed better than others, with more social dialogue and attention to vulnerable groups.

The experience of Finland is one of those where the results are not only better than in many other countries, but where some distinctive features of the crisis response, like taking care of the gender dimension, have also been remarkable.

The government of Finland in this challenging period has been led by a young Social Democratic politician, who had taken over this leading role shortly before, at the time of the Finnish presidency of the EU Council. Finland continued to play an active and engaging role in EU affairs, building bridges rather than creating cleavages.

In Finland, Social Democrats govern with a wide, multiparty coalition, showing the way to future progressive alliances which can be developed elsewhere too.

Besides, the successful start of the Prime Minister also represents an inspiration for other nations to be bolder with the promotion of female politicians to leading governmental roles.

Therefore, for the FEPS Progressive Yearbook, **Sanna Marin** is the person of the year.



© Finnish Government



Progressive Person of the Year:

The interview

László Andor

interviews Sanna Marin

László Andor: *The year 2020 will forever be remembered as the one when the Covid-19 pandemic hit. It presented itself as an incredible challenge. Having served as a Prime Minister throughout that rocky period, which aspects of your leadership are you proud of?*

Sanna Marin: Our Government has aimed to prevent the spread of the virus, to safeguard the capacity of the healthcare system and to protect people, especially those who are most at risk. We can say that thanks to sufficient and timely measures, we have managed to curb the spread of the epidemic as well as to protect the lives and health of the people. This is thanks to all the people living in Finland who have done their part by acting responsibly and following the restrictions.

LA: *... and subsequently, what could have gone better for Finland?*

SM: Surely, like in many countries, mistakes have been made in Finland during the epidemic. Our preparedness for a pandemic as large as this had not been sufficient. We have however aimed to correct our actions and change our strategy based on the latest information.

LA: *When you became Prime Minister, the headlines underlined your age and gender. But again, when we look back at the past months, would you say that it mattered a great deal that Finland, Denmark and New Zealand had progressive, Social Democratic, female leadership? In other words: does gender matter?*

SM: The most important thing is to look at the policies that governments and their leaders are pursuing. As leader of the Finnish Social Democratic Party, I naturally believe that progressive policy is the best way to build a better society.

LA: *The government that you lead has four women leaders representing the parties which form the cabinet. What are the lessons from the coalition? Of this experience, what would you say is crucial to understand for other Social Democrats in Europe? Is the Nordic coalition settlement, which one can also see in the case of your neighbours, our future?*

SM: Finland has a long tradition of forming majority coalition governments and, in our case, this tradition still works well. However, it is important to note that the electoral system also has a major impact on what kinds of majorities are elected.

LA: *When looking back at the policies of your government in the past months, it seems that you have definitely been a frontrunner in trying to protect especially those already vulnerable in the times of crisis. What do you think can be done to manage the impacts of this crisis, especially concerning growing inequalities and exclusions?*

SM: The Covid-19 pandemic affects different people in very different ways. We want to protect people in high-risk groups from the disease because it can be very serious and even fatal for them. Similarly, restrictive measures have an uneven impact on people, depending on their profession, family situation or region of residence.

Both during and after the crisis, it is vital that we pay special attention to the position of the most vulnerable people in society. Recovery measures must also be implemented in a way that is socially, economically, and ecologically sustainable.

LA: *In June, the new Government Action Plan for Gender Equality was adopted in Finland. What do you see as new benchmarks of the fight for a modern, egalitarian society? What do you hope for Finland to achieve under your leadership? What should be expected from Europe in that field?*

SM: The Government's goal is to make Finland a leading country in gender equality. Our recently published Action Plan for Gender Equality consists of about fifty measures dealing with working life, economic equality, family life, education, and intimate partner violence, improving the position of gender minorities and gender mainstreaming.

The EU must also implement its strong gender equality strategy effectively. The EU needs to work systematically to promote equality and non-discrimination and to maintain the established terminology, such as "gender equality".

LA: *You have set as a challenge to modernise Finland, and many of your statements emphasise that it has to embrace two pillars: greening and digitalisation. How do they translate in terms of policies? And which are your expectations concerning Europe?*

SM: Over the course of this decade, we will need comprehensive measures to reform the economic structure in order to achieve climate neutrality – which we aim to achieve at the EU level by 2050 and in Finland by as early as 2035. All sectors of society and the economy play a role in the transition to climate neutrality, and the policies we put in place must not hamper our work to achieve a just and successful green transition.

We need to harness the full potential of digitalisation in order to reach our climate objectives. By investing in research, development, and innovation and by effectively adopting new technologies, Finland and the EU can play a leading role in this sphere.

LA: *The pandemic made people rally around their governments in a search for protection and encouragement. At the same time, many hopes have been invested in Europe with an idea*

that the EU should step up, act and pursue for example research to provide vaccination to the citizens. From your point of view, are there reasons to believe we are coming closer to Health Union?

SM: The Covid-19 crisis has demonstrated the importance of international coordination and cooperation in the fight against communicable diseases. It is therefore important for the future that we promote measures to prevent and combat health crises and to prepare for them at the EU level. To this end, the Commission's Health Union proposal a good first step.

The pandemic has also highlighted the need to reduce dependencies in certain sectors, such as medicines, protective equipment, and raw materials. In this vein, the discussion on open strategic autonomy plays a key role when considering the EU's resilience to crises.

LA: *Finland has been very determined regarding the principle of the rule of law and the fact that it needs to be protected and promoted in the EU. This was one of the major issues at the time of the Finnish Presidency, which occurred when you stepped in. What is your opinion about the discussion that has just finished? What do you think about the compromise that has been reached?*

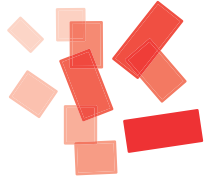
SM: Strengthening the rule of law was a key priority of the Finnish Presidency, which ended just over a year ago.

In December, the European Council unanimously adopted the rule of law mechanism in line with the outcome of the negotiations with the European Parliament. It was important for Finland that the text agreed upon with the European Parliament remained unchanged, and we succeeded in this objective.

Strengthening the rule of law in the member states is essential. The regulation we agreed on at the European Council is a legally binding instrument that will eventually be directly applicable in all member states. We also considered it important for the mechanism to be as effective as possible. In this respect, decision-making by qualified majority is a key element of the regulation.

LA: *Looking forward into 2021, what are your predictions? And, in that context, what should Social Democrats consider as the most important to deliver nationally, EU-wise and internationally?*

SM: Our most important priority for 2021 is to defeat Covid-19. Rapid vaccination and more efficient distribution of vaccines now play a key role in controlling the pandemic. At the same time, we need to make sure that the new variants of the virus do not spread widely through Europe. Once the acute crisis is over, it will be time for reconstruction. We need to rebuild in a way that is socially, ecologically, and economically sustainable – in Finland, in Europe and around the world.



BIG ISSUES

Health and European solidarity after the pandemic

Xavier Prats Monné

The Covid-19 pandemic has clearly exposed the Achilles heel of the European project: the gap between the European Union's powers and competencies on the one hand, and, on the other, the issues that are closest to European citizens' concerns – health, employment, social protection and education. At the same time, the pandemic has made an excellent case for the benefits of solidarity, at European as well as international level. The proposals that the European Commission has presented in response to the health and social crisis are bolder and more ambitious than any previous initiatives. Yet there is still a long way to go to further transfer responsibilities in the social field from the member states to the EU, and to make solidarity a strong feature of European social policies, as these, more than other policies, are inevitably linked to cultural values and political beliefs. In spite of this, a more solidary future for Europe is possible, if the EU can find the political will to enforce a narrative for sustainable development that addresses inequalities and the well-being of EU citizens.

The social contract, a European idea

No scholarly article could make the case for strong European solidarity, or for better global multilateral governance, more eloquently than the coronavirus pandemic of 2019. Do we still need to demonstrate the merits of cross-border cooperation after watching the virus spread across countries like wildfire, or after witnessing the astounding success of international scientific cooperation in creating several vaccines in record time?

Yet, at the same time, nothing like Covid-19 could expose so bluntly the Achilles heel of the European project. While the EU has acquired powers that can transform people's lives – trade, competition, macroeconomic stability – the issues that interest European citizens most are still those where the EU has the least direct competence: health, employment, social protection, education.

Healthcare is perhaps the most obvious example of this gap between people's concerns and EU powers. Public health is an exclusively national competence, and with the exception of self-selected success stories, member states have been traditionally reluctant to share

knowledge or engage in transparency and information-sharing about their national systems and policies.

Up to a point this is inevitable. A common European demos is not strong enough to give EU institutions the legitimacy to make hard choices on (the distribution of) limited resources involving the lives of people. But the advantages of solidarity against health threats between countries united by a common border and common values should be obvious – and how can you convince citizens that the EU matters for them, if it cannot keep them in good health?

When the pandemic struck, even for health emergencies – where the importance of cooperation within the single market was obvious even without the Covid-19 pandemic – the one and only legal instrument at the disposal of the EU was a Decision of 2013 on serious cross-border threats to health. That Decision, adopted in the aftermath of the H1N1 flu outbreak, a good decade after the first SARS coronavirus outbreak, established “the rules for epidemiological surveillance, surveillance of serious cross-border threats to health, early warning of and response to such threats, including with regard to planning preparation and reaction linked to these activities, in order to coordinate and complement national policies”.

Those ‘rules’ failed the reality check of the Covid-19 pandemic. Predictably, an administrative decision agreed between health ministries in 2013 was not enough to ensure the transparent flow of information between member states, the coordination of restrictions to mobility and trade, or even less the distribution of protective equipment to fight the worst pandemic since the Spanish flu of 1918.

With this kind of inaction and solidarity gap, it is difficult to convince the average European citizen of the added value of the EU or the merits of a European social contract. Yet the social contract is a very European idea: a heritage of Stoic philosophy and Roman Canon Law, rediscovered in the age of Enlightenment and, for the last three centuries, the main doctrine of political legitimacy.

There are many views of what a ‘European social contract’ might entail, but the essence of the concept is simple: legitimacy rests on consent – and ever since the financial crisis of 2007, European institutions have been at pains to explain why citizens should adhere to a project that ostensibly does so little for the issues they care about most.

Ask European citizens from Riga to Athens what they expect from (any) public authority and you know the answer you are likely to receive: educate the young and keep adults in work; raise the poor; preserve the social services, pensions and health systems of our ageing societies.

Surveys over the years consistently show that Europeans are strongly attached to their national welfare regime. As the late Tony Judt put it 25 years ago in his extraordinarily prescient *A Grand Illusion: Essay on Europe*: European citizens have

**Ask European citizens
from Riga to Athens
what they expect from
(any) public authority
and you know the
answer you are likely
to receive: educate
the young and keep
adults in work; raise
the poor; preserve
the social services,
pensions and health
systems of our ageing
societies**

consistently felt that protection from the forces of globalisation or natural disasters will come from national institutions rather than from European or multilateral organisations.

Since its inception, the European project has rested on the reductivist assumption that economic integration necessarily creates social and political affinities. Time has shown that production and finance can become globally integrated, that European economies can become interdependent, more so today than at any other time in history – while other aspects of human existence do not necessarily follow suit, at least not at comparable speed. I can think of no better argument than Covid-19 to disprove this assumption.

The limits of European solidarity

If inclusion and solidarity are not the EU's strongest suit, it is not for lack of words. For half a century, the European institutions have been remarkably productive on the declamatory aspects of EU solidarity. Particularly since the Maastricht Treaty of 1992, there has been much repetition of a 'Social Europe' or 'European Social Model' that combines economic growth, high living standards and universal social protection. The Charter of Fundamental Rights of the EU, proclaimed in December 2000, states that "Everyone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices. A high level of human health protection shall be ensured in the definition and implementation of all the Union's policies and activities" (Article 35).

This emphasis on welfare and inclusion is what sets the EU apart from other less ambitious multilateral organisations and regional economic integration projects, and it is what supposedly binds Europeans together in contrast to the 'American way of life' or the objectivism of Ayn Rand.

But solidarity and a shared sense of identity are difficult to translate from paper into practice. Social Europe has never been a homogeneous set of objectives or instruments. Some elements were born in 1957 with the original EC Treaty, and evolved through qualified majority voting, the European Single Act, free movement, health and safety, and the European Social Fund. Other policies acquired a Treaty basis in the 1990s.

The cumulative result is a panoply of legal, financial and policy instruments that are not entirely coherent, but certainly not negligible either. As the EU begins to address the social, political and economic impact of the Covid-19 pandemic, the debate on European solidarity remains handicapped by confusion and contradictory views about the role the European Union should play in employment, social protection, public health and health threats, education and skills development and, more broadly, in the reduction of inequalities.

For a long time, European institutions as well as national leaders have entertained the unhealthy habit of overpromising

**For a long time,
European institutions
as well as national
leaders have
entertained the
unhealthy habit of
overpromising and
underdelivering on
the social dimension
of the EU**

and underdelivering on the social dimension of the EU. And in more recent years, populist governments and nationalist parties across Europe have rekindled a divisive narrative of identity politics that would shock earlier generations of Europhiles.

Then came Covid-19.

The harsh lessons of a pandemic

The pandemic has revealed the shortcomings and limited resilience of EU welfare regimes, be it with regard to healthcare systems, social protection or education. In human resources and human capital, strategy planning, infrastructure or technology, very few countries, systems or institutions were prepared.

Covid-19 has reminded us of an obvious but often forgotten fact: strong, resilient health systems are not a cost for society, but an investment. Hundreds of years of wildfires have taught us that emergency preparedness is not a waste of time or money: every single urban centre in Europe has a permanent fire department and a reserve of fire engines. Now we will remember – hopefully – that we also need better preparedness against pathogens, which spread like wildfire across our borders and societies. And we will remember that the social determinants of health – in other words, not just healthcare coverage but also the factors that make people more vulnerable such as poverty, joblessness and exclusion — deserve far greater policy priority, at European level as well as nationally.

Several factors, such as the age and density of the population, imply different policies and country performances. But we can already draw a few common lessons on what the EU and its member states need to do as a matter of urgency. None of these lessons is new.¹

First, invest in the recruitment and training of the health workforce (to address skills needs, ageing and structural shortages), and in the capacity of health systems (the number of ICU units relative to the population, for example, is six times higher in some countries than in others).

Second, increase the response capacities (testing, tracking, isolating) and the efficient use of data. Most Member States implemented similar containment measures, but with dramatically varying speeds and effectiveness; many of them have been unable to use simple health data for effective decision-making and surveillance. Most governments' ministries had no mechanism for, or practice of, coordinating between them. The lack of communication between regional and national authorities, or between public health and social policy has been extremely damaging.

Third, strengthen primary healthcare and prevention, as a key instrument of public health resilience and to maintain the continuity of care. The pandemic should be an incentive for Member States to address an old problem that takes new relevance today: the insufficient levels of (absolute and relative) investment in health promotion and disease prevention. This is only 3 per cent of total health spending on average.

¹ Colombo, F. (2020), 'Resilience of Health Systems to the COVID-19 Pandemic in Europe: Learning from the first wave', OECD.

Lastly, deepen EU and international cooperation, in a wide range of areas with clear European added value: to tackle the cross-border nature of health threats, to obtain more effective synergies in research cooperation as well as in public procurement for medicines including vaccines and medical devices, to improve the mobility of healthcare professionals, to make medicine supply chains more resilient. In the years before Covid.

The EU has always seen itself as a paladin of multilateralism and global governance. In recent years, the rise of populist ideologies has made this ideal seem unrealistic, quaint even. In 2021, Europe may well feel vindicated, even if the task remains daunting.

The Commission rises to the occasion

In response to the unprecedented threat, the proposals of the von der Leyen Commission nine months into the pandemic have been bolder than any of its predecessors ever tried.

Leadership matters, and different political leaders have different priorities. Consider the radical contrast between the mission letters given by Jean-Claude Juncker and Ursula von der Leyen to their respective commissioners for health; both were issued before anyone had heard of a new strain of coronavirus.

Juncker's mandate to Vytenis Andriukaitis in 2014 was a blunt admonishment not to meddle with Member States. In the area of human health, the tasks given to the Commission under the Treaty are more limited. The specific exclusion of national health policy and of the management of health services illustrate the importance of respecting the rules on subsidiarity and proportionality).

Von der Leyen's letter to Stella Kyriakides, issued in September 2019 before the pandemic, was already a constructive set of initiatives aiming to build a 'European Health Union', with no reminder of subsidiarity: a European cancer plan; affordable medicine supply; using e-health to reduce inequalities, promote better health data exchange, and support research on medical devices; tackling antimicrobial resistance.

Then the Commission proposed an increase of the seven-year EU Health programme from €450 million to €9.4 billion (lawmakers finally agreed on €5.1 billion). And in June, the Commission presented the enhancement of the EU Civil Protection Mechanism, and a European strategy to accelerate the development, manufacturing and deployment of vaccines against Covid-19, including an advance purchase agreement with manufacturers in return for the right to buy a specified number of vaccine doses in a given timeframe.

In November, the Commission presented a set of proposals in response to the pandemic. Their ambition and breadth would have been unthinkable without the wake-up call of Covid-19. A communication on Building a European Health Union: Reinforcing the EU's resilience

In response to the unprecedented threat, the proposals of the von der Leyen Commission nine months into the pandemic have been bolder than any of its predecessors ever tried

for cross-border health threats² was presented together with three legislative proposals – an upgrading of the Decision of 2013 on serious cross-border health threats; a strengthening of the mandate of the European Centre for Disease Prevention and Control (ECDC); and an extension of the mandate of the European Medicines Agency (EMA). A 'Pharmaceutical Strategy' further aims to create a future-proof regulatory framework to promote research and technologies, improve access to innovative medicines and reduce Europe's dependency.

The Commission argues that these initiatives would “put in place a robust and cost-effective framework to enable EU member states to respond to future health crises as a Union”. And indeed, the new framework, if approved by member states and the European Parliament – a very big if – would significantly strengthen preparedness. An EU health crisis and pandemic preparedness plan and recommendations would be developed for the adoption of plans at national levels, with reporting and auditing obligations, supported by the ECDC. An integrated surveillance system would be created at EU level, together with stronger reporting obligations by Member States on their health system indicators.

There is more. A declaration of an EU emergency situation would trigger the development, stockpiling and procurement of crisis relevant products. The ECDC's mandate – a shy imitation of the US Atlanta-based CDC (Centers for Disease Control and Prevention) – would be reinforced to strengthen epidemiological surveillance, preparedness and response planning, with the capacity to deploy an EU Health Task Force to assist countries. The EMA's mandate would strengthen its response capacity to health crises – for example, by monitoring the risk of shortages of critical medicines.

Lastly, the pandemic has also exposed the vulnerability of Europe's supply chains of medical countermeasure stockpiles in case of a serious pathogen threat, and its lack of a coordinated approach for the development, production and procurement of medical countermeasures. Just as the creation of the ECDC was inspired by the CDC, the Commission has proposed to create a European BARDA (the US Biomedical Advanced Research and Development Authority), to support the EU capacity and readiness to respond to cross-border emergencies.

The long debate over the Lisbon Treaty showed that there was little scope for a consensus on further transfer of legal and constitutional powers to the EU in the social field

The uphill road ahead

Will Member States follow the Commission's lead? Will the 2019 pandemic mark a turning point in the European project? It is hard to say. Beyond exhortation and declamatory statements, European solidarity has shown its limits, particularly in the field of healthcare.

National governments have greater political legitimacy and wider breadth and depth than EU institutions. And while the views of member states differ significantly, the long debate over

² COM(2020)724 final of 11 November 2020.

the Lisbon Treaty showed that there was little scope for a consensus on further transfer of legal and constitutional powers to the EU in the social field.

But policies, not treaties, can address Europe's transformations. Beyond any constitutional limits, three obstacles stand in the way of a stronger health and social dimension for the EU and, ultimately, of a new European social contract.

The first obstacle stems from the very nature of welfare policies. Forging a European approach on, say, energy security requires an analysis of complex economic realities and technical issues, a debate about common goals and a difficult compromise between national interests. Healthcare, education, and social protection require all of that – and must still make room for the expression of strong personal and cultural values, for income redistribution and its vested interests, for ideology and political belief. A social contract, national or European, is about politics and well-being: their inherent subjectivity and political nature should not be underestimated, particularly since populist forces are stoking nationalist sentiments across Western democracies.

The second obstacle is that, while globalisation increases the demand for meaningful EU and international cooperation, social transformations are mostly internally driven and follow different national patterns. For example, Europe's healthcare systems are gradually converging into a hybrid model, but they are still national regimes that respond to different incentives and produce distinct outcomes: the Bismarck model of Germany and Belgium, the Beveridge tradition of the UK and Spain, and the Semashko legacy from Soviet times still present in Poland and Hungary. For all the importance of globalisation, the main long-term challenges of Europe's health and welfare regimes are only indirectly related to globalisation: maturing welfare provisions, low fertility, and ageing, changing family structures, new technologies. And if the response of EU institutions falls short of expectations, it is because nation states remain the dominant players even as governments steadily lose control over information flows, technology, migratory patterns, and financial transactions. At the same time, national social protection and healthcare policies are still often organised around a stable nuclear family model, ignoring the impact of immigration, new family types, female unpaid work, or lifelong learning needs.

The third obstacle is Europe's transformation from a small club of privileged nations to a community of 27 member states, and the diversity of situations this entails. From maternal mortality rates (3 per 100,000 live births in one member states, 30 in another), to the employment rate of women and older workers, to school dropouts, one would struggle to find a relevant social indicator that does not vary radically from country to country. If today's 27 member states had to start from scratch, they would be unlikely to reach the level of consensus and policy development reflected in 50 years of social acquis.

The aftermath of the financial crisis of 2007 was a reminder of the striking resilience of European integration and welfare regimes. The doomsayers were proven wrong on the eurozone

The main long-term challenges of Europe's health and welfare regimes are only indirectly related to globalisation: maturing welfare provisions, low fertility, and ageing, changing family structures, new technologies

sovereign debt. But the crisis also revealed the deep cleavage in political views, the radically different starting points and performance of EU economies, and the limitations of the EU when it comes to ensuring equality, social protection and, in one word, solidarity.

Ten years ago, as the eurozone started its slow recovery from the crisis, some EU countries were thrilled by an earlier-than-expected return to growth, while others still suffered a crippling 20 per cent contraction of their GDP; some countries struggled to keep their unemployment rates below 5 per cent, others would have been very happy to have had rates of only three times this figure.

For years policymakers and academics have argued that, over the next decade, the EU should define its role as a political entity, and reform itself to respond to the challenges of the global age we now live in.³ The staggering healthcare, economic and social impact of the Covid-19 pandemic gives a new sense of urgency to the task, as inequality again comes to the forefront of the EU agenda, with the spectre of rising public debt, higher economic and health inequalities, lower labour participation, and increased labour segmentation and structural unemployment. The pandemic of 2019 is a second chance to develop a stronger social dimension of the European project.

A stronger Europe is possible

So, what kind of role should the EU play? There is broad agreement that the worst way to meet Europe's challenges, from climate change to pandemic threats, is uncoordinated action by individual member states within the EU as well as globally. But there is little consensus on the specifics of a (national or European) strategy.

The European Social Model of the 1990s, synonymous with continental Europe's welfare states and social protection regimes, appears an unsatisfactory answer to the challenges of the EU27

The European Social Model of the 1990s, synonymous with continental Europe's welfare states and social protection regimes, appears an unsatisfactory answer to the challenges of the EU27. But even the widespread critiques of financial capitalism that engendered the crisis of 2007 failed to produce a common view on national social policies, or a consensus on the solidarity role of the EU.

So, one could be forgiven for seeking refuge in the safety of proclamations on solidarity and a European social contract, long on good intentions and short on operational content.

And yet the need for a European voice and stronger global governance is too strong to abandon hope. EU integration tends to blossom in times of growth and hibernate during economic downturns. It should do the opposite now.

Each of the challenges for the EU in the next decade has a strong social dimension: exploiting the job potential of a greener economy; increasing productivity and competing for

³ See for example, Tsoukalis, L. (2009), *The EU in a world in transition: fit for what purpose?*, London: Policy Network.

talent in a knowledge-based society; adapting Europe's employment and social structures to demographic ageing and migration; tackling emerging threats.

EU institutions and policies will not be the main actors in addressing these issues. The core responsibility for healthcare, education, employment and social policies – not for tackling income inequalities and preventive welfare – will continue to rest with the member states. And the diversity of situations between and within countries will require if anything a more differentiated approach. But there is scope for a stronger European dimension to national reform policies.

EU institutions can help define the path to sustainable development and the implications of Europe's transformations for public policies. They can make the social justice case for economic reform. They can steer policy development and innovation, particularly as concerns the emerging social risks and cross-border threats – there will be other pandemics, no doubt – that are outside the traditional scope of most national welfare regimes and require a high degree of social innovation: managing economic migration and integrating multicultural communities; maximising the employment and social impact of climate change; and addressing urban/rural cleavages and labour mobility.

In turn, the most effective way to promote these key strategic goals is to strengthen the links and conditionality between EU policy priorities and financial instruments, and to shift the role of EU funds from mere redistribution tools to incentives towards the achievement of agreed objectives.

Time will tell, as the social and economic impact of the Covid-19 pandemic unfolds, whether member states and EU institutions have the strength and leadership capacity to establish and enforce effective common policies in areas of limited EU competence such as healthcare. The first reactions of member states to the Commission's bold proposals on a European Health Union already suggest a difficult, uphill road.

But what matters is not competence but relevance: not who has the right to act but who brings added value. And what is required is not a new proclamation or a reshuffle of old ones, but clarity and simplicity – because past failures occurred not in the proclamation of the right priorities but in focus, ownership, and implementation.

The credibility of the EU will rest on its political will to forge and implement a narrative for sustainable development that addresses inequality and the well-being of its citizens. This is difficult but not impossible, and even more necessary in the wake of Covid-19. What is needed is a social contract where quality of life and distributive aims have a more prominent role in the European project and in its global impact.

Our societies will have to address complex challenges that do not lend themselves to simplistic solutions. As Yuval Noah Harari put it, for the last two thousand years philosophy, religion and science have been telling us that the most important thing in life is to know oneself; yet very soon an algorithm will know us better than we know ourselves, and biotechnology will give us the capacity to reshape life. Whether we like it or not, we are now being forced to rethink what it means to be human.

The only way we will meet these challenges is through institutional reform for deeper levels of interdisciplinary and cross-border cooperation, towards a far stronger role for knowledge,

science, and the humanities. Think about this paradox: just as healthcare, science, and technology advance with giant steps, so does scepticism about health and science. We know that vaccination is the most effective public health instrument in human history; we know that homeopathy is to medicine what astrology is to astronomy. And yet, trust in vaccines has been steadily decreasing in Europe – just as the Covid-19 pandemic has reminded us of the merits of immunity, and homeopathic products pushed by a few unscrupulous multinationals are trusted by many as a natural alternative to clinical trials and scientifically sound medicine.

What EU institutions can contribute to the transformation of national healthcare or education systems will always be a drop in the ocean – but it can be the right drop

We need more decisions informed by reasoned debate, based on evidence. All opinions are legitimate, but not all opinions are equal. People should be free to think and say that the Earth is flat – but if they do, they must be told in no uncertain terms that they are wrong.

Europe needs financial incentives for innovation, institutional support, and economies of scale. This can be, I think, the ambition of a European Union that is confident about its future and proud of its achievements without being encumbered by the weight of tradition. What EU institutions can contribute to the transformation of national healthcare or education systems will always be a drop in the ocean – but it can be the right drop.

Overcoming Europe's pessimism

To be confident that a better, more solidary future for Europe is possible, we just need to bear in mind that Western Europe's economic reconstruction of the post-war period was based not on natural resources but on immaterial wealth: people, their talent, and their attitude to personal development.

These are uncertain times. It is understandable that many European citizens feel apprehensive about the present, pessimistic about the future, and distrustful of public institutions. We see this anxiety every day – in the media, in surveys and in cultural expression.

Europe's pessimism can be explained in part by the lasting impact of the economic crisis, the rise of inequality, and the realisation that the world is drifting in ways we do not understand or control. But the sense of anxiety and apprehension about our own future are not inevitable. Most countries are more deeply unequal than those of Europe, and most people have weaker social protection, and yet their civil societies and institutions can sometimes be more confident about their personal and collective future than we are.

Amin Maalouf once said that the success or the failure of the European project will determine whether human adventure will find the path of progress, and that with our words and actions, as fellow Europeans, we can all make a difference.

The EU's rule of law: work is needed

Michiel Luining

One of the European Union's main values, the rule of law, is under severe pressure. The cases of Hungary and Poland, albeit not isolated, are certainly the most paradigmatic ones. The two eastern European countries, in fact, do not wish to leave the EU, but repeatedly challenge the EU's rule of law ideal by claiming that different interpretations of it are possible and that illiberal democracies can co-exist with liberal ones within the EU constitutional framework. The recent EU budget negotiations again brought the question into the spotlight with the so-called conditionality regulation, whereby Hungary and Poland are legally bound to accept an EU role in the rule of law and yet simultaneously attempt to restrict an EU role in the rule of law, via the European Council. These recent developments call for an analysis of the (evolution of the) principle of the rule of law in the EU, as well as an overview of how Hungary and Poland (in the meantime) have changed the actual situation of the rule of law domestically and of the strategies that the two countries have devised to further counter (legal) intervention by the EU.

The rule of law is a founding value of the European Union, as stated in Article 2 of the EU Treaty (TEU). However, since 2012 the EU has increasingly realised that this value and principle is under severe pressure – not solely in Hungary and Poland, but particularly in these two countries. For example, in 2013, EU Justice Commissioner Viviane Reding spoke about a rule of law crisis mentioning Hungary and Romania, but also the situation of Roma people in France. At the same time, the EU struggles to articulate and enforce what previously was considered as self-evident.

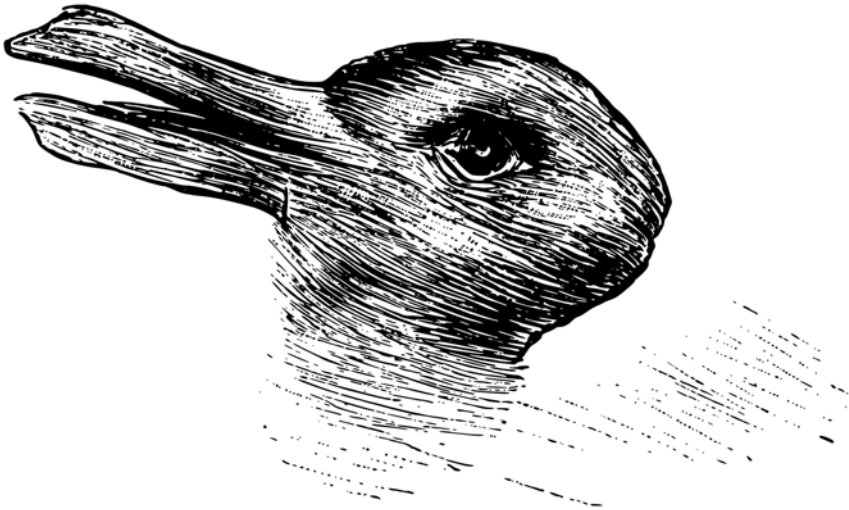
The Hungarian and Polish ruling political parties do not wish to leave the EU (and their citizens even less so) and they do not necessarily claim a preference of national law *against* EU law. They rather claim a *legitimate* – but different – interpretation of EU law. For example, in the recent discussion about

The Hungarian and Polish ruling political parties do not wish to leave the EU and they do not necessarily claim a preference of national law against EU law. They rather claim a legitimate – but different – interpretation of EU law

the rule of law conditionality of the EU budget Hungary's prime minister Viktor Orbán said “we defended the European constitution”.

Hungary and Poland thus attempt to influence the *de facto* meaning of the rule of law ideal in the EU's legal discourse. Like the ‘duck-rabbit’ picture in which you can perceive a rabbit as well as a duck, Hungary and Poland are in the process of a *Gestalt Switch*: they try to convince their audience that in the current EU legal constitutional ‘picture’ it is possible *also* to see so-called ‘illiberal democracies’, majoritarian national democracies or a “justice-based idea of a democratic state” – as Poland's prime minister Mateusz Morawiecki recently said – even though the practice behind these concepts has included ‘rule by law’ and ‘rule by men’ (violating national and European laws and court rulings). For example, the speaker of the Hungarian parliament stated in 2019 that checks and balances or the separation of powers has nothing to do with the rule of law and democracy. In Poland, against the background of the ruling Law and Justice (PiS) party's capture of the Constitutional Tribunal with disregard for a Tribunal ruling, party leader Jaroslaw Kaczyński said that the rule of law does not necessarily provide for a democratic state.

Welche Thiere gleichen ein- ander am meisten?



Kaninchen und Ente.

Source: Fliegende Blätter, *Kaninchen und Ente* (Rabbit and Duck), 23 October 1892.

The cunningness of these concepts demands considerable legal and political vigilance from those who wish to protect and articulate the EU's rule of law ideal. Without this vigilance, the EU risks letting in the proverbial Trojan Horse that could take over the European Union.

The controversy of the EU's rule of law ideal recently came to the fore with the EU-budget negotiations. The claims of Hungary and Poland in these negotiations clearly illustrate the two countries' general attempts to influence the EU's legal discourse. Some examples of their claims are:

- *Interpretive ambiguity*: there is no definite definition of the rule of law, consequently, an EU budget conditionality regulation would be tantamount to political blackmail.
- *Margin of appreciation*: the rule of law varies according to national legal traditions and therefore a large or absolute margin of appreciation for member states to carry out judicial or constitutional reforms is, or should be, granted.
- *Principles of conferral and subsidiarity*: Article 2 TEU values, including the rule of law, are a matter of the European Council as 'Masters of the Treaties'. Any EU discussion is dealt with via the Article 7 TEU procedure in which the European Council ultimately determines whether there is a serious breach by a member state of the values referred to in Article 2. (Other) EU law issues are dealt with by the EU Court of Justice. A rule of law regulation would "give power and discretion to entities without democratic legitimacy, or to entities with a significant 'democratic deficit'" and requires Treaty change.
- *Constitutional identity*: the constitutional identity of a member state must be respected according to Article 4(2) TEU, which stipulates that the Union shall respect member states, "national identities, inherent in their fundamental structures, political and constitutional".
- *Danger to mutual trust*: criticism of national constitutional and judicial reform damages mutual trust (and sincere cooperation) between member states and therefore unnecessarily damages European cooperation and unity.

In light of these claims, this chapter aims to reflect upon and review the current development of the EU's legal discourse on the rule of law.

The 'rule of law' conditionality regulation

On 10-11 December 2020, the EU concluded the negotiations on the EU budget and the coronavirus recovery fund with a regulation attaching a conditionality regime to these funds. The regulation entails "the rules necessary for the protection of the Union's budget in the case of breaches of the principles of the rule of law in the member states". Drawing from European (case) law and EU documents, the regulation clarifies what the rule of law in Article 2 TEU means.¹

It was agreed that in order to guarantee the sound financial management of EU funds, competent and independent judiciaries and law enforcement authorities in the member states

¹ Article 2 (a) of the Regulation states: "'the rule of law' refers to the Union value enshrined in Article 2 TEU. The rule of law includes the principles of legality, implying a transparent, accountable, democratic and pluralistic law-making process; legal certainty; prohibition of arbitrariness of the executive powers; effective judicial protection, including access to justice, by independent and impartial courts, also as regards fundamental rights; separation of powers; and non-discrimination and equality before the law. The rule of law shall be understood having regard to the other Union values and principles enshrined in Article 2 TEU".

are required as control mechanisms to check whether EU funds are properly spent.² Appropriate measures in case of breaches of the rule of law will be proposed by the Commission and adopted by the Council by qualified majority when such breaches “affect or seriously risk affecting the principles of sound financial management of the EU budget or the protection of the financial interests of the Union in a sufficiently direct way”.

It is therefore not only breaches affecting the management of EU funds that can lead to measures, but also breaches that *risk* affecting it. Importantly, breaches of the rule of law include the “*endangerment* of the independence of the judiciary”, implying that no definite breach of the rule of law needs to be established. The desire for the regulation to cover a wider scope, such as ‘fundamental rights’ or ‘democracy’ (the other Article 2 TEU values), as requested by the European Parliament for example, was not taken on board.

By agreeing on the EU budget and the regulation coming into force, Hungary and Poland, contrary to their earlier claims, have in practice *legally* recognised that the EU does have a role in the enforcement of the rule of law in the member states. Nevertheless, while the regulation is part of the ordinary legislation process, Hungary and Poland successfully managed to have the arguments they make to limit EU involvement in the national rule of law written into the European Council conclusions which finalised the EU-budget negotiations.

These conclusions state that breaches of the rule of law under Article 2 TEU are supervised by the Article 7 TEU procedure, a procedure where the European Council has the decisive role and the EU Court no (substantive) role at all. In addition, the conclusions state that the constitutional identity of member states needs to be protected. They also state that the Commission needs to work out guidelines in consultation with the European Council on how the regulation is to be used, and this only after following an EU Court ruling on the regulation. While the European Parliament is planning to prevent delay and restrictions of the use of the regulation, it seems the European Commission is for now ready or forced to accept ‘guidance’ by the European Council, which could allow Hungary and Poland to redraw the EU’s rule of law ideal in practice.

The EU’s rule of law

According to Article 2 TEU, the EU is “founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities” and “these values are common to the member states”. Both the EU and the member states are thus guided and bound by these values and principles.

Even though there is no comprehensive Treaty definition of what Article 2 values concretely entail, the EU’s rule of law ideal is not vague. Put differently, the EU’s rule of law is not set out in

2 A preamble (8) of the Regulation states: “Sound financial management can only be ensured by the member states if public authorities act in accordance with the law, if cases of fraud, including tax fraud, tax evasion, corruption, conflict of interest or other breaches of the law are effectively pursued by investigative and prosecution services, and if arbitrary or unlawful decisions of public authorities, including law enforcing authorities, can be subject to effective judicial review by independent courts and by the Court of Justice of the European Union”.

detail in one single place. Hungary and Poland use this as an argument to see different things in the ‘rule of law’ (in the same way as the ‘duck-rabbit’ picture) or ‘nothing’ at all. However, when connecting the dots, a picture does emerge. The EU-budget conditionality regulation is part of a process inscribing European values more firmly in EU legislation.

Firstly, an EU discourse on the legal *principle* of the rule of law in connection with democracy and fundamental rights does exist.³ European law in effect deals with various sub-components of the rule of law, which demands compliance with a number of core principles in order to guarantee among other things that governments are subject to the law and, more generally, that national legal systems give full effect to fundamental rights and that democratic principles can be ascertained. This existing discourse on the rule of law was conveyed, or at the least communicated, to member states acceding to the Union.⁴

Secondly, empirical evidence points to convergence and consensus in relation to the *principle* of democracy and rule of law originating from national legal traditions in Europe. *Variation* mainly exists in relation to the *concrete institutional* set-up of the rule of law. Importantly, the EU does not prescribe the constitutional identity or institutional set-up of a member state in detail.⁵

The EU is currently in the process of articulating this shared European legal principle and tradition derived from its member states more strongly in political and legal terms.

The EU-budget conditionality regulation is part of a process inscribing European values more firmly in EU legislation

Developing the EU's rule of law

In 1973, the member states made it politically clear that the “fundamental elements of the European identity” were principles such as “the rule of law”. In 1986, the EU Court of Justice made it explicit that the EU was a community based on the rule of law. Member states, as ‘Masters of the Treaties’, embraced multiple references to it in the Maastricht Treaty, the Amsterdam Treaty and the current Lisbon Treaty.

The rule of law requires that all public powers act within the constraints set out by law. As the EU Court of Justice has interpreted and ruled in concrete cases over the years, the rule

3 See for example, Pech, L., Grogan, J. et al (2020) ‘Unity and Diversity in National Understandings of the Rule of Law in the EU’, Work Package 7 – Deliverable 1, RECONNECT (<https://reconnect-europe.eu/wp-content/uploads/2020/05/D7.1-1.pdf>).

4 See for example, Janse, R. (2019) ‘Is the European Commission a credible guardian of the values? A revisionist account of the Copenhagen political criteria during the Big Bang enlargement’, 17(1) *CON*, pp. 43,46,57,58,60.

5 For example, the European Commission stating: “the precise content of the principles and standards stemming from the rule of law may vary at national level, depending on each Member State’s constitutional system”, the ECHR also recognising “judicial appointment processes in different jurisdictions across Europe – all with their own rules and practices” or the opinion of Advocate General Hogan at the EU Court that EU law does not preclude national constitutional provisions under which the executive power or one of its members plays a role in the process of the appointment of members of the judiciary.

of law requires, in particular, that the principles of legality, legal certainty, prohibition of arbitrariness of the executive powers, separation of powers, and access to justice and effective judicial protection before independent and impartial courts are respected.

In 2018, the EU Court of Justice painted a concrete picture of the rule of law in Article 2 TEU especially, using the colours of established case law, European law and notably Article 19 TEU, which states among other things that the Court “shall ensure that in the interpretation and application of the Treaties the law is observed” and that “member states shall provide remedies sufficient to ensure effective legal protection in the fields covered by Union law”. To provide effective legal protection in the fields covered by Union law, member states have the responsibility but also the obligation to establish and maintain independent national courts (which deal or at some point could deal with EU law) to ensure EU law is observed. “Effective judicial review designed to ensure compliance with EU law is of the essence of the rule of law”, the Court noted, and effective judicial protection is “a general principle of EU law stemming from the constitutional traditions common to the member states” and enshrined in Article 6 and 13 of the European Convention on Human Rights and Article 47 of the EU Charter of Fundamental Rights.

In its duty granted by the member states to ensure that EU law is observed, the Court reasoned that it must then also be able to review, based on principles from EU law, whether national measures also endanger the independence of courts, as this could hinder the observance of EU law. Based on earlier case law, relevant criteria include whether the court is established by law, whether it applies rules of law and whether it is independent. Independence presupposes that the court exercises its judicial functions wholly autonomously, without being subject to any hierarchical constraint or taking orders from any source whatsoever, and that it is protected against external interventions or pressure liable to impair the independent judgment of its judges and to influence their decisions, including (arbitrary) changes in remuneration or removal from office.

The EU Court reasoned it could further clarify the adequate conditions regarding the independence, impartiality and irremovability of judges in concrete cases, following sudden and radical changes in the judicial structure of Poland. Arbitrarily lowering the retirement age of prosecutors and judges in ordinary courts and the Supreme Court while giving the minister of justice or the president discretionary powers to authorise extension of their duties without the possibility of judicial review in court was found to be against EU law principles. In addition, the EU Court ordered Poland to immediately suspend the activities of a new disciplinary chamber, pending a final judgment by the EU Court. The disciplinary chamber, staffed by judges appointed via a new National Council of the Judiciary that was set up and dominated by the ruling political party, subjects judges to disciplinary proceedings. The mere prospect of disciplinary proceedings by a disciplinary tribunal whose independence cannot be guaranteed affects the independence of those proceedings, the Court reasoned, and therefore an interim ruling was warranted to avoid serious and irreparable harm to the EU's legal order.

The European Court of Human Rights in Strasbourg, whose jurisdiction EU member states (also) need to accept, recently gave an important ruling in an Icelandic case, which is relevant notably for Hungary and Poland (to a lesser degree discussion about judicial appointments in

other member states also exists, such as in Spain). Judicial appointment procedures, seemingly in compliance with national rules and national court rulings, could still produce results contrary to an independent judiciary and to the right of a fair trial. In addition, rulings by judges who are appointed under irregular circumstances could systematically be illegitimate, as the damage of (public) trust in the judiciary could be too severe.

It is thus no coincidence that the following 'picture' was painted in the preamble of the EU-budget conditionality regulation: "The rule of law requires that all public powers act within the constraints set out by law, in accordance with the values of democracy and the respect for fundamental rights as stipulated in the Charter of Fundamental Rights of the European Union and other applicable instruments, and under the control of independent and impartial courts. It requires, in particular, that the principles of legality including a transparent, accountable and democratic process for enacting law, legal certainty, prohibition of arbitrariness of the executive powers, separation of powers, access to justice and effective judicial protection before independent and impartial courts are respected".

In sum, the EU-budget conditionality regulation is based on European law and case law. While the aim of this regulation is merely protection of the EU budget,⁶ the inclusion of "endangerment of the independence of the judiciary" as a breach of the rule of law could prove important. The ultimate question regarding the use of the regulation is whether a political capture of the courts will be considered enough of a threat to the EU budget to suspend those funds until judicial independence is restored.

While the EU is in the process of articulating the EU's rule of law ideal more clearly, Hungary and Poland are redrawing (and have redrawn) their respective domestic pictures of the rule of law in practice.

While the EU is in the process of articulating the EU's rule of law ideal more clearly, Hungary and Poland are redrawing (and have redrawn) their respective domestic pictures of the rule of law in practice

The EU's rule of law reality: Hungary and Poland

Hungary

Many reports, studies, indicators and (EU) court judgments have registered the radical constitutional transformation of the Hungarian state. This transformation has led the European Parliament to trigger Article 7 of the EU Treaty to protect the Article 2 values, and it has led the Eu-

⁶ Israel Butler argued that the Common Provisions Regulation (CPR), read in light of the Charter of Fundamental Rights and the case law of the Court of Justice, already allows the Commission to suspend EU funds where a member state does not uphold the rule of law. Article 142(a) of the CPR provides that payments of EU structural funds may be suspended if "there is a serious deficiency in the effective functioning of the management and control system of the operational programme, which has put at risk the Union contribution to the operational programme and for which corrective measures have not been taken" (<https://www.liberties.eu/en/news/european-values-fund-two-proposals-mff/14471>).

ropean Commission as well as the Council of Europe to raise critical issues concerning judicial independence, anti-corruption, human rights, media freedom, and the quality and transparency of the legislative process in Hungary. Election monitors from the Organization for Security and Cooperation in Europe (OSCE) described the Hungarian electoral processes in 2014 and 2018 as free but not fair.⁷ The NGO Freedom House has declared Hungary a hybrid regime⁸ and the research institute V-Dem has called it an (electoral) authoritarian regime.⁹ Scholars have described Hungary's constitutional transformation process as 'rule of law backsliding',¹⁰ 'autocratic legalism'¹¹ and the creation of a 'Frankenstate'¹² including 'constitutional abuse',¹³ a 'competitive authoritarian regime'¹⁴ and an 'externally constrained hybrid regime'.¹⁵

In short, after Viktor Orbán's Fidesz party gained two thirds of the seats in the 2010 parliamentary elections, it pushed through new rules allowing the constitution to be amended with only a two-thirds majority instead of the previously required four-fifths majority. Consequently, via a process of nine constitutional amendments, Fidesz gained considerable influence in numerous state institutions that until then had served as independent checks on the executive. In addition, in 2015, a "state of crisis" was declared because of alleged mass migration, and this state of crisis has been renewed regularly ever since. Since the beginning of the Covid-19 pandemic, additional "states of danger" have been declared, leading to the further centralisation of power by the executive even in fields not (directly) related to the Covid-19 crisis.¹⁶ The latest constitutional amendment and change in the electoral laws has raised new criticism: further limiting (LGBTI) rights by reserving child adoption mainly for (heterosexual) married couples and banning it for LGBTI people, as well increasing the criteria for political parties to qualify for a national party list in the parliamentary elections (nearly doubling the number of constituencies required to put forward a candidate in order for their party to establish national party lists).

Two concrete examples illustrate well how Hungary has influenced the EU's rule of law

7 For 2014: www.osce.org/odihr/elections/hungary/121098. For 2018: [/www.osce.org/odihr/elections/hungary/373603](http://www.osce.org/odihr/elections/hungary/373603).

8 <https://freedomhouse.org/report/nations-transit/2020/dropping-democratic-facade>.

9 www.v-dem.net/en/news/liberal-democracy-index-in-east-central-europe/.

10 See Pech, L. and Lane Scheppelle, K. (2017) 'Illiberalism Within: Rule of Law Backsliding in the EU', *Cambridge Yearbook of European Legal Studies*, Vol. 19:3.

11 Scheppelle, Kim L. (2018) 'Autocratic Legalism', *University of Chicago Law Review*, Vol. 85:2, Article 2. <https://chicagounbound.uchicago.edu/uclrev/vol85/iss2/2>.

12 'Not Your Father's Authoritarianism: The Creation of the "Frankenstate"', *European Politics and Society Newsletter* 5-9 (winter 2013).

13 Halmi, G. (2019) 'Populism, authoritarianism and constitutionalism', *German Law Journal*, Vol. 20:3, pp. 296-313. And Halmi, G. (2018) 'Abuse of Constitutional Identity. The Hungarian Constitutional Court on Interpretation of Article E (2) of the Fundamental Law', *Review of Central and East European Law*, Vol. 43.

14 Daniel Kelemen, R. (2020) 'The European Union's authoritarian equilibrium', *Journal of European Public Policy*, 27:3, pp. 481-99.

15 Bozóki, A. and Hegedűs, D. (2018) 'An externally constrained hybrid regime: Hungary in the European Union', *Democratization*, 25:7, pp. 1173-89.

16 For example, an Operational Staff and Economic Operational Staff operates outside Cabinet with no obligations to report to Parliament or others. Occasionally parts of the pandemic emergency response, originally announced as temporary, have been incorporated into law. The redirection of tax revenues from a county council controlled by the opposition to a county council controlled by the governing party has now been made permanent by statute. A law criminalising the distribution of 'fake news' is still in place, and the packed constitutional court found it constitutional. At least 130 arrests have been made under this law (www.euractiv.com/section/justice-home-affairs/opinion/the-moment-for-lies/).

ideal in practice. First, in 2012 Fidesz lowered the retirement age of judges and prosecutors, leading to the forced early retirement of hundreds of judges and prosecutors. The Commission and the EU Court found an infringement of EU law by the national law. However, the case by the Commission was primarily based on age discrimination, which could be settled by financial compensation or reinstatement in other (lower) positions in the judiciary. New judges had already taken seat and their removal could violate the irremovability of judges. Orbán thus legally lost the case in court but won in practice: the senior judges and prosecutors were replaced. Second, in 2017 Fidesz implemented a new law on higher education, targeting the Central European University (CEU) in Budapest. The EU Court found infringements of law, such as academic freedom, freedom of establishment, the free movement of services and the freedom to conduct a business. However, the ruling came three years after the Hungarian law and one year after the CEU had already moved out of the country: due to legal obstruction by the Hungarian government, the university could no longer operate properly.¹⁷

Two other examples illustrate that in a context of national rule of law deficiencies, abuse of EU funds will occur without consequence. Investigations by the European Anti-Fraud Office had pointed to irregularities of the management of EU funds in which the son-in-law of prime minister Viktor Orbán was involved. However, the Hungarian prosecutor, appointed by Fidesz, saw no wrongdoing in the relevant tender procedure or by the company: it did not prosecute the abuse.¹⁸ More recently, a Hungarian administrative authority rejected EU funding to an NGO on the basis of a Hungarian NGO law, but the EU Court had ruled the Hungarian law as being contrary to EU law. In other words, EU funds can illegally be denied to one, and fraudulently provided to another.

Poland

Structural changes have also been observed in Poland, particularly in the field of the judiciary, the media and human rights. The European Commission triggered the Article 7 procedure after a series of laws by the ruling Law and Justice (PiS) party in Poland radically changed the judicial system. These changes were deemed as systematically threatening the rule of law. The European Network of Councils for the Judiciary has suspended the Polish National Judicial Council as it is no longer perceived as independent or capable of delivering justice. The European Parliament made condemning statements and the Council of Europe assessed the changes as being akin to changes during communist regime times. Freedom House has downgraded Poland in its index from a 'democracy' to a 'semi-consolidated democracy'. Scholars such as Sadurski have observed constitutional breakdown and abuse in Poland.¹⁹

17 The CEU had to meet new requirements by the law, but when it actually did, the Hungarian government stalled and refused to sign an agreement with the State of New York, which was one of the requirements. See for example, Petra Bárd's analysis (<https://reconnect-europe.eu/blog/a-strong-judgment-in-a-moot-case-lex-ceu-before-the-cjeu/>).

18 After continuous EU-criticism the Hungarian government in the end did not use the EU funds but used Hungarian taxpayer money instead to foot the bill (<https://english.atlatszo.hu/2019/05/11/this-is-how-authorities-sabotaged-the-fraud-investigation-against-orbans-son-in-law/>).

19 For example, Sadurski, W. (2019) 'Poland's Constitutional Breakdown', *Oxford Scholarship Online*, July.

After winning the presidential and parliamentary elections in 2015 and 2016, the Law and Justice party pushed through its own judges in the constitutional court, against a ruling of the Polish Constitutional Tribunal. The ruling party then embarked on a radical reorganisation and politicisation of the courts by reforming the Council of the Judiciary, dominated now by judges chosen by the ruling party's members parliament due to a change in appointment rules, which is tasked with proposing new judicial appointments in courts. A new disciplinary chamber prosecutes judges who criticise these changes or who maintain dialogue with the EU Court to test and apply EU law against these changes.

Overall, despite action by different EU actors, Poland and Hungary systematically redrew the EU's rule of law ideal in practice. The actions in Poland were much more visible for the EU than in Hungary. Lacking a parliamentary constitutional majority, Poland's Law and Justice party violated its own national constitution and national courts openly. The EU triggered the ultimate tool to protect European values, Article 7 TEU, towards Poland first, and not Hungary. This tool is now considered politically toothless, as Hungary and Poland support each other mutually to prevent effective sanctions which require unanimity. In addition, partisan interests play a role, particularly for Fidesz, which has maintained political influence in the largest European political party family, the EPP, and its concomitant influence in EU institutions. Furthermore, the economic interests of member states seem largely to have granted (in the short term) a 'free drawing board' on the rule of law.²⁰

While the EU Court has gained influence in the EU's rule of law ideal, systemic and repeated attempts to redraw the rule of law in Hungary and Poland take place. These countries' ruling parties also seek additional 'legal defences' by claiming respect for constitutional identity, by producing national constitutional court rulings, and/or by changing the constitution. For example, a recent constitutional change by Fidesz seems to limit the impact of the recently adopted EU-budget conditionality regulation by making it more difficult to trace disbursed EU funds in Hungary (and thus also abuse) by limiting the definition of public funds. The Polish Constitutional Tribunal has recently claimed supremacy, over courts in Poland at least, regarding the interpretation of European law, contrary to independent Polish and EU court interpretations.²¹ In doing this, the ruling parties in Hungary and Poland are practically pitting their judges against European and other national judges.

(Breakdown of) dialogue between judges in the EU

The EU's legal order depends on national courts applying EU law. They do this in collaboration with the EU Court of Justice via preliminary referrals (national judicial questions) and preliminary

20 For example, an 'authoritarian equilibrium' has been formed in the EU according to Daniel Kelemen, 'The European Union's authoritarian equilibrium'.

21 The Polish Tribunal ruled in April 2020 that judicial review of the new Council of the Judiciary (including judicial appointment procedures by the Polish Supreme Court in/after dialogue with the EU Court) was contrary to the Polish constitution and EU law.

rulings (EU Court answers on how to interpret EU law). The concrete cases coming before a national court are decided by national judges. This duty is entrusted to national courts based on “the fundamental premiss that member states share a set of common values on which the European Union is founded, as stated in Article 2 TEU”.²²

The ruling parties in Hungary, and particularly in Poland, have been obstructing genuine dialogue between national judges and the EU Court. Via their national constitutional courts, Poland and Hungary seek to claim a supreme interpretation of EU law and its relationship with national law. Fidesz and the Law and Justice party claim that EU decisions and legal intervention violate their so-called constitutional identity. Their claim has been heavily criticised by the president of the EU Court, and recently by the advocate general of the EU Court in a case against Poland.

Setting aside the merits of these legal arguments (including criticism that these EU Court actions violate Hungarian and Polish constitutionality itself), if the Hungarian and Polish constitutional courts, captured by their respective ruling parties, claim to see something completely different from the EU’s rule of law ideal, a workable rule of law becomes impossible, as does EU cooperation itself.

To refer to the analogy of the ‘duck-rabbit’ *Gestalt Switch* picture: you can *either* see a rabbit *or* a duck, but not both at the same time. The EU requires one common shared rule of law (ideal), which solidifies the mutual trust between different national authorities and judges, who are bound by EU law to cooperate with each other and mutually recognise their decisions.

National judges in the EU have started to lose trust Polish colleagues in particular. As stated earlier, the European Network of Councils for the Judiciary has suspended the Polish National Judicial Council, which is no longer perceived as independent or capable of delivering justice.²³ National judges, particularly in the Netherlands, have recently urged the EU Court for a response on what to do with European Arrest Warrants from Polish national courts and prosecutors. The EU, and in particular the EU Court, is confronted with the dilemma of upholding mutual recognition of decisions between national authorities to ensure European cooperation on the one hand, and the right of a fair trial for EU citizens in Polish courts on the other. With regard to European Arrest Warrants, Dutch and other judges in the EU are now required to analyse the systemic rule of law breakdown in Poland and assess a possible violation of an individual’s right to a fair trial by investigating which particular judge in which court is presiding

Via their national constitutional courts, Poland and Hungary seek to claim a supreme interpretation of EU law and its relationship with national law

²² Opinion 2/13, EU:C:2014:2454, paragraph 168.

²³ “It is a condition of ENCJ membership that institutions are independent of the executive and legislature and ensure the final responsibility for the support of the judiciary in the independent delivery of justice. The ENCJ became concerned that as a result of the recent reforms in Poland the KRS no longer fulfilled this requirement” (<https://www.encj.eu/node/495>).

over the case. An arduous task, which is further hindered by Polish authorities that refuse to give insight and by the uncertainty created by the ruling Law and Justice party as to which court or judge will actually take up a given case.²⁴

In general, the EU, and in particular the European Council and the European Commission, are criticised for doing too little to solve this crisis on the rule of law. In other words, they are criticised for not forcing Hungary and Poland to abide by Article 2 TEU values – something which was previously (and still is) taken for granted – and thus for not restoring trust. The Commission is urged to launch more expedited infringement procedures, to request interim rulings and financial penalties (which are possible under EU law) to enforce and articulate the rule of law more profoundly via EU Court rulings, not only in the field of judicial independence but also European values more broadly. Interim rulings and financial penalties for violations can prevent actual damage being done prior to a final EU Court ruling. The Dutch parliament has recently urged the Dutch government to bring Poland before the EU Court with other member states due to the failure by the Commission to enforce an (interim) EU Court decision regarding the Polish disciplinary chamber.

Does the EU violate the rule of law?

No EU actor should forget to reflect critically on its own (in)action. However, the EU itself also appears to have violated principles of the rule of law. One example is the forced earlier leave of Advocate General Eleanor Sharpston from the EU Court under the banner of Brexit. Member states, until now with the complicity of the EU Court, dismissed her allegedly contrary to EU primary law, implying illegal intervention in the composition of a court by the member states collectively. Another example is the adoption of the European Council conclusions concerning the EU-budget conditionality regulation. In an attempt to strengthen the rule of law, the EU is criticised for having violated it by accepting the European Council's political hijack of an ordinary legislative procedure, and by accepting that the Commission, the 'independent Guardian of the Treaties', receive guidance from the European Council in the Commission's use of the regulation.

Furthermore, in the context of a gap between the EU's rule of law ideal and its reality, the EU (Court)'s supremacy claim could turn out to be problematic. For example, the EU Court has refused scrutiny of EU law by the European Court of Human Rights in Strasbourg, as it prefers its own autonomy, which is based on the assumption that all member states adhere to core European values. In addition, the EU Court has recently shut down bilateral investment treaties tribunals. These (alternative) legal avenues and legal oversight mechanisms could nevertheless provide a check when the EU itself allows, or cannot prevent, fundamental rights violations.

24 The Court in Amsterdam mentioned information about the latest order from the Polish minister of justice to Poland's courts and prosecutors not provide information to foreign authorities about suspects and (changes in) Polish law (<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Amsterdam/Nieuws/Paginas/IRK-stelt-nadere-vragen-aan-Poolse-rechters-over-de-Poolse-rechtsstaat.aspx>).

In sum, through the process of a *Gestalt Switch* by Hungary and Poland and the inaction of the EU, national judges and authorities in member states could become trapped in an EU snare where they need to apply EU law while the EU (law) fails to protect the EU rule of law's ideal itself.

Conclusion

Both Hungary and Poland – not solely, but in particular – are putting the rule of law under pressure in the EU. The latest EU-budget conditionality regulation is an example of the EU expressing its rule of law ideal as a principle more clearly in practice. But only considerable and swift legal and political action can establish a firm constitutional picture of the rule of law in the EU and its member states. Each institution can, however, pull its weight to make this happen: the Commission, the Council and the Parliament can propose new EU legislation and undertake political action. The Commission and member states can launch (expedited) infringement procedures in the spirit of European values, request interim rulings and financial penalties at the EU Court for perceived violations, including rule of law violations. National judges all over Europe can make preliminary referrals to the EU Court. If one does not pull their weight, others will, and they could continue to make their (obfuscating) marks on the EU's rule of law, either in picture or in practice. The rule of law requires constant maintenance by all, otherwise it will fade.

Towards a Child Union. A European agenda to break the cycle of disadvantage

Albert F. Arcarons

In Europe, 22.2 million children – almost one in four – are at risk of poverty or social exclusion. And this situation is worsening due to the economic consequences of the Covid-19 pandemic. Child poverty rates are not only higher than we would expect from the level of economic development of the European Union, but also stand systematically higher than total poverty rates. In the last decades, child poverty has evolved from being a hidden reality within the household to being an issue of fundamental rights with legally binding obligations for both European institutions and member states. The coronavirus pandemic has been a magnifier of health and wealth inequalities, and has brought to light the weaknesses of European social protection systems. Whether the coronavirus crisis can represent a turning point in the protection of the most vulnerable children in Europe will depend on whether we are able to lay the foundations of a Child Union. For this to happen it is crucial to put children at the centre of the reconstruction, and to translate into concrete national policies the advances that the Child Guarantee and the Action Plan to implement the European Pillar of Social Rights will bring at European level. We are now closer than ever to a Child Union, and we need to seize the momentum.

Child poverty is the main path for the intergenerational reproduction of poverty: children born and raised in poverty have a high risk of becoming impoverished adults whose own children will also most likely live in poverty. The intergenerational transmission of disadvantage causes a reduction in the equality of opportunity in a society. The presence or absence of social mobility is an indicator of how the opportunities for socio-economic achievement are distributed, and whether this distribution is fair or not. Fighting child poverty and inequality is a prerequisite for breaking the cycle of disadvantage and achieving a full democratic society built on the principles of merit and social justice rather than privilege.

In Europe, 22.2 million children, almost one in four, are at risk of poverty or social exclusion, abbreviated as AROPE. The AROPE indicator is the main indicator to monitor the poverty

target of the EU 2020 Strategy, and one of the most used instruments to monitor the annual evolution of child poverty in the EU. This composite indicator, which includes monetary poverty, severe material deprivation and low work intensity, has progressively decreased since its peak (28 per cent) in 2012 that was caused by the last economic crisis. Nevertheless, levels remain high (23.4 per cent) and vary greatly across member states: from 30 per cent in Romania to 10 per cent in Denmark. Monetary child poverty,¹ the main component of the AROPE indicator, has remained stable, however, at around 20 per cent since 2008, affecting 18.4 million children according to the most recent data. This shows that there has been little progress in the last decade to enhance the economic situation of children in the EU. Moreover, among those children living in monetary poverty in the EU, more than one third (ie, 7 per cent) experience a more severe type of poverty,² which entails a higher risk of social exclusion and chronification, as it is likely to be more persistent.

Child poverty rates in Europe are not only higher than we would expect from the level of development of the European Union but also stand systematically higher than total poverty rates

Child poverty rates in Europe are not only higher than we would expect from the level of development of the European Union but also stand systematically higher than total poverty rates. In the last decade, the difference between child and total poverty rates ranged between three and five percentage points. If we disaggregate total poverty rates further by age group, we observe that children (aged 0 to 18) are, together with young adults (aged 18 to 24), the age group with the highest monetary poverty rates in Europe. These age-related differences in poverty rates over time point to the particularity of child poverty, and the need for addressing it with appropriate policy responses both at the EU and national level. Several member states struggle to reduce child poverty after social transfers, a clear sign of the lack of efficiency of their benefit systems to address this reality. While some member states

achieve post-transfer child poverty reductions of even more than 50 per cent, others struggle significantly to counter the effect of market inequalities on the well-being and development of children.

The increasing amounts of data and evidence showing persistent age-related differences in poverty, and the rising awareness of the economic costs of child poverty and inequality, as well as their detrimental effects on social justice and cohesion, have crucially contributed to placing the fight against child poverty among the top priorities of a social Europe. We need to seize the momentum, as these are decisive times for the consolidation of the pillars of a Child Union.

1 Calculated at the 60% of median equivalised income after social transfers.

2 Calculated at the 40% of median equivalised income after social transfers.

Child poverty: from a family matter to a subjective right

Child poverty has evolved from being a hidden reality within the household to being an issue of fundamental rights with legally binding obligations for both European institutions and member states.³ In the last decades, we have witnessed the consolidation of a perspective that is focused on the rights of the child in the EU and international legal frameworks, and that embraces the multidimensionality of child poverty. There has been a shift from charity to rights, with a recognition of children as the subjects of rights, or as independent rights-holders, whose best interests need to be taken into primary consideration. This new focus on rights has now become the guiding principle at supranational level. Yet despite these advances, there is still much to be done to achieve a substantive national implementation. The materialisation of these rights-based international principles and standards into concrete policies and actions at the national level, with a real impact on child poverty reduction and child well-being, is one of the main challenges ahead.

The relationship between child poverty and child rights is reciprocal. On the one hand, child poverty has been increasingly understood as a multidimensional phenomenon that affects rights in different ways. Living in a situation of poverty or social exclusion leads to a violation of fundamental rights such as equal access to education, health and adequate nutrition. Tackling child poverty is therefore a precondition for the fulfilment of other rights. On the other hand, violations of fundamental rights can lead to poverty and social exclusion, and most likely to a chronification of these disadvantages, with negative consequences in adult life. In short, the experience of child poverty is an infringement of child rights, and neglecting these rights is likely to result in poverty in those children's adult life.

Tackling child poverty is a precondition for the fulfilment of other rights

The main legally binding instruments on which an effective rights-based approach to fight child poverty can build are, at the international level, the Convention of the Rights of the Child (CRC) adopted in 1989 and ratified by all UN member states, and at the European level, both the Charter of Fundamental Rights of the European Union and the European Social Charter (ESC, 1961 and 1996 revised version). The CRC enshrines child-specific economic and social rights that are closely related to child poverty. Article 27 is paradigmatic in this respect, as it enshrines "the right of every child to a standard of living adequate for his or her physical, mental, spiritual, moral and social development". This article also mentions the obligation of states parties to provide material assistance and support programmes in case of need, in order to guarantee the right of children to adequate nutrition, clothing, and housing in particular. Moreover, the CRC also enshrines the right to education based on equal opportunity (Article 19), the right to the enjoyment of the highest attainable health standard (Article 24), and the rights to be heard and not to be discriminated against.

³ The report *Combating child poverty: an issue of fundamental rights* (2018) of the European Union Agency for Fundamental Rights (FRA) provides a comprehensive account of the main steps at the European and international levels towards combating child poverty from a rights of the child perspective (<https://fra.europa.eu/en/publication/2018/combating-child-poverty-issue-fundamental-rights>).

At the European level, both member states and EU institutions are bound by the EU Charter of Fundamental Rights. Article 24 is exclusively dedicated to the rights of the child, with a provision that can be interpreted as closely linked to the fight against child poverty and the protection of children from poverty. This provision states that “children shall have the right to protection and care as is necessary for their well-being”, and that “in all actions relating to children, whether taken by public authorities or private institutions, the child’s best interests must be a primary consideration”. Moreover, Article 34 on social security and assistance explicitly relates fighting poverty and social exclusion to specific fundamental rights such as the right to social and housing assistance in order to “ensure a decent existence for all those who lack sufficient resources”.

The ESC, revised in 1996, furthermore includes a unique article (Article 30) in the international human rights framework as it introduces, for the first time in a legally binding instrument, the right to protection against poverty. More concretely, Article 30 calls on states parties to take measures to guarantee effective access to employment, housing, training, education, culture, and medical assistance, for persons in a situation of risk of poverty or social exclusion, as well as for their families. Despite its importance for embracing a rights-based approach to poverty and child poverty, some key member states of the Council of Europe such as Germany, Spain and Denmark have not yet ratified the revised version of the ESC.

More recently, two initiatives at the European level that seek to advance the fight against child poverty, thus building on the EU and international human rights framework, are firstly the adoption of the European Commission’s 2013 Recommendation ‘Investing in children: breaking the cycle of disadvantage’; and secondly, the proclamation of the European Pillar of Social Rights (EPSR) in 2017. Although a soft law instrument (ie, not legally binding), the 2013 Recommendation represents a crucial step towards a more comprehensive understanding of child poverty from a perspective of the rights of the child, and it leaves behind the consideration of child poverty solely from the perspective of the parents’ relationship to the labour market. As a response to the growing levels of poverty and social exclusion in the wake of the 2008 economic crisis, the Recommendation provides guidance to member states for the implementation of policies to fight child poverty and exclusion. These policies should focus on three pillars: (1) access to adequate resources, (2) access to affordable quality services and (3) the right of children to participate. In line with the CRC, the Recommendation highlights in its guidelines the importance of understanding the interdependency of the rights of the child, providing an integrated framework to combat child poverty effectively.

Despite the importance of the 2013 Recommendation for advancing in a rights-based approach to child poverty, subsequent evaluations have questioned the impact of the Recommendation on the improvement of policies at national level. The European Social Policy Network (ESPN) concluded in 2017 that very limited progress had been made on most areas included in the Recommendation in the majority of countries with already high levels of child poverty or social exclusion. In some cases, there have even been setbacks. The ESPN also concluded that member states with high and very high levels of child poverty did not show progress towards a more integrated multidimensional approach. In a more recent Special

Report,⁴ published in 2020, the European Court of Auditors concludes that “the Recommendation was a positive attempt to holistically address child poverty, but its quantitative impact is difficult, if not impossible, to assess”. Moreover, the European Court of Auditors highlights that the Commission has limited information for an effective monitoring of the Recommendation, as there is a lack of appropriate measurable indicators, realistic targets, and reporting mechanisms.

As well as the 2013 Recommendation, the European Pillar of Social Rights (EPSR) is also an important milestone in the reinforcement of a holistic rights approach to child poverty. Even if it is not legally binding, the EPSR makes clear references to the rights enshrined in the European Social Charter, and reflects a political commitment of the EU institutions to a fairer Europe with a strong social dimension. Among its 20 principles, which aim at triggering legislative and non-legislative activity at member state level, the text of the EPSR introduces for the first time the right to protection from poverty for children. More concretely, it includes a specific provision in Principle 11 (Childcare and support to children) which states that “children have the right to protection from poverty” and that “children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities”. Principle 11 also acknowledges the importance of enhancing equal opportunities from early childhood by specifying that “children have the right to affordable early childhood education and care of good quality”. In addition, the EPSR refers to the rights of children at risk of poverty in its Principles 1 (“right to quality and inclusive education”), 14 (“right to adequate minimum income benefits ensuring a life in dignity at all stages of life”) and 19 (“access to social housing or housing assistance of good quality” and the “right to appropriate assistance and protection against forced eviction”). The EPSR is provided with a “social scoreboard” to monitor progress in the implementation of the principles and rights enshrined. The scoreboard has been integrated into the European Semester but it only includes one child-focused indicator, which measures participation in formal early child education and care (ECEC) programmes.⁵ The rest of the indicators are not disaggregated by age, overlooking the perspective of children, even if children have systematically higher poverty rates than the total population.

In sum, an approach focusing on the rights of the child allows for an understanding of child poverty beyond family poverty. There is wide consensus on the idea that employment policies, a classic approximation to fight child poverty, have not proven to be enough, as they leave out many aspects related to children’s well-being. The cost of living has escalated at a much

The European Pillar of Social Rights (EPSR) is an important milestone in the reinforcement of a holistic rights approach to child poverty

4 See European Court of Auditors (2020), ‘Combating Child Poverty - Better targeting Commission support required’, Special Report 20 (www.eca.europa.eu/en/Pages/DocItem.aspx?did=54614).

5 As part of the ‘Public support/ Social protection and inclusion’ indicators of the Social Scoreboard, this indicator shows the percentage of children (under 3 years old) cared for by formal arrangements other than the family (<https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/indicators/social-scoreboard-indicators>).

Family protection systems have not evolved at the same pace as the demographic and social transformations that have altered the characteristics and dynamics of families with children in Europe

higher pace than earnings from work, which has particularly affected vulnerable families with children in urban contexts. In the EU27, around one in ten employees are ‘working poor’: their jobs do not protect many of them and their families and children from poverty. Together with the increasing precariousness of employment, family protection systems have not evolved at the same pace as the demographic and social transformations that have altered the characteristics and dynamics of families with children in Europe. For instance, single parents (mostly women) and large families are clearly over-represented in poverty in most member states. This indicates that there is a need for a broader vision of family policies that embraces the diversity and that attends to the specific needs of different family configurations.

Placing children at the centre of policymaking combined with a focus on the rights of the child is therefore crucial to protect the most vulnerable from the growing precariousness of employment, the effects of changing demographics, and eventual economic shocks. The main aim must be to develop a protection system with durable and adaptive policies that does not leave the rights and well-being of the most vulnerable children at the mercy of changing economic, labour market or household conditions. This must ensure both an appropriate standard of living and access to quality services. The current Covid-19 crisis represents a unique opportunity to advance in this direction.

The pillars of a Child Union

If brought about, a ‘Child Union’⁶ would form the cornerstone of a strong Social Union and the pillar of a new welfare paradigm. As defined by different experts, activists, and MEPs, the objective of a Child Union is to overcome inequalities among children from early childhood by providing equal opportunities to acquire the necessary skills and abilities for children’s full participation in society. A Child Union seeks to break the intergenerational transmission of poverty and social exclusion, and would thus lay the foundations for social justice and cohesion. Investing early in life is the most effective way to ensure the viability of European welfare systems. The idea is straightforward: we know from a vast amount of research that disadvantages are cumulative over a life course, and therefore the earlier we revert them, the lower the costs and the higher the benefits.

Following this logic, the fundamental building block of a Child Union is affordable and high-quality Early Childhood Education and Care (ECEC). As we have seen, ECEC is a provision of Principle 11 of the EPSR: “children have the right to affordable early childhood education and

6 For a more detailed description of the ‘Child Union’, see Morabito, C. and Vandenbroeck, M. (2020) *Towards a Child Union. Reducing inequalities in the EU through investment in children’s early years*, Brussels: Foundation for European Progressive Studies (FEPS) (www.feps-europe.eu/attachments/publications/towards%20a%20child%20union%20-%207.pdf).

care of good quality". Indeed, there is consensus on the fact that participation in quality ECEC programmes has beneficial effects on the cognitive and socio-emotional development of children aged 0 to 3, especially among the most disadvantaged, with a positive impact in later educational and life achievements.⁷ However, half of the member states are still below the 33 per cent target of the ECEC coverage set by the Barcelona objectives, with significant variation at the subnational level. In Spain for instance, the difference between the regions with the highest and the lowest enrolment rate at 2 years old is above 60 percentage points.

Moreover, children from low-income households participate less in high-quality ECEC, which leads to an increase rather than a decrease in inequality. Most disadvantaged households, for instance in Spain about two thirds, report 'not having the capacity to meet the costs' as the main reason for not enrolling their children in ECEC programmes. But even if the most vulnerable children overcome the access barrier, they are still more likely to participate in lower-quality programmes and for fewer hours per week. Often national minimum quality standards are poorly defined, mostly because a significant part of the places offered is private. Overall, children who seem to benefit the most from quality ECEC programmes in many member states are those who already have higher parental resources, even when participation rates are above the target set by the Barcelona objectives. The member states that seem to overcome access and quality barriers to ECEC more successfully, such as Slovenia, follow a child rights-based approach to ECEC provision.

Despite being the building block of a Child Union, the expansion of affordable high-quality ECEC programmes cannot reduce inequalities by itself, as it needs to be integrated into a broader welfare provision. This broader policy system should be based on the notion of proportionate universalism (ie, universal benefits and services, with means-tested fees, complemented by additional resources for the most disadvantaged children), and should consist of three main sets of policies to address the needs of the most vulnerable children in particular:

- social protection through efficient tax and cash benefits, and minimum income schemes with a child component and integrated fade-in and fade-out mechanisms to provide positive incentives to account for the disrupted trajectories at the lower end of the labour market;
- equal access to basic services, apart from ECEC, such as housing, education, health, nutrition, and leisure;

Disadvantages are cumulative over a life course, and therefore the earlier we revert them, the lower the costs and the higher the benefits

⁷ The recently published report Trends in International Mathematics and Science Study (TIMSS 2019) by the International Association for the Evaluation of Educational Achievement (IEA) provides new evidence on the positive effect of participation in ECEC programmes when looking at achievement in maths and science (<https://timss2019.org/reports/>).

labour market policies to stimulate employment and reskill/upskill the labour force, reduce the growing precariousness of work, set statutory minimum wages and offer adequate remunerated paternity and maternity leave of equal length and responsibility for both parents.⁸

Putting children at the centre of the reconstruction

The Covid-19 crisis has brought to light the weaknesses of European social protection systems, and it represents a turning point in the protection of children at risk of poverty and social exclusion in the EU. Although there are no official data yet, a further increase in child poverty can be expected in the wake of the pandemic. For the moment there is scattered evidence at the national level on the impact of Covid-19 on child poverty, and there is a structural deficit of data about children at the European level. Furthermore, the main indicators that are available are not responsive enough to sudden shocks. For instance, child poverty rates refer

to the economic situation of households with children the year prior to the time of the interview. This often results in a two-year gap between the time to which the information refers and the time when the result is published, thus making it impossible to capture changes in the period in between.

The adverse situation brought by Covid-19 demands an effective response with a long-term perspective from European and national authorities. And there is no better synonym of 'long term' than children

The adverse situation brought by Covid-19 demands an effective response with a long-term perspective from European and national authorities. And there is no better synonym of 'long term' than children. In the 2008 economic crisis, the situation of disadvantaged children was overlooked by most member states, and the protection systems for children and families were undermined by the logic of austerity. This resulted in a significant increase in child poverty and inequality rates, the consequences of which member states are still countering more than a decade later. In the current crisis, the

coronavirus containment measures have disrupted the educational, social and emotional development of children, with expected long-term consequences if recovery plans do not include countermeasures that take children's needs into account.

To do things differently now, the first question we need to ask is how the Covid-19 crisis has specifically affected the most vulnerable children. The crisis has undoubtedly been a magnifier of existing health and wealth inequalities. Moreover, the different measures adopted to contain the spread of the virus have had important consequences on the lives of children and the fulfilment of their rights. First, income losses call into question the availability and responsiveness of social protection systems in several member states. In some cases, there are clearly underdeveloped or fragmented minimum income schemes.

Second, one of the coronavirus containment measures with the greatest impact on children has been school closures. There has been great variation across member states in the

8 See the EU Work-life Balance Directive adopted by the European Council in June 2019 (www.consilium.europa.eu/en/press/press-releases/2019/06/13/better-work-life-balance-for-parents-and-carers-in-the-eu-council-adopts-new-rules/).

length of the closure, but this lasted up to six months (including the summer holidays) in the worst case. School closures have resulted in great learning losses, especially among the most disadvantaged schoolchildren, and have widened the already existing educational divide. Recent research⁹ has concluded, for instance, that in the Netherlands, which had a short school closure of eight weeks in 2020 and high broadband coverage even among the poor, the lost progress has amounted to about a fifth of a school year. Researchers have also found that learning losses are not equally distributed: schoolchildren from low-educated households have suffered a 50 per cent larger drop in performance than their more advantaged peers. Moreover, we can also expect an increase in early school-leaving and school-dropout rates.

Third, home schooling has highlighted an existing digital divide in most member states. This is observed at three levels: internet access, access to devices, and use of the internet and devices. In Spain for instance, a report from the Office of the High Commissioner against Child Poverty¹⁰ shows that one in ten low-income households with children, do not have internet access. Moreover, disaggregated by type of connection, one in five do not have broadband access. The report also shows that one in five children aged 15 in households in the first socio-economic quartile (the most disadvantaged) does not have access to a computer at home to do schoolwork. Although children in the most disadvantaged households make more intensive use of the internet than children in more advantaged households, half of them never or almost never use it to do homework. Moreover, there are added constraints such as the capacity of parents and teachers to assist their children (lower for the most disadvantaged children) and the readiness of schools to teach online (mostly lower for schools with a higher concentration of more disadvantaged children).

Fourth, lockdown measures have also evidenced inequalities in access to affordable and quality housing. Evidence shows that housing conditions are crucial for the physical, psychological and social development of children. Overcrowding, lack of daylight and inability to keep the home at a suitable temperature, among other factors, have significantly impacted the way the most vulnerable children have experienced the lockdown. Moreover, school closures, and consequently the closure of school canteens, have also increased inequalities in access to adequate nutrition. In addition, children's right to leisure has also been affected, and an increase of violence against children due to higher levels of stress at home has severely undermined their well-being.

The second question we need to ask, which is imperative, is how the 'Recovery and Resilience Facility' of the 'NextGenerationEU' (and the other initiatives at European level, as

Home schooling has highlighted an existing digital divide in most member states. This is observed at three levels: internet access, access to devices, and use of the internet and devices

9 See Engzell, P., Frey, A. and Verhagen, M. (2020), 'Learning Inequality During the Covid-19 Pandemic', Working paper, SocArXiv (<https://osf.io/preprints/socarxiv/ve4z7/>).

10 See Spanish High Commissioner against Child Poverty (2020) 'Brecha Digital y Pobreza Infantil,' Policy brief (www.comisionadopobrezainfantil.gob.es/es/db014-brecha-digital-y-pobreza-infantil).

detailed in the next subsection) can address these adverse effects. Even if children are not explicitly prioritised in recovery funds, member states can include child poverty as a transverse axis in the definition and implementation of their national programmes. A child poverty and social exclusion perspective could be added to programmes related to the digital and green transitions – one of the central aims of the ‘Recovery and Resilience Facility’. With regard to the digital transition, action can be taken to provide fast broadband access to remote areas and disadvantaged households with children. Moreover, resources can be allocated to the digitisation of the education system, focusing particularly on the most disadvantaged schoolchildren and schools. Resources can also be allocated to level up the digital skills of teachers, and the digital competences of children, by designing for instance inclusive programmes that target schoolchildren in low-income households. With regard to the green transition, national governments can prioritise the rehabilitation and energy improvement of buildings in areas with a higher share of children in a situation of risk of poverty or social exclusion.

A critical juncture for the fight against child poverty in the EU

The additional resources of the Recovery and Resilience Facility are integrated in the long-term EU budget for the 2021-2027 period, which also includes the more traditional structural funds. Both instruments should therefore be understood as complementary in the fight against child poverty. In this regard, the European Commission’s amendment to the regulation

of the European Social Fund Plus (ESF+), which adds that “Member States shall allocate at least 5 per cent of their ESF+ resources under shared management to support targeted actions and structural reforms to tackling child poverty”, remains the most important proposal to prioritise children in the next long-term budget.

The appropriate use of both the recovery and structural funds by member states is crucial for the materialisation of the different initiatives in progress at the European level to promote child rights and the fight against child poverty

The appropriate use of both the recovery and structural funds by member states is crucial for the materialisation of the different initiatives in progress at the European level to promote child rights and the fight against child poverty. Among these initiatives, three have the potential to stand as the main pillars of a Child Union, as they have key implications for changing the situation of the most vulnerable children in the EU.

The European Child Guarantee (CG). This will take the form of a Council Recommendation and is expected for the first quarter of 2021. The Council Recommendation on a CG will most likely take into account the impact of the Covid-19

pandemic on children at risk of poverty and social exclusion, and will most likely serve as a policy framework for member states. The CG is based on the principles and the integrated approach of the 2013 Recommendation, and the objective for the CG is to serve the implementation of Principle 11 (“Childcare and support to children”) of the EPSR, as well as to serve as an instrument for the European Strategy on the Rights of the Child, which is also expected for

the first quarter of 2021. The European Commission is currently carrying out preparatory action for a Child Guarantee. The double objective of this work is for it to serve as the basis for the Recommendation, and also as the basis for the development of National Action Plans for the future implementation of the CG. The 2021 Recommendation on a CG will request member states to adopt policies and make additional investments in order to guarantee the access of the most vulnerable children to affordable quality services that are essential for their well-being, health, and development. In the feasibility study conducted in the first phase of the preparatory action, “most vulnerable children” were defined as (1) children living in precarious family situations, (2) children residing in institutions, (3) children of recent migrants and refugees, and (4) children with disabilities and other children with special needs. The feasibility study identified five priority areas: (1) free early education and care, (2) free education, (3) free healthcare (4) decent housing, and (5) adequate nutrition. More recently, the access to extracurricular activities and leisure has been added to these five priority areas.

The finalisation of the preparatory action is expected for 2022, when the new programme period will most likely have already started, and when the ESF-relevant operational programmes should already have been adopted. In this regard, the European Court of Auditors makes the following recommendation: “the Commission should ensure that sufficient and reliable information on the measures and funding required to have a positive impact on the level of child poverty in the EU has been collated and analysed for developing a European Child Guarantee” by the beginning of the 2021-2027 Multiannual Financial Framework period.

The Action Plan to implement the European Pillar of Social Rights. This is a priority for the European Commission, as implementation of the EPSR is reflected in the EU strategic agenda for 2019-2024. The action plan is expected to be presented in early 2021, and to seek political endorsement during the Portuguese Presidency of the Council. The plan should serve as the main vehicle for outlining new policy initiatives that can support the implementation of the EPSR’s 20 principles, including Principle 11 on child poverty. The European Commission is currently in a consultation process to prepare this.

The European strategy on the Rights of the Child 2021-24. Also expected for the first quarter of 2021, this has recently concluded its open public consultation, including targeted consultations with children through leading child rights organisations. The main aim of the strategy is to provide a comprehensive policy framework to strengthen the promotion and protection of the rights of the child in the EU, by embedding a child rights perspective in all new EU legislative and policy actions. The strategy will put existing legislation, policies, tools and programmes at EU level under a single umbrella, and will assess how EU action can complement national measures to strengthen the protection of children’s rights. The strategy is crucial for a rights-based approach to child poverty, as it is expected to pay special attention to the rights of the most vulnerable children. Among other areas, it is expected to focus particularly on children’s right to fully participate in the digital and information society, and their right to equal access to quality education and health services.

Conclusion

Tackling child poverty in the EU is more important than ever. Both the 2008 economic crisis and the current Covid-19 crisis have found many member states unprepared for the protection of the most vulnerable children and their rights. This is mainly because progress towards a rights-based approach to child poverty at the international and European levels is still not fully reflected in concrete policies at the national level. This chapter advocates the need to advance towards a Child Union for a strong social Europe.

A Child Union involves a welfare paradigm change to overcome inequalities among children from early childhood by providing equal opportunities to acquire the necessary skills and abilities for children's full participation in society

In short, a Child Union involves a welfare paradigm change to overcome inequalities among children from early childhood by providing equal opportunities to acquire the necessary skills and abilities for children's full participation in society. To advance towards a Child Union, member states need to seize the momentum. National recovery plans, funded by the Next-GenerationEU package, should take into account the needs of the most vulnerable children, particularly those related to the educational and digital divides. Moreover, member states should be actively involved in the upcoming European initiatives related to child poverty. In particular, they should play an active role in the definition of the Child Guarantee and the

Action Plan to implement the European Pillar of Social Rights. They should also work together with the EU institutions to make sure that enough resources are channelled at national level to co-finance the implementation of these initiatives on child poverty and social exclusion.



NATIONAL FOCUS

Experiences from Denmark

Britta Thomsen

Since June 2019, Denmark has had a minority Social Democratic government, after almost 20 years of liberal/conservative governments that were supported by the nationalistic Danish People's Party. The only interruption during those 20 years was a Social Democratic coalition government from 2011 to 2015. This article gives a short presentation of the historic background of the Nordic welfare state since 1960 and the politics that are the precursors of the new ideas of the Danish Social Democratic Party, the current government, and the party leader Mette Frederiksen. The Covid-19 crisis has affected the political environment in Denmark like in other countries and this article explains some of the initiatives that were taken. It is clear that the Danish welfare state played a key role in managing the Covid-19 crisis in Denmark. This article also explains how Danish EU politics have developed and why the Danish trade unions and most political parties are fighting so strongly against the EU directive to establish a minimum wage. Finally, some lessons from the Danish example will be drawn.

Historical background

The Nordic Social Democratic parties' visions for the welfare state became a reality during the golden age of the post-war western economies in the 1960s. In 1960, the Danish Social Democratic Party won a landslide victory with 42 per cent of the votes under the slogan 'Make good times better'. It was its best result ever in the post-war era. Contrary to Sweden, Denmark has always had several strong parties and the Social Democratic Party never had an absolute majority. However, the Danish Social Democratic Party did dominate the post-war era, both in terms of electoral performance (the party was always the biggest) and of ideology.

A fundamental part of the identity of the Social Democrats lies in the tradition of equality. If people are not born with the same preconditions to manage their lives – due to the influence of the social environment – this should not impair their opportunities to have a good life. This is the idea behind the Nordic welfare state. Contrary to this, the conservative and liberal philosophy is that the welfare state is only meant for people that cannot take care of themselves, and not universal for everyone. The Social Democratic model is built on a principle of solidarity where everyone pays for everyone. It demands high taxes from the individual, but in the tax system there is a considerable effect of redistribution. A system that allocates the

welfare benefits depending on a person's needs, and not to everybody, may seem fair, but there is less of a redistribution effect. In Denmark, the health system is free for everyone, the state guarantees affordable childcare to all children after 12 months, and there is free access to education including all universities, and every student gets a scholarship, independent of their parents' income. In 1957, a law on a universal pension for everyone, that is not based on their contributions but on the fact of being a citizen, was adopted and it still exists as a kind of basic income for all.

Another feature of the Nordic welfare state is the close relationship between a strong unique trade union and the Social Democratic parties. Scandinavian trade unions have traditionally had a high number of organised workers and a well-functioning labour market with small income differences, and the highest minimum wage in Europe, at around 17 euro per hour.

The welfare model and the labour market

In Denmark salaries and working conditions are typically established by collective agreements concluded between trade unions and employer's associations in the private labour market.

The Danish labour market model came into being in 1899 through the September Agreement, also called the Constitution of the labour market. In this agreement, the trade unions and employers' associations established the rules for the basic labour law concept. The employers recognised the trade unions' right to organise and to go on strike and the employers obtained the right to lead and distribute the work, which means to hire and fire workers. It also stated that trade unions were the only ones that could make deals and collective agreements.

Integrated into this agreement was that all the labour market regulations should only take place through collective agreements between the partners. Both partners can use collective action such as strikes and lockouts, but only during the renewal of the collective agreement which normally takes place every two years. While an agreement is in force, a so-called duty of peace exists, which means no actions can be taken by either partner.

The Danish Unemployment Fund has, unlike in other European countries, been administered by the trade unions since 1907. It is funded by membership fees and by the state and is subject to state regulation. Membership is voluntary and is paid by the individual and not via the employer as the fund is administered by the Unions.

Denmark's relation with the EU

When the United Kingdom decided to enter the European Economic Community (EEC) in 1972, due to the economic weight of Danish agricultural exports to the UK, the Danish Social Democratic Prime Minister Jens Otto Kragh proposed a referendum on whether Denmark should follow suit. The party was divided with a group of young, rather left-wing members of parliament under the leadership of the later European Commissioner Ritt Bjerregaard, who organised a campaign against accession.

However, 63.4 per cent of Danish voters voted in favour of joining the EEC and on 1 January 1973 Denmark entered the European Community together with the UK and Ireland. Danish politicians, however, had explained the EEC to their voters only as a market for goods and services, one that never would develop further into a political union.

All left-wing parties were against membership and two new movements: the People's movement against the EU and later the June movement were created. For many years, both movements were represented in the European Parliament (EP) and many traditional Social Democratic voters supported them. For the first time in the EP election in 2019 neither of these movements were elected.

The referendum on the Maastricht Treaty in 1992 resulted in a majority of 50.7 per cent voting against it, because people did not want the EU to deal with more political issues, only the single market.

A new referendum resulted in the Edinburgh Agreement that contains the Danish reservations to the four policies of the referendum. Then referendum after referendum was lost. In 2018, the Danish People's Party and the United Left Party took inspiration from Brexit and proposed a referendum to leave the EU. A recent survey however showed that most Danes are happy to stay in the EU if they can keep their reservations (justice, defence and the euro) included in the Edinburgh Agreement.

Some of Europe's oldest modern democracies, both the Nordic countries as well as the UK, are characterised by a majority democracy where the mantra is "sovereignty in parliament": no one is above or equal to the parliament, therefore, these countries do not feel confident with the EU constitutional courts in Strasbourg and Luxemburg that actively monitor legislators and civil servants. This is one of the reasons why these courts have been criticised so much, especially in Denmark and the UK.

When Nyrup Rasmussen took office in 1993, the preceding right-wing government had left the country in an economic crisis and with an unemployment rate of 12 per cent, which is high for Denmark

1993-2001: the Nyrup Rasmussen years

From 1993-2001, the Danish Social Democrats succeeded in winning three elections in a row, under the leadership of Poul Nyrup Rasmussen who formed a government in coalition with the Social Liberals.

When Nyrup Rasmussen took office in 1993, the preceding right-wing government had left the country in an economic crisis and with an unemployment rate of 12 per cent, which is high for Denmark. Nyrup Rasmussen's government chose to kickstart the economy by lifting the taxes on income and increasing public investments. This effort was combined with the famous active employment policy which meant that people receiving social benefits should in principle become active in the labour market or be integrated in the education

system. Soon unemployment fell and many new initiatives were taken, especially in the environmental area and by the adoption of a green energy agenda. When Nyrup Rasmussen lost the election in 2001, Denmark was leading in Europe in both renewable energy and in energy efficiency.

In 1995 a new party, the Danish People's Party, was founded, with an anti-immigration, anti-EU and anti-elitist profile and with the former municipal home-helper Pia Kjaersgaard as its leader. Contrary to some other European populist parties, like AfD in Germany and SD in Sweden, the Danish People's Party presented itself with a social profile specifically in relation to elderly people by demanding higher pensions and housing benefits for pensioners.

During the last years of the Rasmussen government, the Danish People's Party and the other right-wing parties succeeded in pushing immigration to the top of the political agenda. A very liberal refugee legislation from 1983 and family unification programmes had increased the number of refugees and their families living in Denmark. A large part of them never found their way to the labour market and lived on public benefits that were considered a costly public expenditure. The refugees lived amongst the poorest and most vulnerable Danes in social housing areas and many of these Danes felt alienated living with a majority of neighbours from Somalia and Palestine.

A survey on voter behaviour published in 2000 showed that voters turned away from the Social Democratic Party to the Danish People's Party not because they had changed their values, but because they thought that this party would take better care of their interests. Even though globalisation had an overall positive impact on the Danish economy, many workers felt insecure due to structural changes, weakened trade unions, and immigration.

2001-2011: right-wing governments

The election in 2001 was held just after the 9/11 terrorist attacks and all right-wing parties together orchestrated a campaign against foreigners. For the first time, the liberal Venstre Party, under the leadership of Anders Fogh Rasmussen, received more votes (31 per cent) than the Social Democrats (29 per cent). But what was most surprising was that they also became the largest workers' party in Denmark. Fogh Rasmussen formed a minority government with the Conservative Party that was supported by the Danish People's Party. Unlike in Sweden and Germany, the Danish traditional right-wing parties saw no problem in establishing their government with the national populist party.

Inspired by Tony Blair, Fogh Rasmussen made a contract with the voters on very few and concrete promises such as tightening immigration policy, stopping taxes increase, and being tougher on crime. He also started elite bashing by dissolving more than 100 expert councils financed by the state, alleging that people did not need opinion makers.

New legislation on immigration was approved. People could no longer automatically unite with spouses from third countries and family reunification between young couples could not take place before they were 24 years old, to exclude arranged marriages. Refugee policies were tightened too, so it became more difficult to get asylum. Rejected asylum seekers would

be placed in centres until they agreed to be sent home. Social benefits for asylum seekers were also lowered.

At the beginning of his term, Anders Fogh Rasmussen was a very ideological liberal and wanted to introduce a minimal state as a counterweight to the welfare state, but he soon gave up on this idea to secure support from the Danish People's Party. He succeeded in cutting welfare programmes, introduced new public management, and initiated a digitalisation process in the public administration.

In 2005, Helle Thorning-Schmidt promised she could beat Anders Fogh Rasmussen, whose party continued to win the elections with a heavy focus on an immigration agenda until 2011.

Fogh Rasmussen's government made an agreement with the Social Liberal Party's leader Margrethe Vestager to reduce the unemployment benefit from four to two years. The Social Liberals had always been focused on labour reforms that would increase the number of workers in the market. This legislation was an attack on the core value of the trade unions and the Social Democrats.

Helle Thorning-Schmidt: 2011-2015

After 10 years in opposition, the general election in 2011 finally provided the opportunity to form a new government. Helle Thorning-Schmidt formed a government with Margrethe Vestager's Social Liberals and the People's Socialist Party, which for the first time participated in a government. From the beginning, the three parties had problems finding common ground and ended up with a programme strongly influenced by the social liberals. Vestager insisted on continuing the former government's economic policy with a focus on the supply side. She did not want to restore the unemployment benefits and the new government also made further cuts to the pre-pension schemes. In the middle of the financial crises with growing unemployment, it was difficult for many Social-Democratic voters to understand these decisions.

Transformation within the Social Democratic Party

In the 2015 elections, the Social Democrats progressed a little to 26.3 per cent, but the coalition partners lost votes, making a continuation of the centre-left government impossible. Therefore, Thorning-Schmidt gave up her position as chairperson. So, the liberal Venstre Party formed the government.

The even bigger surprise was that the Danish People's Party had become the second largest party with 21 per cent. The result was not only related to immigration policy but also that they took people's worries in the provincial areas seriously. Many public services had been centralised and moved to the bigger cities and the consequences thereof had been overlooked by the other political parties.

Soon after the general election, a party congress elected Mette Frederiksen as new leader of the Social Democrats. She is a fourth-generation member of the party, hailing from a skilled

working-class family with deep roots in the trade union movement and in local politics in the northern part of Denmark.

Frederiksen, who was elected to parliament for the first time 20 years earlier when she was 23 years old, had been minister of employment and later of justice in Thorning-Schmid's government. She was convinced that a new political direction was needed if the Social Democrats wanted to come back in power. Her new headline was 'back to basics', which meant classical Social Democratic values that responded to people's concerns. A new programme under the overall theme of fighting inequality was approved at the congress in 2016, where the party also distanced itself from the Thorning era.

The public sector in Denmark cannot be reduced to numbers on a spreadsheet. It consists of people with commitment, diligence, and professionalism. The public sector is an important part of our community. Therefore, it must be managed and organised according to the values of our community

For a few decades, the public sector had been inspired by market-based management philosophies. Focusing on efficiency and possible improvements can be good, but it had gone too far. The public sector in Denmark cannot be reduced to numbers on a spreadsheet. It consists of people with commitment, diligence, and professionalism. The public sector is an important part of our community. Therefore, it must be managed and organised according to the values of our community.

The programme also explained how globalisation could benefit everyone and highlighted the fight against climate change and that the green transition must be a social project to avoid losing the support of workers and the middle class. A green society should also be a more equal and just one, with new potentials for the creation of better jobs and living conditions.

On immigration, the new programme said: "We have parallel societies in Denmark where immigrants and their descendants live isolated from the Danish community and in accordance with other values than the Danish ones. In Denmark, everyone should live in accordance with rules of democracy and respect our values of freedom. Religious and paternalistic standards should never be above law and order. No one should ever be subject to social control in Denmark". The high number of foreigners without education and the lack of integration are also considered as an economic problem. The more people without employment that do not contribute to society, the more difficult it is to maintain welfare in the country. Therefore, for the Social Democratic Party, improving integration significantly is a main priority.

With this clear statement on integration, the party was ready to have a dialogue with the government and other right-wing parties on what was named the "Ghetto Package". It was a policy that moves people out of their homes to another neighbourhood to avoid a high concentration of unemployed, uneducated, and too many foreigners in certain areas that create parallel societies.

At the PES Leaders' Dinner in Lisbon in December 2018, Mette Frederiksen summarised in her speech the position of the Danish party. She said it was important to acknowledge that

many Social Democratic parties in Europe had lost the confidence of the citizens. For many people, globalisation meant the loss of employee rights, growing inequalities, and uncontrolled immigration. When there are not the necessary Social Democratic answers, it is natural that voters disappear. She then argued that Social Democrats should go back to the classical redistribution policy, invest more in welfare, and education and control the immigration policy, so the country does not receive more immigrants than it can integrate. The goal of the Danish Social Democratic Party is to avoid a class of working poor, as it first appeared in the US and later in some European countries too, and a new underclass of poor immigrants.

Mette Frederiksen also stated that many challenges – like tax havens, common enterprise taxation and stopping the race towards the bottom – could only be solved at EU level. The EU should get in control of the free movement of workers because it puts pressure on the labour markets. It should also have a policy towards the tech giants and fight climate change together.

In the 2019 election, the Social Democrats under Frederiksen's leadership succeeded in regaining voters from the far-right Danish People's Party, even though the result was lower than expected (25.9 per cent). At the same time, the party lost voters to the three other centre-left parties – United Left, the Socialist People's Party, and the Social Liberals – in the so-called Red Bloc. Especially in Copenhagen and other big cities, younger voters had moved to the other Red Bloc parties. But together, the Red Bloc ended up with 94 out of the total of 179 seats in parliament. The Danish People's Party lost half of its seats. The conclusion of the election was that the Danes voted for more welfare spending and increased action on climate change.

The Social Democrats became the largest party and Mette Frederiksen preferred to form a minority government based on the so-called paper of understanding between the parties of the Red Bloc. A minority government has the advantage of allowing the making of agreements with other parties. Mette Frederiksen made it clear that the government would be based on strong ideological values, open to many of the demands of the parties in the Red Bloc, but it would not make concessions on immigration policy.

The paper of understanding focuses heavily on climate change as one of the most important issues. The agreement will make Denmark one of the world's leading countries in the green transition, with a 70 per cent reduction of the CO₂ levels of the 1990s, by 2030.

This will be done by national strategies in all energy-spending areas, from buildings to transportation, and other industries. Since the paper of understanding was adopted, concrete initiatives have been taken; among others, a new green tax reform that should lead to a uniform taxation of CO₂ and a huge investment in the development of green technologies. Now, only one year and a half after the election, an action plan has been adopted. It contains a target of 46-50 per cent CO₂ reduction by 2025. In accordance with the so-called Danish model (which entails the involvement of all social partners in negotiations, editor's note), Climate Partnerships have been established in different sectors of the economy with the respective stakeholders from enterprises, trade unions and others. Each sector has to present strategy and solution catalogues for their specific area. Also, a green road transport and a target of 1 million electric cars in 2030 are part of the plan.

During the election campaign, Mette Frederiksen had said that she wanted to become the prime minister of the children, and the paper of understanding put a high priority on fighting child poverty and improving childcare

During the election campaign, Mette Frederiksen had said that she wanted to become the prime minister of the children, and the paper of understanding put a high priority on fighting child poverty and improving childcare. High quality kindergartens are considered a precondition to being the best country to live in for children. Already in the financial law for 2021, a plan for minimum standards for staff numbers per child was adopted. The target is a maximum of three children per adult in nurseries and six children per adult in kindergartens. Money was also allocated to improve the professional training of educators as well as the ordinary school system. Children who are at risk can be removed from their parents more easily and placed in foster families.

An important priority for Mette Frederiksen was the introduction of a new pension scheme reserved for workers with low levels of education and many years in the labour market. This was predicted to be difficult to realise politically, but the minister of employment, Peter Hummelgaard, succeeded passing the legislation with support of the Danish People's Party, while the Social Liberals did not want to participate because it would move 10,000 people out of the labour market.

Recently, a plan for the decentralisation of public service has been adopted. Right-wing governments had closed police stations, hospitals, and education centres in provincial and remote areas that now are going to be reopened. A new legislation on housing policy for the cities has been adopted to counter gentrification and speculation in rental housing.

The Social Democratic government also introduced new ways of working in the ministries. Instead of seeing the ministries as silos, policies are now transversal. Hence, green policy is not only related to the environment and climate but also to industrial and research policies. And development policy in Africa is now linked to the creation of refugee camps in Africa, from where people can directly seek asylum in Denmark without the need to cross the Mediterranean Sea.

In the first year of her government Mette Frederiksen has already had to deal with the MMF and the Recovery Fund. In the Danish parliament it was difficult to find support for raising the EU budget and she proposed to modernise it with more focus on a green economy and research instead of allocating money for agriculture and structural funds. Concerning the Recovery Fund, the Danish government thought it was better to give loans and only as a one-time occurrence. This position was not difficult to understand as she had difficulties in getting support from both the alliance partners and other parties in the Danish Parliament when she went to Brussels to negotiate.

The situation did not get any easier when the Italian Foreign Minister Luigi Di Maio (Five Star Movement) announced during the negotiation on the Recovery Fund that he would spend the money to lower taxes and pension age to 62, during a very heated discussion on raising the pension age to 70. Danish trade union leaders were furious and accused the Danish govern-

ment of contributing to reduce the pension age in a country with high life expectancy while demanding Danes work until they are 70 years old.

The Danish Covid-19 strategy

A lockdown was decided on 11 March 2020, by Frederiksen with support from all other parties of the Danish parliament. She reacted quickly after a recommendation from the Italian Health Minister. A closure of the borders was decided against the recommendation of the national health authorities. In this way, she opted for a political way to handle the crisis. She also told the citizens that during the process of handling Covid-19, people should be prepared that the government would make mistakes as there were no previous experiences with dealing with a pandemic of this nature.

A strong welfare state and its institutions, with free access to hospitals and medical services, were at the core of the Danish Covid-19 strategy. For example, soon after the beginning of the lockdown, infected people living in small apartments together with others received access to isolation in youth hostels or hotels.

Regarding the compensation to small and big companies, the government has set up a tripartite forum with the labour markets' partners to discuss the different support schemes or the so-called help packages that fit different kinds of situations depending on the type of company and needs. To keep companies afloat, fixed expenses and labour costs have been compensated along with the possibility to receive a loan and defer VAT. Also, freelancers and self-employed people have access to compensation.

Regarding unemployment benefits, the normal rules were cancelled and the right to receive benefits will be extended by several months. At the same time, the amount was raised and people who were working from home have the right to receive education while at home.

In Denmark, a comprehensive test strategy has been implemented, only surpassed in Europe by Slovenia in Europe. All tests are free for everyone.

The Danish hospitals were never overcrowded as in other countries, and the virus was kept under control until December. The culture plays a key role in relation to the spread of Covid-19. Danes do not live together across generations, and young people do not usually live with their parents. When politicians do agree on following the rules in one direction, citizens tend to follow suit.

During the summer, the Social Democrats gained new heights in the polls, with approval rates of up to 35.5 per cent. Quite like in the 'good old days'. But there have also been bumps in the road, not least in relation to the problem of the Danish minks. The health authorities

Frederiksen told the citizens that during the process of handling Covid-19, people should be prepared that the government would make mistakes as there were no previous experiences with dealing with a pandemic of this nature

warned that due to mutations of Covid-19 in minks, Denmark, as the world's biggest mink breeder, could become a new Wuhan. The government asked the mink owners to kill 17 million of them against compensation. The case became complicated and developed into a big problem for the government and the agriculture minister had to resign, because the order to kill the minks had no legal basis. It seemed like the opposition finally had a case against the government. However, the prime minister still enjoys high trust, and the recent polls show no decline in the approval rates. A compensation for the mink breeders have been approved by the parliament.

The government has presented a vaccination plan that will offer free vaccination to all citizens. and all residents will be vaccinated before this summer.

The handling of the Covid-19 crisis is completely different from the right-wing government's approach to the financial crisis some years ago. The help packages for enterprises are designed to avoid layoffs and closures. Money is also invested in requalification of the workforce and green transformation of the social housing sector. This is also a way of combining the green transition with new and better jobs.

Future challenges for the Danish government

The Covid-19 pandemic has delayed many of the initiatives intended by the government – not least the transformation of the public sector. However, many new laws have been decided upon or implemented. The results of the mink case are still unclear and the farmers have not been compensated yet.

On the EU level, the Danish government has some challenges ahead: not least in relation to the Social Summit during the Portuguese presidency. The trade unions as well as all political parties, except the Social Liberals, are against the new EU proposal for a directive of a European minimum wage.

Because of the opposition from the Nordic countries to the directive on minimum wage, the European Commissioner for Employment and Social Affairs, Nicolas Schmit, paid his first visit to Denmark and Sweden to guarantee that the proposed directive will neither destroy the Danish or Swedish labour models nor weaken their trade unions. But the Danish government and the social partners still believe that it will have catastrophic consequences for the whole Danish society. One thing is certain, if agreed, the more radical elements of the Danish left and the trade union movements, who are traditionally sceptic towards the EU, will protest and demand that Denmark leaves the EU.

Denmark will be on the frontline when it comes to supporting the green and digital transition in the EU as well on taxing the tech giants

A more federal approach with qualified majority vote instead of unanimity in defence and security, foreign policy and the EU budget will probably not gain support from the Danish parliament and the government wants to avoid more referenda, as most of them have been lost in past decades.

Denmark will be on the frontline when it comes to supporting the green and digital transition in the EU as well on taxing the tech giants.

Conclusion and summary

Like in the good old days, the Danish Social Democrats have become the largest party in the last elections, in June 2019. Even with only 25.9 per cent of the votes, it was able to form a minority government with the support of two left-wing parties and the Social Liberals, called the 'Red bloc'.

Since she was elected leader of the party Mette Frederiksen has given priority to:

- welfare reforms coupled with a critique of centralisation of the public sector such as hospitals and police stations that were closed in local areas;
- a stricter stance on immigration and asylum, coupled with a strengthened focus on integration;
- an early retirement scheme for low skilled workers with many years on the labour market;
- an ambitious climate policy;
- a more leftist economic policy, particularly in relation to inequality, tax avoidance and the financial sector.

The Red Bloc alliance agreed on a paper of understanding with a very progressive agenda on green policy and welfare. During the election campaign, Frederiksen had promised to continue tightening politics on asylum and migration. She only gave a few concessions to the other parties by receiving more UN refugees and letting rejected asylum seekers with children stay outside the detention centres. By adopting a stricter stance on immigration, the Social Democratic Party was able to neutralise the policy issue that had given the right-wing four election victories.

At the end of the 1990s we witnessed the Social Democratic electorate turn toward the right after the decline of old industries and an increased globalisation that did not benefit ordinary workers. Later, during the financial crises in 2008, the centre-left did not respond with Social Democratic solutions to the financial crisis.

When Mette Frederiksen was elected leader of the Social Democratic Party she wanted to go back to classical Social Democratic values of redistributions and welfare policies combined with the fight against climate change and controlled migration. She listened to people's worries and succeeded in getting many of the old the traditional voters back, while many of the young citizens with higher education in the cities supported green policies and voted for the other parties of the Red Bloc.

The Covid-19 crises has strengthened the Danish Social Democratic Party and the prime minister. Citizens have regained trust in the benefits of a strong welfare model and the support for the government has increased considerably.

The Nordic welfare state was created and designed for a time when politics could be run and controlled within the borders of the nation state and when it was the core of the national

The Nordic welfare state was created and designed for a time when politics could be run and controlled within the borders of the nation state and when it was the core of the national policy. But in a globalised world, it is difficult to continue upholding such a welfare state

policy. But in a globalised world, with open borders and access for everyone to all services, it is difficult to continue upholding such a welfare state.

In Denmark education is not only free, students get grants during their period of study and they get access to loans with low interest rates. This has made Denmark a magnet for students from other European countries, even more so as an important part of the university courses are taught in English. After going home, a vast majority of the foreign students do not repay the loans and leave a large bill with the Danish taxpayers. This is a problem constantly raised by the populist and EU sceptic parties, and Mette Frederiksen will have to find a solution.

The challenges for Mette Frederiksen in the longer run will be that she will have to deal with the demands from the other parties of the Red Bloc. The closer we get to the next election, the more they need to brand themselves on their specific policies. The left will demand more welfare spending and a faster

process in the climate fight at any cost. The Social Liberals will demand reforms that generate labour supply and open the country for more import of labour from third countries. Currently however, the economy and the political situation are so influenced by the Covid-19 situation that all parties see an interest in a close collaboration.

The Red Bloc, led by four female party leaders, never stood stronger in the polls and could be a role model for other Social Democratic parties and coalitions in other European countries. In this moment, the Red Bloc stands at 60 per cent support – more than ever before.

Poland at the edge of political and social transition

Bartosz Machalica

In 2020, Polish politics performed in the shadow of coronavirus. But there were many issues going on: the presidential election, reproductive rights, LGBT rights, the rule of law, animal welfare and the matter of Jarosław Kaczyński's leadership in the right-wing coalition. All of these issues – with the notable exception of the result of the presidential elections – have undermined the position of the governing Law and Justice (PiS) party and have pushed the Polish political system to the verge of a profound transition. This process is illustrated by recent opinion polls which show that average support for PiS fell from 44 per cent in March to only 29 per cent in November. This support now stands at the lowest level since the party came to power in 2005. Furthermore, for the first time since the 2015 elections, approval for parties opposing the government is higher (43 per cent at the end October) than approval for those supporting it (33 per cent). Another significant trend in the polls is the increasing number of undecided voters. In 2020 the whole PiS system started to show cracks, giving opposition parties a hope that the invincible PiS might become vulnerable.

Presidential elections in the shadow of Covid-19

The Covid-19 pandemic developed in Poland in a similar way to in other countries of Central and Eastern Europe. During spring 2020, the number of new infections was below public expectation, especially in comparison with the number of new infections in Southern Europe. While Polish society is not generally convinced of the efficiency of the state and public services, the achievements in fighting the pandemic allowed the government to present its struggle with Covid-19 as a success story. But everything changed in October when the sudden spread of the pandemic exceeded the limit of the efficiency of the state structures, and the government increasingly seemed to have lost control of the virus.

In early 2020, it seemed the main political event of the year in Poland would be the presidential election. The leader in the polls was the incumbent president, Andrzej Duda. The opposition centre-right Civic Platform (PO, EPP) nominated Małgorzata Kidawa-Błońska as its leader, the former speaker of the Polish parliament (the Sejm). After its success in the parlia-

mentary election, the Left chose the leader of the progressive Wiosna ('Spring') party, Robert Biedroń, a member of the European Parliament.

But the pandemic changed the polls dramatically: Kidawa-Błońska was supplanted from her position as Duda's main rival by Szymon Hołownia, a former TV celebrity and journalist with a Catholic and anti-establishment agenda. Hołownia campaigned successfully on social media and across communications networks, and managed to steer social anger against the whole political class.

The elections were initially planned for early May, when Duda's constitutional mandate ended, but they were then delayed due to the pandemic and other political factors. The Civic Platform meanwhile dropped their candidate Małgorzata Kidawa-Błońska and replaced her with Rafał Trzaskowski, the mayor of Warsaw.

This shift had an impact on the voting intentions of liberal and left-wing voters. Trzaskowski's good numbers in the polls made the possibility of him defeating Andrzej Duda look plausible. Many voters therefore gathered around the mayor of Warsaw, at the expense of the Left's candidate Biedroń. Indeed, only 400,000 of those voters who had voted left in the 2019 parliamentary elections supported it this time around, while one million former left voters this time chose Rafał Trzaskowski. Another 500,000 former left-wing voters supported the conservative-liberal anti-establishment candidate Szymon Hołownia.

LGBT rights in the presidential campaign

Trzaskowski thrust the issue of LGBT rights into the campaign. Paradoxically, however, the candidacy of Biedroń, one of the few openly gay politicians in the country, had not done so before.

Trzaskowski became mayor of Warsaw in 2018. While his predecessor, Hanna Gronkiewicz-Waltz, had represented the more conservative wing of the same PO party, Trzaskowski decided to modernise the political agenda of the local PO and signed the LGBT Charter. This included a set of antidiscrimination policies. He also took part in the Warsaw Pride demonstration.

Throughout the presidential election campaign, Duda's spin doctors pursued the strategic goal of dividing Polish society into supporters of conservative family values on one side, and people in favour of marriage equality on the other. In May, amid the election campaign, Duda signed the so-called 'Family Charter' (as opposed to the LGBT Charter). This declaration included a guarantee of maintaining PiS social policies. In particular, the Family Charter also included a promise to ban "LGBT propaganda in public institutions". Duda furthermore claimed that "LGBT is not people, it is an ideology".

Crucially, Trzaskowski did not confront Duda on his attacks against the LGBT community. Instead, he focused on defending human dignity in general. Neither did he support the Left's proposal for a marriage equality bill. Trzaskowski did, however, express support for a registered civil partnership, which could also be available for same-gender couples, although he emphasised during the campaign that this registered civil partnership was not the most significant

issue in the 2020 presidential elections and that the government had to concentrate its efforts on healthcare and overcoming the economic crisis.

Despite Trzaskowski's unprecedented mobilisation of supporters from various opposition parties, his tactics did not pay off in the ballots and he was defeated in a run-off by President Duda by 422,000 votes. Not exactly a razor-thin margin!

In the end analysis, Trzaskowski suffered from the lack of a consistent vision of state and social progress, and from the lack of a real alternative to the paternalistic conservatism of PiS. His campaign was solely focused on the negation of the vision of PiS founder and former president Jarosław Kaczyński, who is still the party's strongman. Trzaskowski's campaign was enough to gain over 10 million votes, but it was not enough for PO to win a majority. Many of the independent voters in the election remembered the anti-social legislation of the previous centre-right government under Donald Tusk, especially the increase in the retirement age to 67 years (for women from 60 to 67). Trzaskowski's positions on the retirement age were unconvincing and thus gave Duda's staff the opportunity to put the issue of former governments' anti-social legislation on the agenda. This was especially important for blue-collar voters. However, Trzaskowski failed to propose them his own vision of the non-authoritarian welfare state.

Since the presidential election, LGBT issues have continued to be at the centre of Polish public debate. In August, a handful of teenage LGBT-activists placed rainbow banners on some of Warsaw's most significant monuments, including a statue of Jesus. This prompted the conservative government to respond harshly by sending in the police and involving the prosecutor's office, which are both under the authority of the government. At the request of the prosecutor, the court issued an arrest warrant for one of the young activists – Margot, a non-binary person – who was accused of destroying a van (which was broadcasting homophobic propaganda). Spontaneous protests in reaction to this were crushed by the police. Over 50 protesters were temporarily detained and their civil rights were violated (eg, the detainees were denied the right to contact a lawyer). It was two weeks afterwards when the court of appeal ordered the activists to be released.

The right wing's new balance of power

In the aftermath of Duda's success in the presidential election, the PiS parliamentary majority has started to show cracks. Since taking power in 2015, the coalition has been composed not only of PiS, but also of two smaller right-wing parties: Zbigniew Ziobro's Solidarity Poland (SP) and Jarosław Gowin's Porozumienie ('Agreement').

The SP is eurosceptic and national conservative, with leanings towards the US alt-right, while Porozumienie rather represents a moderate pro-European tendency, ideologically close to the economically liberal conservatism of Margaret Thatcher and Ronald Reagan.

Since the 2019 parliamentary elections, PiS has needed the members of parliament of both these smaller parties all the more urgently, and the increased political weight of SP and Porozumienie has triggered a triple struggle within the coalition: a struggle for influence in the current gov-

ement and state-owned enterprises; a struggle for power in the near future when Kaczyński's leadership begins to wane; and a struggle for the future ideological direction of the Polish right.

The ideological struggle is now in full swing. In line with his alt-right sympathies, Ziobro insists on tightening the conservative agenda, with a focus on cultural war issues like LGBT and reproductive rights, and with an anti-gender perspective. He also asked for the country to withdraw from the Council of Europe Convention on preventing and combating violence against women and domestic violence (the Istanbul Convention).

This issue of withdrawing from this convention was very inconvenient for Prime Minister Mateusz Morawiecki, who would rather have focused on economic issues, and especially on rebuilding the economy after the coronavirus crisis. He managed to temporarily water down the discussion on the Istanbul Convention by asking the Supreme Court to check its constitutionality. By delaying its judgment, the Court managed to buy Morawiecki some time.

Ziobro also threatened the unity of the right-wing government by insisting on vetoing the EU's Multiannual Financial Framework for 2021-2027, and the Next Generation EU recovery instrument, as he was not prepared to accept the rule of law conditionality. Accepting it, according to his collaborators, would have been a betrayal of Polish national interests.

Although Morawiecki finally withdrew the Polish veto, the episode highlighted the main difference between Kaczyński and Morawiecki on one side and Ziobro on the other. For Kaczyński and Morawiecki, eurosceptic propaganda is a tool, while for Ziobro it is his core business. Ziobro has therefore announced that when the Next Generation EU is to be ratified in the Sejm, he will vote against it, and against the rest of the right-wing coalition.

It was against this backdrop that Jarosław Kaczyński attempted to confirm his leadership and marginalise his junior coalition partners by a government reshuffle in September 2020. He then re-entered government with a formal role – as deputy prime minister. Whether that was a sign of strength or weakness is debatable.

Kaczyński's animal welfare showdown

In another botched attempt to bolster his leadership, Kaczyński introduced a bill on animal welfare that would have prohibited fur farming, and limited ritual slaughter as well as circus shows with animals. While the PiS leader is well-known for his soft feelings towards animals, these feelings are not shared by many other Polish conservatives. Rather than being a political necessity or an emotional weakness, he conceived the bill as a loyalty test of his right-wing members of parliament, forcing them to bend to his will, even if that entailed voting against their own views. But what was meant as a show-off of Kaczyński's strength became an element of the disintegration of the right-wing coalition.

Not only did Kaczyński not manage to embark his coalition partners (SP voted against, Porozumienie abstained), but in a challenge to his authority even 18 members of parliament from his own party voted against the initiative. When the bill finally did pass in the Sejm – with the support of the Left and the centre-right Civic Platform – it triggered mass demonstrations of farmers, normally a core group of the PiS electorate. The anger of the protesters was directed

at the government, but also at Kaczyński personally. Although the Senate, too, approved the bill, the protests prompted PiS not to finalise the legislative process. For Kaczyński, who had invested his personal authority in this issue, it was a crucial defeat. In addition, in the process, Jan Krzysztof Ardanowski, the minister for agriculture, was dismissed because of his opposition to the bill. When the whole legislative initiative finally fell apart, Ardanowski briefly threatened to create his own breakaway parliamentary group.

Covid-19 as a factor of political decomposition

The game-changing moment in Polish politics in 2020, however, was the outbreak of the autumn wave of the Covid-19 pandemic. Until then and thanks to strong social discipline, Poland had coped with the spring wave of the Covid-19 pandemic unexpectedly well. During the spring wave, the minister of health, Łukasz Szumowski, had gained unique authority. But he lost it during summer, when information about public procurement was published in the media, undermining his credibility.

As the first round of the presidential election showed a low turnout among senior voters who were fearful for their health and life, right-wing politicians then started a campaign to encourage the elderly to take part in the second round. The prime minister said people “should not be afraid of coronavirus” and that “coronavirus is in retreat”. This propaganda campaign was successful and Duda won the run-off backed by many elderly, conservative voters.

When the second wave of the pandemic hit in October, 27,000 infections per day were reported – in a country that had never seen a daily rate of over 1,000 until then – ventilators were running out, the whole healthcare system was pushed to the verge of collapse. During these days, people remembered Morawiecki’s reassuring words well, and saw the opposite becoming true. They also recalled the words of President Duda that “not everyone enjoys wearing masks”, and his admission that he was one of those people. Duda also refused to be vaccinated against the seasonal influenza.

In this context, the government’s earlier reputation of successfully fighting off the pandemic fell apart. Indeed, people started to blame PiS for the collapse of the healthcare system.

The game-changing moment in Polish politics in 2020, was the outbreak of the autumn wave of the Covid-19 pandemic. Until then and thanks to strong social discipline, Poland had coped with the spring wave of the Covid-19 pandemic unexpectedly well

The women’s strike

The issue that has caused the biggest social outbreak since the beginning of PiS rule has been reproductive rights. While the farmers and the far-right members of the PiS parliamentary fraction were protesting against the animal welfare bill, it said it is believed by political observ-

ers that Kaczyński decided to give the green light to the constitutional court's procedure on an anti-abortion bill.

The history of 'the abortion compromise' against women

The debate on reproductive rights goes back a long way in Poland's history. Indeed, Polish women gained the right to decide about their parenthood in 1956. During the transition after 1989, the Catholic church fought against abortion rights until, in 1993, right-wing and liberal politicians passed a law banning these rights, except when the woman's life or health is endangered by the pregnancy, when the pregnancy is a result of a criminal act, and when there is a high probability of a severe and irreversible foetal impairment. In the media this regulation became known as 'the abortion compromise'. The second part of this 'compromise' was that contraception should be made available and science-based sexual education taught in public schools. This second part, however, was never implemented.

When PiS took power in 2015, Polish anti-abortion organisations proposed to ban abortion in all cases, except to save the woman's life. The citizens' initiative on this bill included penalties of up to five years imprisonment for medical staff who conduct abortions. The bill was debated in Sejm in 2016 and a majority of members of parliament voted in favour of continuing the legislative process. This triggered the so-called 'Czarny Protest' ('Black Protest') when approximately 100,000 protestors gathered to denounce the new bill. Although the women's strike (2016) did not result in a reversal of the existing anti-abortion laws, the ruling PiS party decided to abandon the initiative.

An attack on women's rights under cover of the pandemic

Despite delaying the case, the PiS-controlled constitutional court ruled on 22 October 2020 that abortion in the situation of severe foetal defects is inconsistent with Poland's constitution as this provides for the legal protection of life. The court's ruling came in response to a constitutional complaint by a group of conservative members of parliament from PiS and from the far-right Konfederacja (a coalition of libertarians and nationalists, who do not support the government).

In opposition to the ruling, people took to the streets in more than 500 places, even including many PiS strongholds. In some cities, protesters staged sit-ins in Catholic churches and disrupted Sunday masses. The single biggest demonstration in Warsaw gathered over 100,000 protesters, an impressive number in a country not used to big street demonstrations. Often, the demonstrations were attacked by far-right supporters and football hooligans. But those acts of violence did not intimidate Polish women and over one million protesters took part in demonstrations across the country.

Before the most violent incidents, Jarosław Kaczyński – in his new role as deputy prime minister, overseeing also national security – called on right-wing supporters to "defend churches". He also called the protesters "criminals". According to media reports, PiS leaders wanted Polish police forces to suppress the protests, but the inspector general of the police did not accept.

A social movement for women's rights and against the power of conservatives and clergy

The protests were coordinated by the 'All-Poland Women's Strike' (OSK), a movement established in 2016 under the leadership of Marta Lempart and Klementyna Suchanow. According to OSK, the aims of the protests include demands for legal abortion, sex education, contraception and restoration of the independence of constitutional institutions (the Constitutional Tribunal and the Supreme Court). Four main forms of social anger were expressed on the streets during the peak of the social protests: anger at the violation of women's freedom connected with their calls for legal abortion; anger at PiS, which was expressed in a slogan consisting of eight stars (***** ***) that was widely understood as vulgar demand for the instant resignation of the government; anger at the whole political system, which was expressed by the slogan 'Wypierdalać' ('Fuck Off'); and anger at the dominant role of the Catholic church in Polish social life, expressed in the form of protests in or nearby churches.

The protests against the deprivation of reproductive rights have united different generations, despite high school and university students being clearly dominant. The participation of the youngest generation in the protests, and the radical expression of their views, have terrified right-wing politicians and conservative commentators, as well as the clergy. The current protests are much younger than the previous ones in defence of judicial independence and generally the rule of law, which instead tended to attract a generation for whom the democratic transition was the main political experience of their life.

In cooperation with female members of parliament from the Left, the OSK established a citizens' committee to collect signatures in favour of a bill to legalise abortion law in Poland. President Duda meanwhile introduced a 'compromise' solution to the abortion crisis. This allows ending pregnancy only when foetal impairment leads to the immediate death of the child. In essence, Duda's 'compromise' was just a tightening of the abortion law, and the proposal was widely criticised both by pro-choice and anti-choice organisations. Even the clergy criticised Duda's solution, as not being conservative enough.

Some politicians, including Szymon Hołownia (who took third place in the presidential elections), propose a referendum on abortion, but the OSK strongly opposes this. The Left's politics do not exclude any scenario, which may potentially lead to the liberalisation of the anti-abortion law.

The protests against the deprivation of reproductive rights have united different generations, despite high school and university students being clearly dominant

The acceleration of secularisation

Alongside the issue of abortion, the social authority of the Catholic church is also collapsing under the weight of two documentaries evidencing a previously unknown level of paedophilia,

which have both registered over 30 million views on YouTube.¹ A third documentary, 'Don Stanisław',² on Polish TV about the role of cardinal Stanisław Dziwisz in paedophile scandals has undermined his social position and cast a shadow on the legacy of Pope John Paul II, whose position and authority was one of the bedrocks of conservative hegemony in Poland during the transition period.

In addition, the close alliance of the Catholic church with the ruling PiS party, as well as the church's homophobic statements, are damaging the standing of the Catholic church in Poland. Positions such as those of the archbishop of Kraków, Marek Jędraszewski, who called LGBT rights an "ideology" and spoke of the movement as a "rainbow plague", comparing it to the 'red plague' of communism, are rejected by the young generation.

The number of pupils attending religious education in public schools has been decreasing for last decade. The protests against the deprivation of reproductive rights was an opportunity for the youngest generation to make themselves heard in the public debate.

At the edge of transition

The failure to hammer the animal welfare bill through, the protests of farmers, the abortion ruling of the constitutional court and the mass protests in defence of reproductive rights, but also Kaczyński's calls for the 'defence of churches' and inciting violence, are all factors suggesting that the PiS leader is losing his ability to read social emotions – his crucial political asset until now. The Polish right-wing coalition under Kaczyński's leadership seems to be showing signs of a gradual decomposition.

This is pushing the Polish political system towards a profound transition, with polls now showing that for the first time since the 2015 elections approval for parties opposing the government is higher (43 per cent at the end October) than that for its supporters (33 per cent). In early October, support of the government still stood at 38 per cent, while its opponents scored 34 per cent. During the same period, Kaczyński lost 11 per cent in approval rating polls, President Duda lost 13 per cent and Prime Minister Morawiecki lost 10 per cent. Rafał Trzaskowski from Civic Platform (PO), however, gained 3 per cent, as did the Left's leader Włodzimierz Czarzasty, and conservative-liberal anti-establishment politician Szymon Hołownia gained 2 per cent. Hołownia, with the support of half the polls' respondents, is now the politician with the highest approval rating.

Szymon Hołownia is also the main political beneficiary of social protests, despite the fact his movement supports the 'abortion compromise'. Indeed, he has even stated he would personally consider tightening the law. But his success can be explained by former PiS supporters who have turned their backs on their former party and are now considering supporting left or liberal parties. Another significant trend in the polls is the increasing number of undecided voters.

1 *Tylko nie mów nikomu* 2019, <https://youtu.be/BrUvQ3W3nV4>; *Zabawa w chowanego* (2020) <https://youtu.be/T0ym5kPf3Vc>.

2 <https://player.pl/programy-online/don-stanislaw-druga-twarz-kardynala-dziwisza,192443>.

All this announces crucial changes in the Polish political system. PiS is no longer the favourite to win the next general election. What is more, the perspective of a change of power is now a realistic option – even though it is too early to forecast how a future ruling majority will look. The women's strike has triggered a process of evolution of political opinions for many voters. Furthermore, it has activated the youngest generation of voters for whom a negative attitude to PiS is a crucial element of their political stance. Nevertheless, the issue of a liberalisation of the anti-abortion law is rather a long-term perspective, longer than one term of the parliament. Indeed, without changing the majority in the constitutional court, liberalisation will not be possible. Given that the term of this court is nine years, the evolution of Polish politics will be a lengthy process. But the direction of this evolution is now clearly progressive.

PiS is no longer the favourite to win the next general election.

What is more, the perspective of a change of power is now a realistic option – even though it is too early to forecast how a future ruling majority will look



GLOBAL FOCUS

Time to renew multilateralism

Maria João Rodrigues

The new challenges humankind is called to face, the new dynamics of an increasingly complex global context characterised by a new range of state and non-state actors, and the recent pandemic which has acted as a magnifier of existing trends, all open up a new set of scenarios. The European Union will have to adjust and find answers to these possible scenarios, if it wishes to assert itself on the global scene while remaining true to its values. Such answers can only be found in a new, fair and inclusive multilateralism.

Human history is now reaching a new phase as humankind is confronted with new common global challenges that are vital – human health, living conditions, survival on this planet. Global governance needs to be re-invented to cope with this new situation.

Furthermore, the range and dynamics of the relevant global actors are now very different because they include many new countries that joined the UN system after decolonisation, as well as new great powers, regional organisations, multinational corporations, civil society organisations and global citizenship.

These new challenges and new actors have generated a large set of global initiatives that create a very complex landscape of global governance: plurilateral platforms (such as the G20), comprehensive bilateral agreements (notably in trade), regional political organisations (such as the European Union and the African Union) and multi-actor coalitions focusing on particular issues (such as the environment).

Competition between the great powers is also evolving. After the long bipolar period with the US and the USSR as major centres of power, and the US-unipolar phase after the fall of the Berlin Wall, American hegemony now seems to be in decline due to both American retrenchment and the emergence of new great powers, notably China. More recently, this multipolar world and this new great-power game seem to be reaching the level of systemic competition between different potential global orders.

Furthermore, and more recently, the Covid-19 pandemic is now acting as a catalyst and a magnifier of all these challenges and tensions. The response to this crisis is unfolding

**The Covid-19
pandemic is now
acting as a catalyst
and a magnifier of all
these challenges and
tensions**

in different phases: health emergency and lockdown, the re-opening and re-launch of human activity with several setbacks, countering a big recession, preparing recovery with transformation of our economies and societies. This is a make-or-break moment for international cooperation, and it will probably be a turning point in shaping the emerging new global order. Several scenarios are being considered.

First of all, a Western revival, particularly due the replacement of US President Donald Trump by Joe Biden – a huge relief for the entire world! This might not fully change the American attitude to trade but will certainly bring a new American attitude regarding climate or human-rights standards, as well as an American re-engagement in the UN system, and, more fundamentally, democracy and the rule of law.

- Nevertheless, we have a new world now, and the scenario most likely to materialise is the ongoing fragmentation of the current global order and the emergence of a polycentric structure with zones of influence, including China's new zones of influence. These different poles and zones of influence can also become more inward-looking and use a weakened multilateral system selectively for their particular needs.
- In order to prevent this last scenario, renewing international cooperation with a multilateralism for the 21st century should be the way to go. The chances for such a scenario depend on the establishment of a large coalition of forces involving willing states,

regional organisations, civil society entities of different kinds, and also willing citizens wherever they are in the world, even under authoritarian and anti-multilateral political regimes. This would be a global coalition of progressive forces, which could count on a core of strongly committed forces as well as on a variable geometry according to the different objectives.

The European Union should aim at asserting itself as a fully-fledged political entity with a vital interest in defending and updating a multilateral system at world level

The European Union is now on the path to developing stronger instruments of European sovereignty in the budgetary, economic, social, and environmental fields, and it should aim at asserting itself as a fully-fledged political entity with a vital interest in defending and updating a multilateral system at world level, and in building up a global coalition of allies.

First of all, the objectives of multilateralism should be updated. Even if the main objectives of peace and security, human rights and development remain central, they should be understood through a new conceptual lens:

- peace and security must include the new dimensions of outer space and cyberspace, to prevent their weaponisation, their tendency to cause new social divides and the risk that authoritarians use them for their goals;
- human rights must be asserted radically against all kinds of discrimination and incorporate full gender equality, as this concerns half of humankind;
- development is not only for countries catching up. It is for all countries because all countries need to change their development model towards the UN's Sustainable Development Goals (SDG).

Furthermore, new objectives with a global dimension should be explicitly added for a renewed multilateral system:

- the provision of global public goods, such as vaccines, health services and education;
- the common but differentiated responsibilities for global commons such as climate, natural resources and cyberspace;
- the governance of global exchanges and interdependence in different fields – finance, trade, investment, technologies, intellectual property rights and human mobility.

Some principles of renewal should drive the transformation of the current multilateral system to:

- focus on well-being for all and on a new relationship with the planet and nature, according to the One Health principle;
- focus on reducing social inequalities inside countries, between countries and between generations;
- be inclusive of all human beings, assuming the same fundamental rights for all;
- promote upward convergence towards the achievement of the common goals, beyond the variety of cultural and political preferences;
- deepen democratic ownership at all levels: local, national, regional and international;
- develop a knowledge-intensive governance using consultation, participation, cooperation, joint learning and artificial intelligence to promote all these principles.

It is high time to develop a new multilateralism for the 21st century. We need a new, inclusive and fair multilateralism!

America's democracy holds

John Halpin

In 2020 American democracy faced one of its most serious threats when the outgoing president refused to accept the electoral results, tried to overturn them in his own favour, and then incited a mob attack on the seat of government itself. How could this have happened? How will America manage to heal its wounds? Despite the preconceptions and scepticism of many commentators, Joe Biden was the ideal competitor to challenge Donald Trump. Not only did Biden gain the largest number of votes for any presidential candidate in American history, but he has also proved that, even in a situation of persistent polarisation, it is still the centre that determines American elections. Yet Democrats will not be in a position to implement far-reaching transformations and will still have to deal with the deep sectarian grievances that affect American society. Progressives will therefore have to build a new vision that is able to compete with Trump's right-wing populism and to overcome the country's profound divisions.

The Trump years in America were often filled with hyperbole about the president's motives, intentions, and various assaults on the norms and values that underpin the constitutional system. At some level, however, most Americans assumed that Donald Trump was more of a clown, a distraction, and a con artist than a genuine "proto-fascist" threat to democracy.

That was before Trump – and an alarmingly wide swathe of GOP leadership across the country – attempted to overturn a free and fair presidential election by steadily raising the anti-democratic stakes with actions ranging from asking for legitimate recounts, to making false claims about a "stolen election", to trying to discard votes in urban areas through countless rejected court proceedings, to the president trying to get state legislatures to ignore the results and seat alternative Trump electors, to the state of Texas and hundreds of Republican leaders asking the Supreme Court to throw out the votes of four other states, to the president's former national security adviser calling for martial law, to white nationalist Proud Boys running around the nation's capital committing random acts of violence in defence of Donald Trump's "victory", to more than 100 Republican House members and many Senators refusing to certify Biden's victory, to the penultimate far-right mob attack on the U.S. Capitol on January 6, 2021 – incited by President Trump himself.

Fortunately for the US and its people, these authoritarian actions failed. The courts threw out almost all of Trump's fact-free cases alleging fraud. The Electoral College formally voted

on 14 December 2020 to make Joe Biden the next president, and after the appalling attack on the U.S. Capitol, Congress accepted the results in early January and Biden will assume constitutional power at noon on 20 January 2021.

American democracy has withstood one of its gravest threats in generations. But observers in Europe surely must be asking: 'How did the world's longest-standing constitutional republic descend to such a degraded state so quickly? Will American democracy hold in the long term? If so, what needs to be done to repair the breach?'

To answer these questions, let us take a brief tour of what happened in this election and what it means going forward.

The centre is still vital in American politics

American voters still care about principles and character, and want sensible, pragmatic leadership from their president and not radical left-wing or right-wing populism

Although many left-leaning commentators are loath to admit it, Joe Biden was the perfect counterpoint to Donald Trump in 2020 – and a huge part of Biden's impressive upset of an incumbent president stemmed from his personal approach to politics and his years of experience. Biden was a comfortable landing spot for many Americans disgruntled and disaffected with Trump. Biden correctly understood what other Democratic candidates and Donald Trump did not: American voters still care about principles and character, and want sensible, pragmatic leadership from their president and not radical left-wing or right-wing populism.

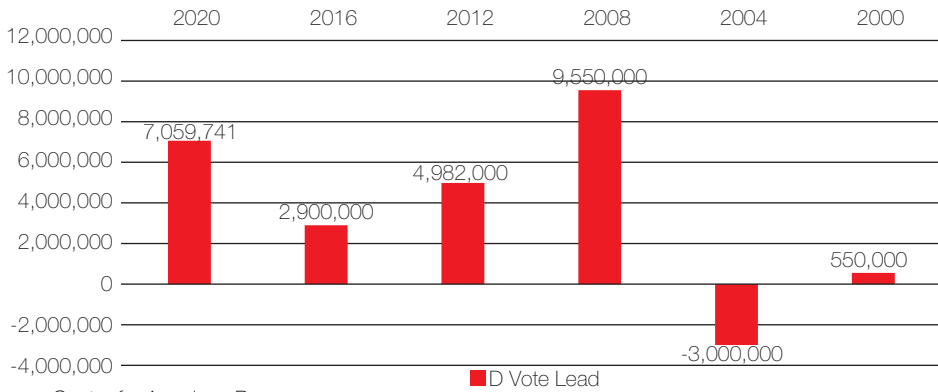
Biden won more than 81 million votes nationally, the most in American history, and successfully flipped the states of Pennsylvania, Michigan, Wisconsin, Georgia, and Arizona, to collect a 306 to 232 Electoral College victory and seal his victory. This year's victory represents national majorities for Democrats in five out of the six national elections since 2000, and a clear indication of the party's strength in the aggregate.

Although analysts are still sifting through voter files and results to form a firmer picture of what happened, the basic story is that Biden racked up huge margins in the suburbs of places like Atlanta, Philadelphia, Detroit, and Milwaukee, turning out base Democrats and black voters, winning over lots of college-educated white voters, and doing better than Hillary Clinton did in 2016 with non-college educated white voters in numerous counties across key battleground states.

In an election with record high turnout, Donald Trump continued to do well in many rural areas and increased his support notably in some heavily Hispanic counties. But he fundamentally failed over the course of his presidency to add to this base of support, essentially capturing the same 46-47 per cent of the vote as he did in 2016 without expanding in any meaningful manner.

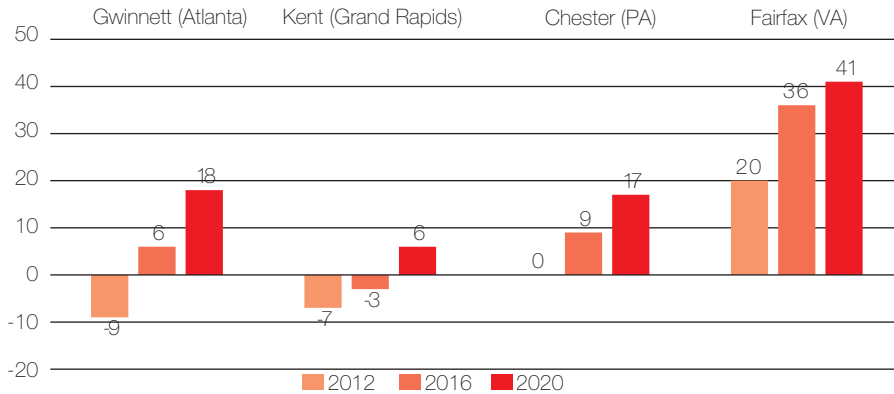
Biden pulled off this win with a focused and sharp message based first on character ('restoring the soul of the nation') and second on a practical approach to the twin challenges fac-

Figure 1: Democratic popular vote margin



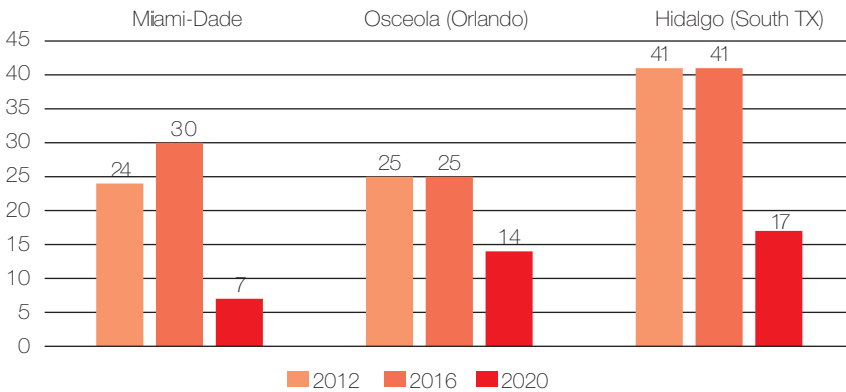
Source: Center for American Progress

Figure 2: Biden increased margins in suburbs



Source: Center for American Progress

Figure 3: Trump improved in key Hispanic counties



Source: Center for American Progress

ing the country: the Covid-19 pandemic and subsequent economic crisis. These components made for sharp contrasts with Trump's erratic and failed leadership, and helped Biden establish a base-level of trust with voters that he represents core American values like decency, compassion, and equal opportunity for all people. They also helped establish trust that he has a plausible plan for first containing the coronavirus threat and then moving to rebuild America on multiple fronts from jobs and healthcare to infrastructure and international cooperation on climate, pandemics, and other common threats.

Put simply, Biden proved that the centre still determines US elections – even in an age of party polarisation. While Trump was perceived to be closer to many voters' median opinions in 2016 against Clinton, he was viewed as an extremist with failed management of the biggest crisis facing the country and wildly out-of-touch positions in 2020.

America is more divided than ever

Despite Biden's impressive victory against an erratic and difficult opponent, Democrats did not secure the sweeping change across multiple levels of government that they wanted.

Republicans picked up a net 10 seats in the House of Representatives to narrow the Democratic majority for the upcoming session to 222 seats versus 211 for the Republicans (with two seats still outstanding). After eyeing potential control of the Senate on election night, Democrats managed to gain only 1 seat overall, but later won both runoff elections in Georgia in January 2021. Democrats' victory in these two elections now means that the Senate will be tied 50-50, with incoming Vice President Kamala Harris breaking future tie votes.

Table 1: Balance of power after 2020 elections

Position	Democrats	Republicans	Net (for Democrats)
President	306	232	+74 electoral votes
Senate	+4 (AZ, CO, two in GA)	+1 (AL)	+3
House	+3	+13	-10
Governors	0	-1 (MT)	-1
State legislatures	0	+3 (NH, AK)	-3

Source: Center for American Progress

Likewise, Democrats failed to gain any ground at the state level, losing a governor's seat in Montana and falling short in its efforts to flip control of any of the party's state legislative targets. Republicans now control 27 governorships compared to 23 for Democrats, and 62 state legislative chambers compared to Democrats' 37 chambers.

Even with the decisive electoral rejection of Trump, the country has not solved its basic political divides in any clear manner.

More importantly, the split results in 2020 indicate a hard truth for Joe Biden and those on the centre-left in America: there will be no New Deal- or Great Society-style massive Democratic majorities for progressive change anytime soon. Favourable demographic

change will not usher in uninterrupted Democratic control in the next decade. The House majority alone is tenuous and given historical trends could easily flip back to Republicans in 2022. Even if Democrats manage to win close elections in the next few cycles, they will not be in a position to implement the kinds of far-reaching transformations envisioned by many social movement activists and members of the Democratic left.

Biden and Democrats must therefore accept political reality, and build an agenda and approach to politics that reaches a wide array of voters and expands from Democrats' traditional strongholds in urban and suburban areas.

But this will be exceptionally difficult, not only due to the divides in Congress but also the serious schisms within American society itself.

We must confront the ugly reality that American politics, and the media and social media ecosystem underpinning our informational divides, has essentially become sectarian and almost entirely based on competing cultural grievances rather than measured consideration of alternative paths to protecting and serving the country's interests. Where the two parties and their leaders once debated the size of government, deficits, regulations, and the proper scope of the social safety net, today's partisans fight over who counts as genuinely American, which racial and ethnic groups deserve or do not deserve power and support, which online slight or untoward statement makes their respective voters feel demeaned or underappreciated.

Although Americans continue to find other avenues for constructive engagement with one another outside politics and in more local communities and organisations, the country's national political system is utterly broken.

Rationality, logic, and civil discussion of pressing national needs have been replaced by a national politics built on emotional instability, misinformation and disinformation, and strident positions that do little to confront chronic problems plaguing America: the serious lack of investment in infrastructure and well-being of people; rising economic and geographic inequalities; sclerotic governmental bureaucracies; and toxic distrust of most major institutions and elites in American life. It is not clear that America anytime soon will be able to arrest this doom cycle of political cynicism and corrupted politics driving anti-democratic figures like Trump who further fuel rage and anger, and who hamper or attack democratic solutions to our collective problems.

Biden will certainly try to reach out and build a new politics, as he should. But in order to make this more of a reality, he will need to forge and promote a new model of politics for a country deeply divided and seemingly incapable of resolving its differences politically.

The split results in 2020 indicate a hard truth for Joe Biden and those on the centre-left in America: there will be no New Deal- or Great Society-style massive Democratic majorities for progressive change anytime soon

America needs a new vision of inclusive nationalism

To start, Biden and the centre-left need to articulate a pragmatic domestic vision of equality and opportunity for all, consistent with a wider internationalism focused on challenges across borders. Democrats will need to focus on unifying themes of national economic renewal while strategically disengaging from ongoing culture wars. Facing great uncertainty and rising anger among Americans, Biden and his team should promote an agenda and vision that can command support from the sensible majority of Americans, avoid unnecessary and divisive social issue fights, and chart a vision for America's collective purpose post-crisis and post-Trump.

The current moment presents progressives with an opportunity to both challenge and compete with Trump-style right-wing populism that has pushed 'us versus them' identity politics across America and in other western democracies. But progressives need to be smart about it.

With politics fracturing along increasingly narrow and divisive visions from both the far left and far right, a national project focused on inclusive nationalism is urgently needed if America is to build a politically sustainable vision for the future.

A successful vision of inclusive nationalism would speak for the common good at home and would reject the drift towards political tribalism and ideological extremes. It would speak to Americans as democratic citizens sharing common values grounded on individual freedom, political equality, and social responsibility. It would seek to include all people in a common national project of social and economic regeneration post-crisis.

In contrast to 'America First' political chauvinism, a new vision for inclusive nationalism would not shy away from commitments to those in other nations. Building on an economically stronger and more cohesive America, this approach would seek to work cooperatively with allies to address common challenges such as the coronavirus pandemic, terrorism, nuclear proliferation, cyberwarfare, inequality, and eroding democratic freedoms. A new nationalism would not isolate America from the world's troubles but recognise instead that strength at home requires engagement with the world and looking out for others as well as ourselves. Just as neighbourhoods are only as secure and prosperous as their individual members, families, and households, so the United States can only remain a strong and prosperous nation if it invests in itself at home and meets its responsibilities abroad.

Fortunately, America is not starting from scratch here. A new vision of inclusive nationalism coupled with international cooperation would channel the animating spirit of Franklin D. Roosevelt's Four Freedoms and New Deal and the optimistic New Frontier themes of John F. Kennedy, while updating the substance and focus for the early 21st century's defining challenge: rebuilding America's economy, society, and global standing in the wake of the Trump administration's disastrous response to the coronavirus pandemic coming on top of years of domestic divisiveness and neglect.

A successful vision of inclusive nationalism would speak for the common good at home and would reject the drift towards political tribalism and ideological extremes

Although the exact details of this new vision for America must be debated, the major components of future domestic and foreign policy activity should include:

- *a national economic development plan* built on increased domestic manufacturing of critical needs, clean energy, investments in science and technology, stronger public education, and greatly improved national infrastructure;
- *a sturdier economic foundation for American families* built on high-wage jobs for workers and more comprehensive social insurance and protections;
- *a national equity model* that brings all left-behind regions of the country, both rural and urban, into full participation in American social life;
- *a rebalanced national security approach* that protects the American homeland and citizens from harm, secures its borders in a humane and managed manner, and deploys its economic, diplomatic, and military power in a more measured way;
- *an international 'all hands on deck' initiative* to focus American leadership and diplomacy on common challenges facing governments across the world including terrorism, poverty, public health and pandemics, climate change, economic inequality, and the erosion of individual rights and democratic freedoms.

When Joe Biden takes office in January 2021, he will face an intertwined political and policy trial unseen since President Roosevelt's time. The risks involved in persisting on the present course are high for progressives and the nation alike.

Donald Trump and other right-wing populists in America will certainly continue to cast about for others to blame, and seek ways to rip the nation apart while avoiding any responsibility for the crisis or offering any meaningful ideas to combat it. They will continue to favour certain groups over others in designing public policies while ignoring the needs of American society as a whole and the world at large. This approach amounts to a formula for internal decay and decline as well as a serious loss of influence and prestige worldwide.

As dramatically demonstrated by the coronavirus crisis and Trump's actions in the aftermath of the 2020 election, America remains a nation divided and ill-served by outgoing political leaders. Its government lacked the ability to effectively cope with the domestic crisis wrought by this global pandemic, much less work with other nations to contain and defeat it. In contrast, a new vision for inclusive nationalism spearheaded by incoming President Biden would seek to rebuild American society at home in order to reclaim American prestige abroad. Without an America able and willing to do its part to solve global problems and meet overseas threats, the United States will remain vulnerable to terrorists, pandemics, and autocrats the world over.

If the country is to bridge its divisions and move towards a more stable political order, Joe Biden and his allies must now take up the urgent and vital task of developing a new vision of inclusive nationalism, one that can attract the support of Americans across demographic, geographic, and political lines to help protect and extend the nation's democratic legacy.

Donald Trump and other right-wing populists in America will certainly continue to cast about for others to blame, and seek ways to rip the nation apart while avoiding any responsibility for the crisis



PREDICTIONS 2021

The main political trends in post-pandemic Europe

Mikael Leyi

We are leaving a dramatic and paradoxical year behind us. One that came with death, suffering and painful realisations of the weaknesses of our societies, but also with encouraging experiences of the strength of our systems in the face of this monumental Covid-19 crisis. The magnifying glass offered by this pandemic exposes all the persistent inequalities, injustices and deficiencies of our societies, economies, democracies and European project. At the same time, the pandemic offers hope as it demonstrates the strength of our institutions and the collective willpower of our peoples in the face of a truly global emergency. We have seen the democratic space shrink as reactionary governments advance their autocratic agendas. We have also seen the essential role played by civil society organisations in bridging institutional gaps by organising life-saving support to communities across Europe. I believe that this dual experience will impact the coming year and define three major trends for Europe: *improved policy coordination*, *increased public impatience*, and *heightened political conflict*.

2021 will be an important political year for Europe, and will thus provide a perfect stage for these trends to unfold or a perfect storm. The EU institutions and the Portuguese presidency of the EU Council have much to deliver in carrying forward the enlarged ambitions of Europe in the face of the pandemic. The vaccines will continue to be rolled out in a coordinated fashion. The long-term budget will be implemented, and the national recovery plans put to work. The mid-term review of the Commission's work plan is approaching, and the next steps will be taken for crucial policies such as the New Pact on Migration and Asylum, the Green Deal, and the European Pillar of Social Rights (EPSR), as well as the dialogues related to the Conference on the Future of Europe (CoFoE). The international climate summit in Glasgow will be crucial for making real commitments, as we leave yet another year of record heat behind us.

We have seen a year exposing both increased policy coordination and the effects from a lack of it. In many ways, the EU has passed the most important tests of this pandemic, managing to secure both funding and coordinated distribution of the vaccines with a solidarity-driven approach. This experience points in two directions based on two realisations: the need for more and deeper cooperation, and the need for concerted and coordinated action by member states stemming from the understanding that the EU cannot afford to have states

fighting amongst themselves as they did over medical equipment at the start of the pandemic. This also provides inspiration for ongoing and future conversations on a Health Union, as well as for the CoFoE. The need for more coordination between policy areas is made evident as the crisis management is constantly enlarged to cover more and more policy areas – ranging from public health, social services, rescue packages and labour market policy, to border control and management, the climate and environmental crisis, adequate housing and fiscal policy. I believe that the experience brought about by the pandemic will influence the major political developments of 2021 and inspire conversations on the national recovery plans, the Green Deal, the EPSR, and the migration policy – most likely with much needed cross-referencing and increased coherence.

The growing public impatience and frustration with the injustices, incapacities and inequalities shown up in the most blatant way by the pandemic will have an important impact in 2021 as protests, demonstrations and gatherings become possible again, and as we move from crisis management to recovery and rebuilding. This outcry and frustration represent a public realisation of the dysfunctions of the current social and economic system that fails to guarantee the lives and health of all citizens. This generalised frustration is in fact a necessary factor in the transition towards the sustainable societies that we need to be able to build back better. There are also signs that this realisation is being mirrored at the European level, with a political class that is increasingly aware of this frustration and that is anxious to deal with it as it worries over the growing disconnect between citizens and Brussels.

The important public policy crossroads reached in 2021 will offer a perfect arena for my final prediction of a third likely trend – that of major incoming political fights both over what lessons should be drawn from this pandemic and over which path to take in the process of rolling out policy and implementing future action plans. The right and its extreme cousin will most certainly seize the opportunity of this pandemic to withhold, withdraw or downsize progressive ambitions. Hiding behind the argument of the need to focus on essentials, they will direct the efforts towards the familiar path of an economic recovery in its most neoliberal form of austerity, further pinning *us against them* in the name of crisis management. This fight is likely to heat up significantly, fuelled further by the frustration that has built up during this crisis and the heavy blanket of consensus established in so many places.

I will therefore end with a plea in relation to these three predicted trends: progressive forces inside and outside parliaments must do their utmost to make sure that 2021 becomes a new beginning and the starting point towards the new, sustainable, and just Europe that we so urgently need.

A social response to the weaknesses of democracy

Sébastien Maillard

The first event with global resonance to kick off 2021 was an attack on democracy: the invasion of Capitol Hill in Washington, spurred by the outgoing president. Europeans were stunned by this spectacular violence, killing five people, and degrading not only one of the most prestigious symbols of parliamentary democracy in the world, but also the very authority of the US executive.

The United States is depicted as a young nation but an old democracy. The European Union comprises many old nations but some relatively young democracies, most often founded on the rubble of totalitarianism. Europe trembled as it watched the Capitol wobble for a moment because it knows that the evils on the other side of the Atlantic are partly also its own: a crisis of representation, extreme polarisation of debate, dissemination of untruths, distrust of authorities. The German Bundestag suffered an attempted intrusion by anti-mask and anti-vaccination activists in August 2020, as did the Dutch Parliament in 2019 by angry farmers.

Repairing, even healing, our vulnerable liberal democracies is a European collective duty for 2021, as well for the whole decade to come. The European Union is becoming the guardian of democracies. It keeps an eye on the proper functioning of the rule of law. The Commission draws up a regular health report for the entire democratic body to be vitalised in the member states. As an economy requires structural reforms, cleaning up a democracy requires: advanced civic education, independence of the judiciary, a plurality of media, regulation of social networks, defence against cyber-attacks, respect for public freedoms such as the freedom of expression and religious freedom, an active role of intermediary bodies, citizen participation and a fight against corruption.

The consolidation of all these elements is all the more necessary as the international context is undermined by authoritarian regimes (China, Russia, Turkey), setting themselves up as an alternative model. Around the world, liberal democracy is losing ground. And global challenges, such as the struggle for climate and biodiversity, which require radical changes in our modes of production and consumption, question our sometimes very cumbersome deliberative procedures.

and under immediate threat. All eyes will be on Germany in 2021 because this is a *Wahljahr*, an election year, in many *Länder* throughout the country as well as at the federal level, with Angela Merkel leaving office after more than 15 years. Enabling a smooth and undisputed political transition in the EU's most populated and powerful country will be crucial for the future of democracy in Europe. The other key player under scrutiny in 2021 will of course be the new Biden administration and the way it manages to heal American democracy. Its plan to hold a world summit on democracy must not end up as a gathering of more or less democratic countries, allied against China under a restored US leadership, but send a message to the world of undefeatable faith in liberal democracy for this century.

Education in Europe after the pandemic

Between opportunities and divides

Mialy Dermish¹

Predictions in education are hard to make because the educational field is exposed to forceful influences such as public expectations, political approaches, professional principles, institutional views and expert opinions. Moreover, the practices that we call educational are not the direct outcomes of these forces but the results of interpretations by practitioners operating in specific environments (colleges, schools, classrooms, etc). Here we choose to share our predictions for 2021 in several areas of education, offering both a positive and negative scenario. We hope that more systems will move towards the positive trends, but we predict a mix of both. The choice is now up to individual member states and how they wish to support the future of their societies. For us here at the SIRIUS Policy Network on Migrant Education, the choice is clear.

Academic achievement

Positive scenario

After strong investment directed towards vulnerable communities through financial instruments that schools and school leaders are able to access and manage themselves, we will find that the learning gaps that might have occurred were significantly mitigated in the 2021 school year. This highlights the importance of bold political and financial leadership, and the recognition that teachers and leaders who have direct contact with learners are best placed to make rapid decisions about how to use investment for their communities with optimum effect.

Negative scenario

Long-standing differences in the learning achievements of vulnerable communities in comparison to other learners were further engrained at the end of the school year in 2020. Continued disruption to many school systems will put an extra strain on the educational attainment of these learners, among them those still in early childhood, those with learning needs and disabilities, migrant and refugee learners, those who do not speak the language of instruction,

¹ This chapter has been written also thanks to the inputs from Dr Michalis Kakos and Giuseppina Tucci.

learners from lower socio-economic backgrounds and those from vulnerable households with parents who are abusive and/or struggling with mental health issues. Depending on age and grade, many learners may struggle to catch up with what their peers are achieving within the period of formal education, particularly older learners in the 15+ age range who will have less opportunity for-intervention before they reach an age of independence.

Curriculum issues

Positive scenario

Although covering the curriculum has been challenging for many teachers in 2020, the familiarisation of practitioners with the new methods of delivery demanded by Covid-19 has allowed these practitioners to recognise new opportunities. Many schools have chosen to connect with other schools and classrooms from across Europe to increase citizen and civic learning in 2021. Furthermore, language exchanges and joint projects across a wide array of subjects with learners from all over the continent will promote teamwork, intercultural skills, and skills such as project and time management for older learners, in addition to meeting several curriculum priorities. This will foster a new way of learning, and the creation of European online schools where students from across the EU could learn together for several hours a week, eventually undertaking exchanges in different countries.

Negative scenario

Research from 2012 shows that while face-to-face teaching results in more time being spent with students than it would be for the same lesson online, online teaching requires much more preparation and organisation if it is to be pursued effectively. Anecdotal evidence from some schools also highlights that it is necessary to limit the curriculum in order to ensure that basic learning occurs. 'Extras' or individual-choice projects are therefore likely to be no longer possible in 2021.

Supporting non-formal education actors

Positive scenario

One major priority shared by parents, families, teachers and learners is the need to feel supported (both with workload and with mental health issues). Several non-formal educational actors have highlighted how community resource groups and outreach can approach this issue in innovative ways. We are happy to see governments funding the non-formal actors in 2021 to ensure that many groups, including newly arrived migrants, are able to access valuable peer and other support. It will also ensure that newly arrived migrants are able to access peer and social resources, including opportunities to speak and learn the language of instruction.

Negative scenario

Left struggling for funding and the ability to undertake their usual activities, many non-formal educational actors or other service providers turned to the telephone and other means of out-

reach during the 2020 school closures demanded by the pandemic. Overwhelmed by their workload and by their work being misunderstood by public authorities, these non-formal educational actors and other service providers have been underfunded for 2021 and will be even less available to provide for the vulnerable communities they serve. In particular, organisations will be missed that used to facilitate peer and community groups for refugees and newly arrived migrants to integrate better into society.

Educational policy and plan-designing processes

Positive scenario

The academic end of year multi-stakeholder meetings at national and local levels resulted in policymakers, teachers and school directors not only sharing their experience of reactions to the Covid-19 school closures in 2020 but also defining and highlighting the opportunities of this unique situation for 2021. The outcome is that the most urgent needs of teachers, students and families are being met with clear plans and positivity. In addition, the unique opportunities that the Covid-19 pandemic has brought to our schools will be exploited, and all stakeholders will be able to reflect on this time knowing that they have achieved as much as is possible.

Negative scenario

A lack of forward-thinking, design-focused and inclusive assessment of each country's educational experience in 2020 has resulted in a lack of proactive plans to ensure that the most important needs of schools, educators, students, children and families are met, and that aspirations can be reached despite the uncertainty. Advantages of the school-closure situation were not recognised or used to improve school systems or to provide learning opportunities for learners.

Educational technology

Positive scenario

Brought into local and national stakeholder meetings and into contact with parents and students, educational technology companies moved their products to meet the needs of vulnerable families in 2020, and began to use more co-creative processes with teachers and learners in lower socio-economic and challenging areas in order to fill a gap in face-to-face time between learners and teachers during the pandemic. Bringing public and private spheres together in this way shows how individuals and groups can make a very significant impact when directed by strong leadership and facilitated in a forward-thinking process.

Negative scenario

With little incentive or connection to national education ministries, educational technology companies continued to market their offerings to students and families. While many of these

companies produce high-quality offerings at optimal prices, some still prey on low-income families that seek upward mobility, and the companies do not deliver on the promises they market. Others, producing higher-quality courses and apps priced themselves to be accessible only by wealthier parents and will thus increase the achievement gap in 2021.

The best-skilled generation in the face of the pandemic

Alicia Homs Ginel

Youth is often described as one of the best periods in people's life given that key events for their own personal and professional development take place. But the Covid-19 crisis has put young people's prospects at risk in Europe.

Studies by the International Labour Organization (ILO) show that although young people are one of the most resilient groups to the health effects of the pandemic, they are nevertheless one of the most vulnerable groups in the economic and social crises that have unfolded.

As also happened during the 2008 crisis, the economic breakdown caused by the pandemic has hit young people disproportionately. Figures leave no doubt in this regard: one in six young Europeans who were employed before the outbreak of the Covid-19 pandemic have lost their job or have been dismissed. Working hours among employed youth have fallen by nearly a quarter, and two out of five young people have reported a reduction in their income.¹

Low incomes, precarious working conditions and limited access to social protection are the reality of labour conditions that thousands of young people are now experiencing in their daily lives. Moreover, unpaid traineeships and over-representation in non-standard forms of work (such as part-time jobs, temporary jobs or digital platform work) create the perfect conditions to turn the highest-educated generation so far into the most vulnerable one. Vulnerability is of particular concern from a gender perspective due to worrying imbalances in the labour market. We should never forget that young women in particular suffer a double discrimination, for being young and for being women.

The current generation of young Europeans is highly skilled. Re-skilling and up-skilling cannot therefore be the answer to tackle high unemployment rates among them. If we want to empower and create favourable conditions for young people to develop all their potential, what we need to provide is quality and sustainable jobs.

That said, we must acknowledge that the EU is currently taking major steps towards Sustainable Development Goal 8 of the UN's 2030 Agenda: the reduction of youth unemployment by at least 50 per cent by 2030 and the inclusion of criteria for quality job creation.

1 European Parliament (2020), resolution on the Youth Guarantee, 8 October.

The strengthening of the Youth Guarantee, the modernisation and expansion of policies in favour of vocational education and training, a more inclusive Erasmus+ Programme for 2021-2027, the commitment to invest 7 per cent of the Recovery and Resilience Mechanism in the young generation, and the new Agenda for a Sustainable Social Europe are good examples of the steps the EU is taking.

In sum, only if we develop the right tools and ensure that the job offers for young people are of the best quality in terms of decent wages and working conditions, will we be able to avoid the high societal cost of losing the best-skilled generation.

European economic prospects in 2021

Andrew Watt

Alongside its direct health-related impact, the coronavirus pandemic threw a spanner in the economic works. Output fell by an unprecedented amount in 2020. Public debt ratios increased by around 20 percentage points, in some countries substantially more, as governments tried to keep their economies afloat. Still, companies were forced into debt or out of the market altogether, workers into short-time work or open unemployment. If that were not enough, Brexit finally materialised as the New Year bells rang out, adding to economic uncertainty.

Can the European economy recover in 2021? The answer is yes, provided policymakers hold their nerve and build on last year's substantial policy achievements.

Output losses and their knock-on effects have resulted primarily from the restrictive measures imposed to curb infection. With vaccine roll-out now under way, prioritising the most vulnerable, there is a realistic prospect of a gradual easing of these restrictions. A resumption of suspended economic activities will be reflected in high economic growth rates, which will gradually unwind the negative impact on government, corporate and household balance sheets. Those households whose incomes were maintained during the crisis but were deprived of consumption opportunities have the means to catch up on missed spending. This is why forecasts for economic growth not far short of last year's losses – by the EU Commission and other forecasters, including my institute, the IMK – are credible. Importantly, this is not the same as a return to the previous growth path.

It makes more sense to ask what could prevent a decent, albeit incomplete, rebound. Most obviously, a vaccination failure and consequent inability to ease restrictions. Aside from that, the danger is that the crisis has 'scarred' the economy, preventing a strong recovery: high government debt ratios, corporate debt and insolvencies, banks facing higher non-performing loans, unemployed workers losing skills. Is there a risk that such developments abort the recovery? Yes there is, and every day that lockdowns persist, the risks increase. But they are amenable to economic policy responses. And the signs from last year are encouraging.

The fiscal (and also the state aid) rules were suspended, opening up policy space for member states. They will not be reimposed in 2021. The reform process of the economic

governance rules, launched by the Commission at the start of last year, will resurface this year. The higher debt ratios (and low interest rates) will focus minds. At least a modest reform package – de-emphasising debt ratios, making allowance for public investment, focusing on medium-run spending trajectories rather than dubious ‘structurally adjusted’ deficits – seems likely this year or next.

The European Central Bank launched its Pandemic Emergency Purchase Programme (PEPP), which has been decisive in preventing interest-rate spreads from opening up, in marked contrast to the euro crisis. While some legal challenges are likely in preparation, in the wake of the controversial ruling by the German Constitutional Court, these will not have an effect this year and possibly not at all. For as long as inflation remains below target, no change in monetary policy stance is expected.

Moreover, the EU has broken new ground in terms of developing a common fiscal response based on solidarity. Under the programme for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), member states have been entitled to cheap loans providing important short-run support for vital work-sharing schemes, with a total volume of €100 billion. More importantly, the end-of-year agreement on the EU budget and the Next-GenerationEU (NGEU) package of measures will provide hundreds of billions of euros, not only in loans but also grants, providing medium-run economic support and easing the burden on national budgets. Our analysis of just the grants component of the Recovery and Resilience Facility (the cornerstone of NGEU) points to a significant boost to output overall (just under 0.4 percentage points of GDP each year) with a distribution highly skewed towards poorer member states and those hardest hit by the Covid crisis.

The mistakes of the euro crisis have not been repeated – so far. It is vital that, unlike in 2011 when predictions of a recovery were used to justify a marked tightening of monetary and fiscal policy, the economic policy course is at least maintained. A pick-up in inflation is likely in 2021 as pent-up demand meets still impaired capacity. It is important to remember that (somewhat) higher inflation is a policy goal, and not a cause for a policy change.

Much more is needed than merely holding course to underpin recovery and increase longer-term resilience, however. As noted already, the fiscal rules need reform. NGEU needs to be backed by new own resources. Last year’s limited progress in the area of banking union must be built on to provide an effective Europeanised deposit insurance. The work on preventing harmful tax competition needs to be completed to underpin member state government finances. What has changed, compared to the post-2009 years, is that these issues are high up the political agenda, have been the focus of detailed preparatory work already and, in most cases, do not currently seem to be characterised by the sort of fundamental political opposition that scuppered the recovery from the global financial crisis.

Overall then, a strong recovery can be expected in the course of 2021 – subject to the vaccination and policy caveats above – but one that will still leave the European economy lagging substantially behind its pre-crisis trajectory. The Brexit agreement will limit the economic fallout for the EU27 of this unfortunate step but will nonetheless crimp output in countries with close trading links to the UK. Ongoing negotiations are to be expected in areas not covered by the agreement, notably financial services. In the UK, meanwhile, the economic fallout will

be more severe, and the political fallout – in particular the likely strong showing of the Scottish National Party in Scottish parliamentary elections, followed by formal calls for a second independence referendum – could be very substantial indeed.

The climate-change challenge has not receded due to the crisis, but it has fallen out of the news. It is vital that the steps to improve economic resilience are backed by serious de-carbonisation efforts. A substantial boost to public investment is needed, all the more so as regulatory steps (such as tightening the Emissions Trading System or the limits on vehicle fleet emissions, which will start to bite in 2021) will cause economic dislocation in some member states. There is some provision for this in the new EU budget and NGEU, but an ambitious programme of investment in European public goods – as opposed to support for national efforts – is still largely absent. I fear it will still be on my Christmas wish list for 2021.

Social rights, wages and industrial relations

Erika Mezger

In 2021, the Covid-19 pandemic and its disastrous economic, labour-related and social impact will hopefully be stopped and lessons will be learnt.

The European Pillar of Social Rights (EPSR) will be shaped ambitiously and firmly by an action plan further developing the European social model until 2030, when the Sustainable Development Goals should also be achieved. The Social Summit of the Portuguese EU Presidency in May 2021 will be a 'Gothenburg II' landmark event, paving the way for implementation of the EPSR action plan.

The guiding paradigm will be a 'digital, green and social triangle' which means that the social dimension of Europe will be central. The economic recovery will be strengthened and developed with digital, green and social upward convergence policies. A mainstreaming horizontal policy mix is required and needs to be developed to reach a better understanding of the policies and politics of transitions. To achieve sustainable transitions, there is a need to combine different policy instruments into so-called policy mixes.

This means that equal opportunities and equal access to the labour market, fair working conditions and social protection as well as inclusion – the three umbrella categories of the EPSR – will be a mandatory and binding mechanism based on new tools, which are needed for the implementation and enforcement of the EPSR.

It is obvious that the impact of the Covid-19 crisis is substantial. It threatens Europe's success of fighting inequalities between and within countries. The countries that are hardest hit by the pandemic see the most significant negative impact on well-being. Young people feel excluded from society and are at risk of depression.

To support younger people hit hardest (young people not in education, employment or training – or NEETs – have not suddenly disappeared) and people at risk of unemployment in an emergency, the measures of the EU SURE programme *Bridges to jobs* should be extended to further mitigate risks. But temporary support will not be sufficient.

The SURE programme should be part of an automatic social stabiliser mechanism combined with the mid-term ambition of a European unemployment reinsurance scheme. Work is needed to examine if both policies can complement each other or if they can be a working tandem.

Europe and the member states need to join forces with the social partners. One very pressing policy area is skills development as a strategic angle of combatting the crisis. The European social partners framework agreement on digitalisation focuses on skills development in times of short-time work schemes and pushes hard for the need to set a level playing field for all employees impacted by digitalisation.

Special attention needs to be given to the self-employed and workers with atypical and precarious jobs, especially in the service sector, where essential workers often serve under poor working conditions. Digital, green, and social policies have to be synthesised and developed on the basis of evidence-informed multidisciplinary research synthesis.

A resilient and sustainable recovery can only work with a decent wage-setting mechanism in all member states. The decline of trade union and employers' association membership can only be stopped by social partnership-oriented policies in the member states. A reinforcement of these policies is a precondition for a comeback of proactive collective bargaining. In addition, due to the different industrial relations regimes and the underperformance of social dialogue on the European level and in some member states, the political measures foreseen by the European Minimum Wage Directive are desperately needed.

Industrial relations are designed by four key dimensions which should be equally developed in all member states and on a European level. These dimensions are competitiveness, industrial democracy, decent jobs and working conditions, all integrated together by social justice measures.

Capacity-building for an effective social dialogue in the European Union and in the member states can create a revamp of the social dialogue which delivers solutions and takes over social responsibility.

Prospects of a eurozone recovery

George Pagoulatos

The speed and effectiveness of the massive pan-European vaccination programme stands out as the most important factor defining the outlook for the European economy in 2021. The herd immunity threshold will likely be reached around spring. Returning to a (relatively) Covid-19-free summer season, or (in the opposite case) having restrictions extended into the second half of 2021, will make a big difference to the speed and scope of economic recovery in 2021. This is especially the case for the economies most dependent on tourism, such as those of the European South, which were also the ones most vulnerable to the pandemic-induced recession.

The expansionary fiscal stance of governments will continue in 2021, largely financed through the far-reaching 'Next Generation EU' programme. Putting these EU funds to good use will be a momentous challenge for the collective governance structures of member states and the monitoring capacities of the European Commission. Normally, the economies most in need of funding for job creation and their digital and green transformation tend to be the ones with the weakest governance structures and a dearth of eligible projects. The year 2021 will be a historical opportunity for these economies not only to upgrade their productive potential and transform their economic growth models, but also to enhance their institutional and governance competence.

The return to fiscal discipline will (and must) be a matter to be addressed after 2022. The pandemic crisis leaves behind a legacy of ailing banks, with EU-wide stress testing of systemically important banks to be launched in 2021. The huge debt overhang of the private sector will inevitably further raise the debt burden of the sovereign sector. The public debt/ GDP 'stock' of several countries (especially Greece, Italy, Spain and France) will reach headline levels which, under normal debt market and monetary conditions, would border on unsustainable. However, what matters is the ability of the economies to generate the financial flows to service their high debt levels, and on that the European Central Bank (ECB) role will be indispensable.

The debt overhang will force the ECB to continue its quantitative-easing programmes throughout 2021, and retain near-zero interest rates for a long time after the recession is over, to contain debt-servicing costs for governments. Some have tabled the proposal of public debt restructuring, but this would raise overall risk premia and could not be accepted by the ECB. However, a gradual reprofiling of officially held debt might be on the cards, and the ECB

might accept to roll over maturing sovereign debt – indeed, the bank is not prohibited from doing this. In other words, the magnitude of the debt overhang, and the fact that ‘too-big-to-fail’ economies are affected, will lead the eurozone to muddle through and show broad flexibility within its given institutional rule framework.

The overall fiscal stance will thus remain expansionary in 2021, and the Stability and Growth Pact rules will remain suspended, to support a strong recovery. An effort will unfold not only to prolong the suspension of these rules but also to revise them formally. This is always easier said than done, as it requires Council unanimity and supermajorities that are far from given.

Europe's year zero after Merkel

Christian Odendahl

The German election in September 2021 marks a new beginning in European politics. Angela Merkel, Europe's most influential leader – by size of her country, her experience and skill – will leave the stage for good, leaving a hole to be filled. The Christian Democrats (CDU) have decided, for now, that Armin Laschet, the prime minister of North Rhine-Westphalia, Germany's biggest state, should follow her as party leader. However, his low popularity among voters will limit the CDU's overall appeal. Moreover, his inner-party rival, the conservative Friedrich Merz, was able to secure almost half the vote. That shows a deep split in the CDU on the future course, which the party will struggle to contain.

On current polls, the outcome of this year's federal election is fairly obvious: a coalition of the CDU with the Greens enjoys the broadest popular support. The Greens and their eminently sensible and measured leadership are keen to be part of the next government, and the CDU always wants to govern – one could go as far as to say that this is the sole purpose of the CDU and its Bavarian sister-party the CSU: to govern, so that the others can't.

But current polls have three flaws. First, they do not abstract from Merkel. Voters will struggle for some time to separate the CDU from her when asked which party they prefer. Second, the Covid-19 pandemic has catapulted the CDU back to almost 40 per cent, for its calm and reasonable (albeit far from perfect) leadership during this crisis. On the eve of the pandemic, the CDU stood at 26 per cent, which is the level to which it will return, once the crisis is over. Third, the election takes place in September, after Germans have had the 'summer of all summers' with the worst of the pandemic behind us. In such an atmosphere of optimism and new beginnings, a party that sells the status quo of the past may struggle to find voters.

Merkel's unique selling point has been her refusal to play culture war. With this style of politics, she has managed to be the voice of reason, the calm manager of the German consensus who deftly has used political opportunities to solve divisive issues. This has opened her party to CDU-sceptic centrists. She has also stripped the CDU of its anti-immigration image. Her handling of the refugee crisis stands out, and it pushed the 'migrant vote' (Germans with foreign roots) to the CDU. Add that she has been the female leader among men, and you get a very unique set of new supporters for the CDU that her successor will struggle to keep tied to the party in September.

The election is thus wide open and may yield quite a few possibilities to form a government. Even a leftist coalition with the Greens, the Social Democrats (SPD) and the Left party

seems possible – or a so-called traffic light coalition of Greens, SPD and the pro-business FDP (whose colour is yellow). That means that together, the Greens and the SPD may well have options that exclude the CDU, which increases their political leverage on the centre left.

Will they use it for Europe? The SPD has rarely used the precious few bargaining chips it has had in coalition negotiations with the CDU for European progress. That is understandable, considering the electoral beatings it has had to endure and the broadly orthodox economic consensus in Germany it has been up against. But in a team with the Greens, the SPD may well push some ideas through the German parliament that were hard to get past the CDU before, such as a meaningful eurozone budget, or a common unemployment insurance. Importantly, the German economic model may shift towards stronger worker protection and higher wages as well as more public investment and slower fiscal consolidation. While the German debt brake is hard to get rid of, since it was written into the constitution in 2009, there are plenty of workarounds that can be explored first.

If the numbers only allow a CDU-Green coalition, much will depend on what the Greens prioritise. But they are the German party that puts Europe highest on their agenda and they will enter these talks brimming with confidence. Policies that can be given a green tilt – a larger climate investment budget for the EU, say – stand the best chance. But the Greens will be keen to make Europe stronger, and they consider more general fiscal integration as part of that.

In truth, all those hoping for a radical renewal of Germany's European policies will be disappointed. German politicians are not elected because they promise change. Even in 1998, when even CDU voters wanted to get rid of then-chancellor Helmut Kohl, Gerhard Schröder had to promise not to change too much. Germany will not come out of the election as the Europe hegemon full of ideas, nor agree to a sizeable transfer union. It will not end up spending much more on defence nor suddenly become tough on China. The German consensus, first and foremost, is on preserving European unity and the integration Europe has already achieved, and proceeding stepwise from there. A progressive majority in September simply means that these steps will go in a different direction.

2021: the year of sustainable globalisation

Gerhard Stahl

We are living in exceptional times, a period of fundamental change. And the Covid-19 pandemic has simply sharpened some of the underlying transformations. The closure of borders and the lockdowns to stop the spread of the new coronavirus have shocked many people. The virus has shown that our globalised and interlinked economies, as well as our societies, are vulnerable. Supply chains have been interrupted, the necessary medical equipment was initially in short supply.

Climate change and biodiversity loss are existential challenges of our time. They not only facilitate the emergence of pandemics but also call our resource-intensive and polluting economic model into question. The fourth industrial revolution, based on smart technologies like artificial intelligence, the Internet of Things, 3D printing, genetic engineering, and quantum computing, is changing production systems and consumption patterns fundamentally. Increasing inequalities in income and wealth undermine the cohesion of many societies and favour populist movements, threatening democracies. The big international financial and economic crisis, which started in the US in 2007, has shaken confidence in the neoliberal economic model that guided the hyper-globalisation process in the years before the crisis. Furthermore, the populist 'America First' policy of the Trump administration has undermined multilateral institutions, international cooperation, and trust in democracy. A more assertive China has taken up the challenge of big power politics. It is striving for supremacy in key technologies. It also shapes a new China-centred international order, with the new Silk Road and new international financial institutions like the Asian Infrastructure and Investment Bank.

As a consequence of all this, many citizens feel insecure. Leading policymakers propose de-globalisation instead of globalisation as the remedy. Disruption has become the keyword for business and politics.

As the most open big international market, as a role model of shared sovereignty between democratic countries, and as the home of many multinational companies, the European Union is well placed to promote a new vision of sustainable globalisation. The year 2021 should not therefore become the year of status quo, of going back to the pre-Covid normality of hyper-globalisation and geopolitical power politics.

The year 2021 must instead bring progress towards a sustainable and inclusive society, towards an international economy that benefits everybody, independent of social status and place of birth. Progressive forces in Europe should cooperate with the incoming Biden administration to promote a new agenda for international cooperation based on common rules and multilateral institutions.

The fight against climate change could be an area where European, American, and Chinese efforts converge. The EU is a frontrunner in green policies. But China too has signed the Paris Agreement to fight climate change, and has the ambition to become an ecological civilisation. The new Biden administration wants to re-join the Paris Agreement – but it remains to be seen whether Republican opposition in the US Senate will be able to block this. Even if it does, the Biden administration, together with progressive US states and cities, can achieve substantial environmental progress.

Democracy should be strengthened. This cannot be achieved by engaging in geopolitical and ideological confrontation with authoritarian political systems. It will only be achieved by building a more cohesive society. The European experience of social market economies can provide guidance for building a united society with a robust social safety net.

International cooperation should promote shared prosperity. For decades, the opening up of China and that country's economic rise have benefitted the global economy, attracting foreign investors and lifting millions of people out of poverty. But this picture seems to be changing. A state-driven economy is now stifling fair competition. Indeed, non-Chinese companies are excluded from key sectors of the Chinese economy. The new US administration and the EU should therefore join forces to convince and pressure China to accept fair competition and further open up its huge market.

But we should not indulge in illusions. There might be areas where a Biden administration too will want to protect American interests against foreign competitors. The EU should therefore develop its own policy instruments to defend European interests and strengthen European economic and political sovereignty.

The year 2021 should become the year of a stronger European Union, promoting a new model of sustainable globalisation for the benefit of ordinary citizens.

Transatlantic relations 2021: nostalgic rhetoric, disappointing results?

Edward Knudsen

US President Joe Biden has pledged to resurrect 'American global leadership', abandoning the caustic and unpredictable policies of his predecessor. While this departure is welcome, will Biden be able to decisively break with the failed policies that led to Trump's rise? In an era of rising geopolitical tensions, skyrocketing inequality, impending climate catastrophe, and diminishing faith in democracy, more than mere restoration is needed. Biden must take radical steps – both at home and internationally – to address imminent social, economic, and ecological calamity. Is he up to the task, or will his administration fall back upon familiar rhetoric, policies, and attitudes, allowing these crises to fester?

Several signs are not promising. While many politicians and analysts from both the US and EU insist that the transatlantic relationship will be 'revitalised', not just restored, most of the solutions they propose sound decidedly old-fashioned. Ideas like Biden's 'Summit for Democracy', German Foreign Minister Heiko Maas's 'Marshall Plan for Democracy', or various think tank proposals to confront China amount to little more than warmed-over cold war ideas. Moreover, Biden's appointments to key foreign policy roles represent an old guard of US foreign policy. They mostly hail from the 'end of history' era, when faith in free markets, the superiority of liberal democracy, and American power as a force for good were common sense among policymaking circles.

Events of the last two decades have discredited these beliefs. A series of economic crises have shaken liberal democracies, military interventions in the Middle East have proven fruitless and destructive, and Western countries have struggled to address climate change, public health, or even the security of their own legislative buildings. In the wake of these failures, the US and its EU partners must retool their economies to be greener and more equal, abandon international paradigms of competition, and show citizens that democratic institutions are still capable of providing for the common good.

Political divisions in the US have hampered its ability to effectively govern and act responsibly on the world stage. While this problem will not abate in 2021, an ambitious redistributive

domestic agenda offers the best way to begin to repair the damage. To do so, Biden must enact a massive recovery and infrastructural investment programme, spurring a green transition and repairing the economic damage of the Covid-19 crisis.

His current \$1.9 trillion recovery proposal and \$2 trillion climate plan are encouraging, but the administration should be clear-headed about how it can enact them. Biden's current preoccupation with bipartisanship belies either a hopeless optimism or a faulty memory. Senate Republicans will be every bit as obstructionist as they were under Obama when Biden was repeatedly outmanoeuvred by then-leader Mitch McConnell. To have any success in rallying the US around a common agenda, Biden must aggressively use the tools at his disposal. This includes expansive use of executive power, and either eliminating the filibuster or extensively using the budget reconciliation process (which allows legislation to pass with a simple majority, and which Senate Budget Chairman Bernie Sanders had pledged to facilitate). Refusal to do so will thwart Biden's legislative agenda, dash his hopes of reuniting the country, and reduce the odds of the Democratic Party retaining its majorities in the 2022 midterm elections.

Internationally, the US and EU must abandon old foreign policy paradigms, instead of cooperating with countries they consider rivals and eschewing disastrous military interventions. A rising distrust of 'forever wars' suggests that the latter goal is eminently reachable. Recent developments regarding China are more alarming. Biden has indicated that he will continue parts of Trump's combative approach, with European leaders increasingly echoing such rhetoric. Countless policy papers have urged a united front against China, couching bellicose policies in the falsely comforting language of "transatlantic partnership".

A full-on geopolitical confrontation with China would be catastrophic, both socially and ecologically. With economies struggling and inequality rising, strained government budgets must be put towards domestic welfare, not lavish military budgets. The Covid-19 pandemic has made it clear that international cooperation is vital, with nationalistic policies only increasing nativism and racism. Most crucially, a confrontational stance towards China almost assures ecological disaster. The US military, already the world's largest fossil fuel emitter, must be severely reduced, and the EU should follow suit. A clear indication that NATO powers are not set on a course of military domination will allow China space to rethink and reverse its own recent military build-up.

Beyond avoiding military confrontation, China and the West must reset their economic relationship. As the leader in green technologies, China is a vital partner for the EU and US in the fight against carbon emissions. All parties must set aside ideological differences to share green technologies, relax intellectual property rights, and change the global trading system to allow for the rapid introduction of sustainable practices.

Can Europe be a useful partner if Biden chooses a progressive governing agenda? The European Commission has taken some positive steps on climate change, but the Christian Democratic Union's selection of Merkel-backed Armin Laschet suggests that Europe's most powerful country prefers continuity over radical change. If Europe is ready to take up the global leadership role that many policymakers have been advocating, it can begin by abandoning its own forms of nostalgia. Namely, it must not see the transatlantic relationship solely in terms of

mutual defence and trade liberalisation. Rather, Europe should work with Biden to combat illicit finance and kleptocracy, coordinate climate action, and defuse international tensions.

Addressing the festering right-wing violence, deep political dysfunction, and unjust economic structures in the United States will be a formidable task. In the short term, most of these problems will worsen; America has not seen the last of the sort of violence committed in Washington on 6 January. However, a progressive domestic agenda and cooperative international outlook offer the best chance to repair the damages decades of failed neoliberal and militaristic policies have wrought. It is a long shot, but our best hope of making 2021 a turning point is Biden uniting the US behind a shared economic agenda and rallying the world around the common concern of climate change.

Predictions for UK labour law in 2021

Catherine Barnard

Brexit has been ‘done’. Or rather, the next stage of the Brexit saga has been finalised. A treaty has been finalised – the Trade and Cooperation Agreement (TCA) – and provisionally applied. Much of the controversy of the final months of negotiation concerned labour law or level playing field (LPF) conditions to be precise. The question is how this will unfold in the years ahead.

The LPF conditions for labour law fall into two parts: (1) non-regression and (2) rebalancing. As far as non-regression is concerned, Art. 6.2(2) provides that “a Party shall not weaken or reduce, in a manner affecting trade or investment between the Parties, its labour and social levels of protection below the levels in place at the end of the transition period, including by failing to effectively enforce its law and standards.” However, each Party can set its policies “to determine the labour and social levels of protection it deems appropriate and to adopt or modify its law and policies”.

The advent of the European Pillar of Social Rights (EPSR) has seen something of a renaissance of social policy at EU level. The Transparent and Predictable Working Conditions Directive, passed in 2019, needs to be implemented in the next two years and with it some important provisions on the maximum duration of any probationary period and limitations on the use of zero hours contracts. Yet more radical is the proposal for a Directive on adequate Minimum Wages.

For the UK, the freedom to diverge could mean regulation or deregulation. Theresa May, the former prime minister, demonstrated no appetite for using Brexit for more deregulation. Indeed, she boasted she would use her new-found freedom to improve labour standards in the UK (EU membership did not, in fact, preclude that). In 2019, Boris Johnson committed to setting “a high standard, building on existing employment law with measures which protect those in low paid work.” This commitment has not been repeated much recently. However, his newly acquired ‘red wall seats’ (former Labour seats which have had a Conservative MP since the 2019 election) were won on a pledge to get Brexit done and to level up. Widespread deregulation does not fit this agenda.

That said, some the Court of Justice’s interpretations of the Working Time Directive have long aggravated employers, and the UK government may well remove requirements to pay holiday pay at the end of a long period of sick leave and not to pay rolled up holiday pay. Likewise, some or all of the Agency Workers Regulations, implementing the Agency Work Directive 2008/104, might be repealed. There may be other changes too. Despite initial government

denials, the UK Secretary of State has now said there is a review of EU employment law, but he insists that the plan was to maintain “a really good high standard for workers in high employment and a high-wage economy”.

But does this not constitute wholesale deregulation? Does it even trigger Article 6.2(2) of the TCA? Does salami slicing – in a limited and specific way – really affect trade or investment? Or are the barriers for UK access to the single market now so high that the EU can weather some low-level regression by the UK? There is a remedies provision for breach of the non-regression clause – based on convening a Panel of Experts (not very tough) – but buried elsewhere in the text is the possibility for parts of the agreement to be suspended in the case of non-compliance.

The second part of the LPF provisions on rebalancing concern *future* measures in the field of labour or social policy (Article 9.4). Where *material* impacts on trade or investment arise as a result of significant divergences between the Parties, either Party can take “appropriate rebalancing measures” which shall “be restricted with respect to their scope and duration to what is strictly necessary and proportionate in order to remedy the situation”. Article 9.4 applies where one party significantly improves its labour standards or the other significantly reduces theirs.

Even if the UK does not go down the route of deregulation, it is possible that the EU will go further in developing its social policy as a result of the EPSR. Its proposal for a Directive on adequate minimum wages would set a framework for EU member states based on the Kaitz index which describes the relationship between minimum and median or average wages. If adopted, this Directive would be a radical step for the EU (and raise difficult questions about its legal basis). Would it have material impacts on trade? Well, given that the UK already has a minimum wage which is regularly examined by the Low Pay Commission which makes annual recommendations on the future level of the National Living Wage and National Minimum Wage rates, it seems unlikely that this will constitute a significant divergence. If the rebalancing measures are engaged, the mechanism is swift and results in proportionate action suspending part of the agreement.

The first potential use of these procedures may come with the establishment of free ports. These are seen as one of the benefits of Brexit and are a pet project of the UK Chancellor of the Exchequer, Rishi Sunak. So far it has been confirmed that free ports will benefit from: streamlined planning processes to aid brownfield redevelopment; a package of tax reliefs to help drive jobs, growth and innovation; and simplified customs procedures and duty suspensions on goods. It is not yet clear whether the package might include lower employment or environmental standards. For some Brexiters, free ports also provide an opportunity to test the resilience of the TCA and its dispute resolution mechanisms.

(De-)regulation of employment law may be another area where the government decides to test the EU's willingness to flex its muscles over the scope of the non-regression and/or rebalancing measures. At a time when both sides profess a commitment to high employment standards, it seems possible that there will be a fight over precisely what that means.

Is the future of the Western Balkans in Europe at stake in 2021?

Pierre Mirel

Although the EU reaffirmed its “unequivocal support for the European perspective of the Western Balkans” at the virtual Zagreb summit in May 2020, uncertainties will prevail in 2021. Indeed, even 20 years after their ‘European vocation’ was recognised and 17 years after the Thessaloniki summit, little progress has been achieved. Only Slovenia and Croatia have joined the European Union. Serbia and Montenegro have fallen into the Freedom House ‘hybrid regimes’ category, while Bosnia and Herzegovina and Kosovo are in political limbo. Meanwhile, the opening of accession negotiations with North Macedonia is being blocked by the Bulgarian government.

Some think tanks and politicians in the Western Balkans blame the EU for the slow accession process. The European Union may indeed have been sleepwalking for a long time and it has not provided the financial support that the post-war situation in the Western Balkans required. This has paved the way for the influence of re-emerging powers – from Russia to Turkey, and from China to the Gulf countries.

In the EU accession process, however, the burden of proof is on the candidates, and their compliance with the accession criteria and conditionality. Unlike with the Central European countries in the 1990s, many leaders in the Balkans have placed their short-term interests of staying in power ahead of the long-term benefits of their countries’ EU accession. This is because the hard reforms required by the EU accession criteria might cut off the very branch on which these leaders are sitting. The functioning of institutions in the Western Balkans is being hampered by state capture and corruption, and media are often under state control. Inequalities are growing, amid a massive exodus and a continuous demographic decline. The backsliding of democracy is indeed worrying.

This situation is obviously not conducive to the EU’s readiness to welcome new members. Furthermore, some EU member states fear that enlargement of the bloc to include the Western Balkans would result in a Hungary- and Poland-type ‘illiberal’ contagion. It is thus high time for all democratic forces to wake up, together with civil society organisations, including those for reconciliation, where women play a major role. Let us hope that 2021 will mark a turn towards fundamental reforms, from words to deeds, as the Western Balkans are essential for the EU,

and are indeed geographically embedded in Europe. Their stability is our security. Geopolitics abhors a vacuum. And the expectations of citizens in the Western Balkans towards Europe should at last be answered.

Nevertheless, no upsurge in reform can be expected unless the EU gives primacy to the rule of law and good governance everywhere, moving away from its acceptance of the so-called 'stabilocracy'. The link that has recently been agreed between reforms in accession countries and EU financial support will offer a strong incentive for primacy being given to the rule of law, providing that the EU does not shy away from insisting on this link. In addition, for reforms to come about, increased empowerment of civil society organisations should be sought. The new accession negotiation methodology will also help. Nonetheless, it is the countries' political will to undertake the reforms, as well as the EU's political will to fulfil its commitments, that will remain the key to progress. It is now essential for the long-awaited opening of negotiations with North Macedonia to take place in 2021. And the unprecedented vetting process of magistrates in Albania should equally be rewarded as soon as the constitutional court is up and running.

The EU has already re-engaged with the Western Balkans with a €3.3 billion package agreed in May 2020 to support the health sector and social and economic recovery, along with a €9.5 billion investment plan under the new multiannual financial framework. However, this financial support will not be sufficient to meet the needs in the Western Balkans, or to reduce emigration and unemployment, or to accompany the regional common market that has recently been declared. Nor will it be enough to reduce the attractiveness of other powers, like China, in the region. If the current EU framework does not prove effective enough, consideration should be given to establishing a form of structural funds following the 'more for more' principle.

Two other issues will also largely determine the fate of the Western Balkans region. First, the inter-ethnic blockade in Bosnia and Herzegovina is worrying, 25 years after the Dayton peace agreement. Second, the stalemate of the Kosovo-Serbia issue, ten years after the start of the EU-facilitated dialogue is also of concern. It seems unlikely that long-term solutions to these issues will emerge in 2021, given how deeply rooted in the war legacy the prejudices appear to be – which the leaders keep abusing to stay in power – and given how profound is the institutional crisis in both countries. What is more, long-term solutions are also unlikely in 2021 because Russia is close to Republika Srpska in Bosnia and Herzegovina and because Russia holds the key to Kosovo's recognition by the UN.

Renewed efforts and trust, as well as close cooperation with the Biden administration, will be needed – away from the transactional Trump practice – to ensure, at least to start, a better functioning of Bosnia and Herzegovina and operational agreements to improve the daily life of Kosovo's citizens. The long-awaited visa liberalisation for Kosovo's citizens would greatly help the EU regain credibility.

Where else but in the Balkans can the EU turn geopolitical and ensure European sovereignty? Both Kosovo and Bosnia and Herzegovina will be the yardstick for measuring whether the EU has fully exploited the geopolitical assets advocated by the Commission to assert the European Union as effective, credible, and sovereign.

Peaceful, creative, inspirational Europe must stand by the Belarusian people

Frank Hoffer

In a year of depressing news from Washington, Warsaw, Budapest, Istanbul or Moscow, the peaceful, creative and determined protests of the Belarusian people have been truly inspirational. People from all strata and all age groups of society united in their desire to be free. They must get the strongest possible support.

For this, European governments and the EU need to have a realistic and effective support strategy. Personal sanctions against Belarusian evildoers, strongly worded political statements, and welcoming Svetlana Tikhanovskaya in the capitals of European member states are important, though largely symbolic, actions of solidarity. It would not only be cynical – worse, it would be a mistake – if Europe limited itself to these symbolic measures and regarded Belarus as Russia's backyard.

No regime can stay in power for long, once it has lost its social base in society. That is also true for President Alexander Lukashenko – even with Russian help – and it is probably also understood in the Kremlin. While a weakened Lukashenko might be convenient for Russia in the short run, propping him up will be financially costly and give rise to anti-Russian sentiments in the most Russia-friendly former Soviet republic.

The Belarusian people want good relations with both Russia and the European Union. They should neither be forced or incentivised to make a choice they do not want to make. Instead, European policy initiatives should pursue options that respect the preferences of the Belarusian people and allow them to prevail.

Ideally, Russia therefore needs to be part of the solution and not part of the problem. In the light of the aggressive and disruptive Russian power politics and the many conflicts including cyber-attacks, disinformation campaigns, outright killings of opponents and of course military interventions in Syria and Ukraine, this may sound ludicrous or at least naïve. But Putin might be far less of a strongman than he would like the world to believe, and with a new US administration, growing discontent at home, and a weak economy, he might see some advantages and need to avoid another conflict with his European neighbours.

Release of all political prisoners, free and fair elections, and the right of the Belarusian people to determine their own destiny are essential demands that Europe needs to support. Furthermore, Europe needs to offer unwavering political and economic support for a democratic Belarus. On the other hand, Russia's security concerns – real or imagined – need to be recognised. In practical terms this means that, while of course Belarus must have the full sovereignty to apply for membership of NATO and EU, neither of the two organisations has any obligation to agree to such a request, and nor should they have any intention of doing so if the request was ever to be made. A robust commitment that NATO and EU membership is not on the cards should be a security assurance given to Russia, but only in return for a Russian willingness to support the right of Belarusians to choose their leadership in free and fair elections. Additionally, an EU offer of economic help for a democratic Belarus should focus on inclusive economic growth, instead of on the typical structural adjustment demands that have done so much harm to people's lives and their confidence in democracy in so many transition countries. The speedy unleashing of market forces integrated many eastern European countries largely as peripheral economies into the EU. The resulting lack of opportunities at home triggered a wave of migration of young people to western Europe that is unprecedented in history. Economic cooperation with Belarus must aim at avoiding a similar brain drain and instead support investment and sustainable growth in the country.

Giving people hope and confidence requires an economic perspective. The EU should therefore offer Belarus unilateral free access to the EU market for a couple of years. A European fund for infrastructure investment, co-operation with the modernisation of municipal enterprises, a joint development bank to promote business start-ups and provision of the macro-financial assistance needed in the short term – without the usual demands for rapid privatisation, cancellation of public services and labour-market deregulation – should be part of Europe's support for a democratic Belarus.

There are lessons to be learned from political changes in other countries. Democratic institutions do not drop from heaven and civil society organisations are not a natural spin-off from spontaneous mass protests. The diverse new movements and protest groups in Belarus need exchanges and friendships with like-minded people from across Europe, especially eastern Europe, to develop their ideas and consolidate organisationally. Otherwise, experience elsewhere shows that democratic upheavals do not issue in democratic societies but instead lead to a political vacuum filled by a web of money, power and corruption. Institutions and civil society organisations both have to be built.

The solidarity of European progressives with Belarus therefore requires two things: direct support for the courageous people in Belarus, and a push in Brussels and the capitals of EU member states for a geopolitically acceptable, and economically possible, positive change in Belarus. If the EU succeeds in this, we can confidently predict that the Belarusian people will prevail and Lukashenko's days as a president of Belarus are numbered. Let's hope that number will be less than 365.

Biographies



László ANDOR is a Hungarian economist, and former EU Commissioner for Employment, Social Affairs and Inclusion (2010-2014). Since stepping down from the Commission, he has been Head of the Department of Economic Policy at Corvinus University (Budapest), Senior Fellow at Hertie School of Governance (Berlin) and a Visiting Professor at ULB (Brussels) as well as Sciences Po (Paris). He also became a member of various think tanks (EPC, RAND Europe, Friends of Europe) in an advisory capacity. Between 1991 and 2005, Andor taught political science and economic policy in Budapest, and was editor of the progressive social science journal *Eszmélet*. He was also a regular columnist for the weekly business magazine *Figyelő* and the daily *Népszava*. He has authored, edited or co-edited a dozen books in Hungary, including books on economic and political history, comparative economics and globalisation. Andor has also taught at Rutgers (State University of New Jersey, USA) as Visiting Fulbright Professor (1997-8) and worked as an advisor for the World Bank on SAPRI (Structural Adjustment Participatory Review Initiative). He also worked as an advisor for the Budget Committee of the Hungarian Parliament (1998-9) and the Prime Minister's Office (2002-5). From 2005 to 2010, he was a Member of the Board of Directors of the EBRD (London), representing the Czech Republic, Croatia, Hungary and Slovakia. Andor holds a degree in Economic Sciences from Karl Marx (now Corvinus) University, an MA in Development Economics from the University of Manchester, and a PhD from the Hungarian Academy of Sciences (1995). He was awarded Doctor Honoris Causa at Sofia University of National and World Economy and in 2014 was awarded the Legion of Honour by the President of France.



Albert F. ARCARONS is Deputy Director at the Office of the High Commissioner for the Fight against Child Poverty of the Spanish government. He holds a doctorate in Political and Social Sciences from the European University Institute, a Master's degree in Sociology from the University of Cambridge, and a Master's degree in Social Research Methods, with a second concentration in Social Policy, from the London School of Economics. Before joining the Office of the High Commissioner, he worked as a postdoctoral researcher at the Centre for Demographic Studies in Barcelona, and as a research associate at the Migration Policy Centre in Florence, the International and European Forum on Migration Research (FIERI) in Torino, and the Institute of Childhood and the Urban World in Barcelona.

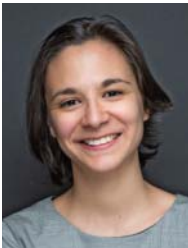


Catherine BARNARD is Professor in EU Substantive Law at the College of Europe, Natolin campus (2016-), Professor in European Union Law and Employment Law (2008-) at the University of Cambridge (Trinity College) and ESRC Senior fellow in the UK in a Changing Europe project 2016.



Gabriele BISCHOFF was elected as Member of the European Parliament for the Socialists and Democrats Group in May 2019. There she serves as Vice-Chair of the Committee for Constitutional Affairs (AFCO) and as a full member of the Committee on Employment and Social Affairs (EMPL) and Substitute of the Committee on Economic and Monetary Affairs (ECON). She commits her parliamentary work to core social-democratic topics: minimum wages, minimum resources, collective bargaining and a socially fair EU Semester. Furthermore, she is dedicated to

ensuring a broad participation of citizens within the reform process “The Conference of the Future of Europe”. Gabriele Bischoff was the President of the Workers’ Group of the European Economic and Social Committee from October 2015 to March 2019. She is a member of the board of the European Movement in Germany, and a board member of SPDqueer in Berlin. She studied Political Science at the Universities of Marburg and Berlin and holds a diploma in political science from the Free University of Berlin.



Mialy DERMISH is an education specialist, previously working with the UNHCR in Brussels. She has been a preschool teacher in Hong Kong, an English as a Second Language teacher for migrants in London, conducted research and advocacy campaigns on topics such as supporting parents, HIV protection for girls in school, and started her own non-profit to fund youth projects in Madagascar. She holds an M.Ed in International Education Policy from the Harvard Graduate School of Education (HGSE). Dermish believes it will only be a matter of time until we see a world where

collaborative action by involved and motivated individuals meets the hyper-mobile demands and challenges placed on students, families and children.



Saïd EL KHADRAOUI is Special Adviser to the Foundation of European Progressive Studies (FEPS) on the European Green Deal. He is a former Member of the European Parliament and former sustainability adviser at the European Political Strategy Centre, the European Commission’s in-house think tank. He has acquired extensive knowledge and policy experience in a large number of areas that are now at the very core of the European Green Deal, such as transport and mobility, and its links with

other systems such as energy and food, as well as circular economy and sustainable finance, and sustainable development more generally. As a former deputy mayor and city councillor of Leuven, he has also gained substantial expertise at local level. He holds a degree from KULeuven in contemporary history and in international relations, and in 2018 obtained an Executive MBA degree at the Vlerick Business School. He is currently also a Fellow at the KULeuven Public Governance Institute. Since January 2019 he has been the Chairman of the Board of STUK art centre, House for Dance, Image and Sound in Leuven, Belgium.



Hedwig GIUSTO joined the Foundation for European Progressive Studies (FEPS) in May 2016 as Senior Policy Advisor working predominantly on migration and the Balkans. Since September 2020 she is editor-in-chief of the Progressive Post. She holds a PhD in History of International Relations from the University of Florence and an MSc in History of International Relations from the London School of Economics. From 2006 to 2015 she worked at the Fondazione Italianeuropei, where she was in charge of the foundation's international relations and activities.



John HALPIN is a senior fellow at the Center for American Progress focusing on campaigns and elections, political ideology, and public opinion analysis. Halpin has been at the Centre for American Progress since it opened in 2003 and currently serves as the co-director of its Politics and Elections programme. Over a 20-year career in the fields of public opinion and election analysis, Halpin has written extensively on voter attitudes about domestic and foreign policy with research featured in publications including *The New York Times*, *The Washington Post*, *Financial Times*, *The Boston Globe*, *Foreign Policy*, *Foreign Affairs*, *The American Prospect*, and *The Atlantic*. He is the co-author with the Centre for American Progress founder John Podesta of *The Power of Progress: How America's Progressives Can (Once Again) Save Our Economy, Our Climate, and Our Country*, a 2008 book about the history and future of the progressive movement. Halpin received his undergraduate degree in government from Georgetown University and his M.A. in political science from the University of Colorado, Boulder. He lives in Baltimore with his wife and two adult children.



Frank HOFFER was born in 1958 in Germany, served as Labour Attaché at the German Embassy in Moskau and Minsk. Later, he worked many years for the International Labour Organisation in Russia and Belarus and in Geneva. He holds a Ph D in economics and is an associate fellow of the Global Labour University.



Alicia HOMS GINEL was born in Palma (Balearic Islands, Spain) in 1993, and since May 2019 she has been a Member of the European Parliament. She is a member of the EMPL Committee and a substitute of the ITRE Committee. She obtained a Bachelor's degree in Political Sciences at the Autonomous University of Barcelona and a Masters in Diplomacy and International Public Administration by the Centre of International Studies of Barcelona. She worked as an intern in the European Parliament and as an advisor in the regional ministry for Employment, Trade and Industry in the Government of the Balearic Islands. In August 2019 she was elected president of the Young European Socialists (YES), one of the most important youth political organisations in Europe.



Edward KNUDSEN is a Research Associate at the Hertie School and Affiliate Policy Fellow at the Jacques Delors Centre, where he focuses on transatlantic politics and economics. At the Hertie School, he has also worked on projects examining comparative soft power for the German Foreign Office and has served as editorial assistant for the journal *Global Perspectives*. Previously, he worked in the US and the Americas Programme at Chatham House. He holds a Master's degree in International Political Economy from the London School of Economics and Political Science and a bachelor's degree with majors in history and economics from the University of Wisconsin-Madison.



Mikael LEYI has been SOLIDAR and SOLIDAR Foundation's Secretary General since May 2020. He is a political scientist and he previously worked as part of the labour movement in Sweden, in the field of international development cooperation, taking various roles at the Olof Palme International Center (a member organisation of SOLIDAR). Additionally, he has worked with European and international organisations of the trade union and popular education movements, as well as the institutions of the EU, OSCE and the UN, in the five continents.



Michiel LUNING is doctoral researcher at the Law Faculty of the University of Antwerp. His research focuses on the use and abuse of European contemporary constitutional discourse for fundamental rights protection. Luning previously lectured at the Faculty of Governance and Global Affairs of Leiden University and has worked at the EU department of the Clingendael Institute. He graduated *cum laude* in European Studies at the University of Groningen and the University of Göttingen (double degree), holds a Bachelor's degree in History from Leiden University and among others studied at the University of Amsterdam and American University, Washington DC.



Bartosz MACHALICA, PhD, is co-founder of the Polish social democratic think-tank Ignacy Daszyński Centre. He is a history and political science graduate from Warsaw University. Machalica is the author of publications in the field of political science, especially the theory and philosophy of politics. His dissertation was concentrated on the transformation of Polish Left from post-communist structure to the modern social democratic political party.



Sébastien MAILLARD, was a journalist at *La Croix*, where he recently covered the campaign of Emmanuel Macron. Previously a correspondent for the daily in Brussels and then in Rome, he made numerous reportages across the continent. He is a specialist in European affairs and taught at Sciences Po (Paris) and Boston College. He is also involved in various actions for Europe (EuropaNova, Comece, Robert Schuman House), and wrote *What We Have made of Europe?* (edited by Salvator, 2013). He is also the co-author of *Faire l'Europe dans un monde de brutes* with Enrico Letta, published in September 2017. He is currently Director of the Jacques Delors Institute.



© Finnish Government

Sanna MARIN took a Master's degree in Administration Sciences at the University of Tampere in 2017. Her Master's thesis, entitled 'Finland, a country of Mayors', looked into the professionalisation process of political leadership in Finnish cities. In 2015, Marin was elected to Parliament for her first run. There she has been member of the Grand Committee, Legal Affairs Committee and Environment Committee. She is member of Tampere city council, which she chaired in 2013-2017. In 2014, Marin was elected as a second deputy party leader of the Social Democratic Party, and since 2017 she has served as the First Deputy Party Leader. In August 2020, Marin was elected as Chair of the Social Democratic Party. Marin has been actively engaged in politics since 2006. During the government formation talks in spring 2019, Marin chaired the negotiating table that addressed the theme 'Carbon neutral Finland that protects biodiversity'. She served as Minister of Transport and Communications in the Rinne Government. Sanna Marin was appointed Prime Minister on 10 December 2019. Marin is the third female Prime Minister of Finland and the youngest prime minister in Finland's history.



Erika MEZGER

works as Senior Adviser on Social Dialogue, Employment Relations & Welfare Reforms with the Social Europe and Well-being Programme of the European Policy Center (EPC) in Brussels. From 2009 to 2019 she was Deputy Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in Dublin, Ireland. From 1994 until 2009 she was Head of the Research Promotion Department of Hans Böckler Foundation (HBS) in Düsseldorf, Germany. She

holds a diploma and a PhD in Public Administration (Verwaltungswissenschaften) from 1989 at the University of Konstanz, Germany.



Pierre MIREL holds a PhD in Public Law, has served at the French embassies in Cairo (1971-1974) and in Saigon (1974-1976), and then at the International Institute for Public Administration, Paris (1977-1981). He joined the European Commission in 1981, where he spent a large part of his career on EU enlargement: setting up the PHARE assistance programme; becoming head of relations with Poland, Estonia, Latvia, Lithuania; Director for the accession negotiations with Hungary, the Czech Republic, Slovakia and Slovenia, then for Croatia and Turkey. In 2006, he took over the relations with Albania, Bosnia and Herzegovina, Kosovo, Montenegro and Serbia, until he retired at the end of 2013. Since 2014 he has been a regular speaker at conferences in and focussing on the Western Balkans. He has been a lecturer at Sciences Politiques-Paris since 2010. His publications include: *L’Egypte des Ruptures* (1982), a chapter on “The EU enlargement and neighbourhood policies” in Jacques Rupnik’s book *Géopolitique de la Démocratisation, l’Europe et ses voisinages* (Presses de Sciences Politiques-Paris, 2014) and policy papers at La Fondation Robert Schuman. Mirel is also a board member of the Roma Education Fund and of the Council for Inclusive Governance.



Christian ODENDAHL is chief economist at the Centre for European Reform. Odendahl works on European monetary and fiscal policy, European integration and economic growth, financial markets as well as German politics. He commentates regularly on economic issues in print and broadcast media, including the *Financial Times*, *The New York Times*, *The Wall Street Journal*, *The Economist*, *Deutschlandfunk* and the BBC. He has also given oral evidence to the House of Lords on the future of the eurozone. Before joining the CER, Christian worked as a senior economist at Roubini Global Economics in London on the eurozone, the ECB and Germany, and as a Marjorie Deane financial journalism fellow at *The Economist*. Christian holds a PhD in economics from Stockholm University, chapters of which were published in the *European Economic Review* and the *European Journal of Political Economy*.



George PAGOULATOS is Director General of the Hellenic Foundation for European and Foreign Policy (ELIAMEP); Professor of European Politics and Economy, Athens University of Economics and Business (AUEB); Visiting Professor, College of Europe, Bruges. He is an Advisor to the President of the Hellenic Republic, and was Director of Strategy at the PM Office under two Prime Ministers of Greece. He holds degrees from the University of Athens and the University of Oxford (MSc, DPhil).



Xavier PRATS MONNÉ is the Special Advisor of Teach For All, a global non-profit organisation whose mission is to expand educational opportunity around the world, and he sits on the Board of Teach For All's partners in Spain and Belgium. He is also the Senior Advisor for Strategic Initiatives of the Open University of Catalonia (UOC), and Chief Advisor to the Board of the European Institute of Innovation and Technology (EIT-Health). He is the President of the Europe Committee of the King Baudoin Foundation and sits on the Board of several non-profit organisations. He is strategy advisor at Astanor, an impact investor aiming to scale a regenerative, connected agriculture and food system which protects the planet and supports a healthy, sustainable global population. From September 2015 to September 2018, he was the Director General for Health and Food Safety of the European Commission. Between 2011 and 2015 he was first Deputy Director General and then the Director General for Education and Culture. He holds degrees in social sciences (Anthropology major) from the Universidad Complutense of Madrid (Licenciatura); in development policy from the Centre International des Haute Études Méditerranéennes of Montpellier, France (DEA); and in European Studies from the College of Europe of Bruges, Belgium, where he graduated first of the class of 1981-82 and served as assistant professor.



Maria João RODRIGUES, former Portuguese Minister of Employment in Portugal of Prime Minister Antonio Guterres, is a European politician with a long track record in different European institutions: EU Presidencies, Council, European Council, European Commission and, more recently, the European Parliament where she was Vice-President of S&D Group, the second largest EP Group, in charge of the general coordination and interface with the other EU institutions. She played a relevant role in several important European initiatives including the Lisbon Treaty, the Lisbon and the Europe 2020 strategy (the EU's agenda for growth and jobs), the Eurozone reform, the interface with EU strategic partners, the roadmap for EU's future and, more recently, the European Pillar of Social Rights. She is now involved in developing plans to respond to the COVID-19 crisis. She is currently the President of the FEPS). In her academic life, Rodrigues was professor of European economic policies in the European Studies Institute at Université Libre de Bruxelles and in the Lisbon University Institute. She was also the chair of the European Commission Advisory Board for socio-economic sciences. She is the author of more than one hundred publications.



Ania SKRZYPEK (Skrzypek-Claassens) is Director for Research and Training at the Foundations for European Progressive Studies (FEPS). She holds a PhD *cum laude* in Political Sciences from the University of Warsaw, a degree which she obtained for her thesis *Cooperation of the socialist and social democratic parties in uniting Europe. From Liaison Bureau to PES, 1957 – 2007* (also published in book format in 2010). Before joining FEPS in 2009, Skrzypek worked as young researcher at the Faculty of Journalism and Political Sciences at the University of War-

saw (2003–2009) and also served as twice consecutively elected Secretary General of Young European Socialists (ECOSY, 2005-2009). She is the author of over 80 published papers and articles, available in English, German, French and Polish.



Gerhard STAHL worked for more than thirty years for the EU in leading positions in the European Parliament and the European Commission. His last responsibility was Secretary-General of the EU Committee of the Regions. Since 2013 he has been a Visiting Professor at the Economic Department of the College of Europe and since 2014 at the Peking University HSBC Business School in Shenzhen. He is an adviser to the Ecological Development Union, an NGO supporting ecological projects and sustainable development in China, and the Committee of European

Affairs of the SPD executive.



Britta THOMSEN was a member of the European Parliament for the Danish Social Democratic Party (2004-2014), where she was vice-chair of the ITRE committee from 2004 to 2007 and spokesperson on several directives on renewable energy. She was coordinator of the S&D group in the Committee the Women's Rights and Gender Equality. Britta Thomsen has an MA in History from Aarhus University and she studied Portuguese language and history in the University of Lisbon. In the 1990s she worked as a consultant in the Danish white-collar Trade Union HK on projects with

other European countries concerning the labour market and lifelong learning. In 2000 she set up her own consultancy company which carried out European projects in the field of labour markets, immigration and integration. Based on these experiences she wrote the book *The Necessary Immigration* in 2009 on different approaches to immigration in selected European countries. Since 2012 Britta Thomsen has been Adjunct Professor in the Copenhagen Business School and she was appointed a board member of the Agency for the Cooperation of Energy Regulators (ACER) in 2017 by the European Parliament. Britta Thomsen comments on Portuguese politics in the Danish media.



Andrew WATT is Head of the Unit European Economic Policy at the Macroeconomic Policy Institute (IMK), part of the Hans-Böckler Foundation. His main fields are European economic and employment policy and comparative political economy, with a particular interest in the interaction between wage-setting and macroeconomic policy. Recent work has focused on reform of the economic governance of the euro area, emphasizing the need to coordinate monetary, fiscal and wage policy in order to achieve balanced growth and favourable employment outcomes. He

has served as adviser to numerous European and national institutions, including the European Commission and Eurofound.



FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
FONDATION EUROPÉENNE
D'ÉTUDES PROGRESSISTES



2020 is a year that will remain written in history books and engraved in our memories for many decades to come. An unexpected pandemic, provoked by a previously unknown coronavirus starting from the city of Wuhan in China, has spread all over the planet disrupting the lives of all of us, on all continents. It has taken a heavy toll on human life: more than 2 million deaths worldwide at the time of this book going to press. The pandemic has forced about half of the world's population to stay home for prolonged periods of time, and the full psychological consequences of this closure are still to emerge. It has affected our economies enormously, increasing inequalities and causing a deep social crisis. It has prevented children from going to school in many countries, as schools swing backwards and forwards between being closed and being reopened, creating an educational crisis that may turn into a “generational catastrophe”. The pandemic has worsened the conditions of democracy, as well as the respect for human rights and the rule of law in many countries, as some governments have taken advantage of restrictive health measures to engage in abuse of power. And it has had a significant impact on gender equality and on youth, as lockdowns and the economic crisis have further exposed their vulnerability.

This second edition of the FEPS Progressive Yearbook could not but revolve around all these themes, and around the many ways that the Covid-19 pandemic has impacted on our lives and on our countries. But it also addresses the unforeseen opportunities that this multidimensional crisis has opened up for an extraordinary leap forward in EU cooperation, for a post-pandemic reconstruction of Europe based on a digital and green transformation, and for the European progressive parties which have been able to prove the relevance of their values and commitments in the emergency circumstances caused by the pandemic.

The Progressive Yearbook aims to be an instrument for the progressive family to reflect on this intense past year but also to look to the future and the challenges that await us. FEPS hopes that this book will help the reader look back in order to move forward.

Phone: +32 (0)2 234 69 00
info@feps-europe.eu



@FEPS_Europe



FEPS

This book is published by FEPS
with the financial support of the European Parliament.

ISBN 978-2-930769-51-6