



**SPECIAL ISSUE: COVID-19 Outbreak: Political,  
Economic and Social Repercussions**

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Thematic Editors: Professor Andreas Theophanous and Dr Michalis Kontos

<b>Achilles C. EMILIANIDES</b>	<b>THE EU'S RESPONSE TO THE COVID19 CRISIS</b>
<b>Nadia ALEXANDROVA- ARBATOVA</b>	<b>GLOBAL WORLD AFTER THE COVID-19 OUTBREAK</b>
<b>Constantine DIMOULAS</b>	<b>THE IMPACT OF COVID-19 IN SOUTH EU MEMBER STATES AND THE FUTURE OF THE MONETARY UNION</b>
<b>Efraim INBAR</b>	<b>THE CORONA PANDEMIC AND ISRAEL'S NATIONAL SECURITY</b>
<b>Andreas THEOPHANOUS and Michalis KONTOS</b>	<b>COVID-19 IN EUROPE AND THE WORLD A CATALYST FOR CHANGE OR JUST AN ACCELERATOR?</b>
<b>Christina IOANNOU</b>	<b>EUROPE'S NEW CENTRIFUGAL FORCES: THE AFTERMATH OF THE 9<sup>TH</sup> APRIL 2020 EUROGROUP DECISION</b>
<b>Giorgos KENTAS</b>	<b>WILL THE EU DISINTEGRATE AS A RESULT OF COVID-19 CRISIS?</b>
<b>Christina HAJISOTERIOU</b>	<b>EDUCATION AT STAKE: LESSONS TO BE LEARNED FROM THE COVID-19 CRISIS</b>
<b>Kyriakos REVELAS</b>	<b>COVID 19 PANDEMIC AND EU (RE)ACTION - PRESERVING THE ACQUIS, CRISIS MANAGEMENT AND SOLIDARITY</b>
<b>Anna PARRILLI</b>	<b>FREEDOM OF WORSHIP AND COVID -19 CRISIS: A BRIEF REPORT FROM ITALY</b>
<b>Victoria PISTIKOU</b>	<b>EUROPE'S DEMONS</b>
<b>Yiannos KATSOURIDES</b>	<b>POLITICAL COMPETITION POST-COVID-19: POLITICAL CHANGE IS NOTHING BUT CERTAIN</b>



**CYPRUS CENTER FOR EUROPEAN AND INTERNATIONAL AFFAIRS**  
University of Nicosia

**1993-2020** TWENTY SEVEN YEARS OF POLICY FORMULATION AND ANALYSIS

## THE EU'S RESPONSE TO THE COVID19 CRISIS



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Following 9/11 the advent of terrorism characterized the first decade of the 21st century. A new category of non-state actors in the form of international terrorist organizations, would henceforth enjoy a primary role in discussions about the international system. This would lead states to restrict the human rights of their citizens, and aliens living or travelling in their territories, with the stated aim to protect the collective existence of people from an 'invisible enemy': terrorism.

The second decade of the century was characterized by the international financial crisis. The effectiveness of the international economic system, and the primacy of the state as the sovereign actor, especially with regards to the exercise of financial and social policies, was questioned, as the role of the IMF and less formal forms of governance, such as the Eurogroup, became prominent. This would also lead states to restrict human rights with the stated aim to protect the collective existence of people in their charge from a recurring 'invisible enemy': budget deficiencies and lack of banking capitalization and liquidity.

The third decade of this century begins as abruptly as the previous two decades, as the outbreak of the novel coronavirus has led to a new international crisis, unlike any we have ever witnessed before. This has raised significant doubts once again about the ability of major states and international organizations to act proactively in order to safeguard the interests of their citizens. Moreover, fundamental premises of the western societies have been disputed. Once again, states have restricted human rights with the stated aim to safeguard our collective existence from a recurring 'invisible enemy': Covid-19.

Whereas, each particular moment in history is unique, it still resembles previous ones. The water that flows in the river has in the meantime changed, because everything flows (as Heraclitus had famously noted), but still this does not imply that the river contains anything other than water. As Thucydides mentioned the same events will always occur so long as human nature remains the same; even if the catalyst for the particular acts of humanity are extraneous acts of nature.

The reaction of the EU to the crisis has been disappointing. The EU failed to act early or collectively, despite having the scientific expertise, protocols and potential to do so. While the member states exercised their sovereign powers, restricting freedom of movement within the EU and the application of the EU's fundamental freedoms in order to respond to the emerging crisis, the EU remained silent. Whereas Italy, one of its largest member states, which was facing the catastrophic consequences of the crisis, was demanding for immediate solidarity, the EU was deliberating. When China sent assistance to Italy, and the President of Serbia, one of the countries looking to join the EU, requested the support of China, declaring that EU solidarity has always been a fairy tale, the EU promoted an ill-advised marketing response. Posters stating that its largest member states had sent more medical facemasks to Italy than China indicated more about the detachment of the EU's communication strategy to the needs of its citizens, rather than its solidarity. This was followed by an incoherent communication strategy, which claimed that public health issues are not under the competence of the EU, despite the fact that, *inter alia*, articles 4, 6 and 168 of the treaties, clearly state that public health issues are a question of shared competence between the EU and the Member States. The EU has after all a Commissioner for Health and Food Safety and the extent of its competences on the biggest health crisis ever faced by the EU could not have been reasonably debated. These were panic reactions, caused by the failure to act.

The health crisis and the lockdowns have unavoidably led to economic concerns, as well as a potential new global financial crisis. My position from the beginning had been that we urgently need a new 'Marshall Plan' for the EU. This wording was later also adopted by leading personalities in the EU and its member states. I stressed that we need to adopt this terminology for two main reasons: a) the member states of the EU are in dire need of financial support in order to overcome the current crisis, and b) the grounds necessitating the support are not only financial, but deeply political, since without such support the citizens of the EU are gradually losing their confidence to the European system of co-operation.

The Eurogroup decision of 9.4.2020 was underwhelming. It was admitted that the EU had failed in tackling the previous financial crisis during the past decade and it was promised that this time things would be different. However, there was no clear indication how this would be achieved. The Eurogroup agreed on significant measures that would allow the EU to maintain for the time being its unity; however, these are insufficient and cannot lead to long-term solutions for the people of the member states facing this new crisis, so soon after the previous one ended. The total package adopted by the EU was comparatively much less than the respective packages adopted by the US and Japan, or what would be expected under the circumstances. The solution proposed by a number of member states regarding the adoption of coronabonds was not approved, and there was no novel context in the measures taken. The same failed policies were mostly adopted, despite the rhetoric that the errors of the past will not be repeated.

Rhetoric regarding solidarity and a united Europe needs appropriate responses. The EU has failed to emerge as a leading global political actor, has controversially handled the financial crisis of the past decade, has suffered the blow of the first exit of a member state -and indeed one of the ones carrying the most political and symbolic weight- and has now had an underwhelming response to the current crisis. More is needed if the European values are to survive.

## GLOBAL WORLD AFTER THE COVID-19 OUTBREAK



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After the shock of September, 11 2001 many believed that the world would never be the same. However, the aftermath showed the opposite. The Russia-West counter-terrorism cooperation proved to be short-lived and did not change the nature of their antagonistic relationship. Likewise, nowadays many experts and politicians argue that after Covid-19 the world will be different. “The reality is the world will never be the same after the coronavirus,” said Kissinger in an editorial on The Wall Street Journal. In Kissinger’s view, Covid-19 will strongly affect globalization: “The pandemic has prompted an anachronism, a revival of the walled city in an age when prosperity depends on global trade and movement of people.” It sounds convincing, but is it?

The overall impact of Covid-19 on globalization is yet to be understood. However, one thing is crystal clear: the outcome of today's crisis will more or less affect all vectors of world development. In some ways, the world will be different, in some ways it will not change, but in some ways it will worsen, as it happened with the failure of “the common enemy” scenario after September 11.

It is already clear that at the level of “high politics” the pandemic has not promoted unity of the United States, European Union, China and Russia. If they failed to unite against a pronounced enemy, real in flesh and blood, it is unlikely that they can unite against an intangible virus. Will they be able to freeze their numerous differences over the sanctions wars, the problem of Crimea, the reasons of the arms control crisis etc? The answer is obvious – no. Moreover, the main international protagonists continue to use the pandemic in their political and ideological confrontation. At the same time their medical scientific communities are being united in the fight against the deadly virus and after the end of pandemic their common efforts will be extended.

As for the trend of the growing anti-globalism and nationalism (which ironically is one of the faces of globalization), it appeared long before the pandemic. To be fair, we must admit that Trump’s neo-isolationist stance does not fully contradict Obama’s strategy aimed at curtailing the US

overseas' commitments. The difference is that under Trump this trend has taken on more odious form and scale. The future of the US neo-isolationism, its form and scale, will depend not so much on the pandemic itself as on its impact on the results of the coming presidential election. Meanwhile, it is already clear that the role of the USA as one of the leaders of globalization will be decreasing.

In a big crisis elsewhere the first instinct is national. The confusion and shock of the first month of the pandemic prompted the EU Member-States to close their national borders without coordination and manifested the most selfish behavior, which dented the image of the EU. However, they soon realized that nobody could survive this crisis alone. European Commission has already proposed both a European Marshall Plan and a European unemployment insurance scheme. The EU economic response to COVID-19 can be viewed as the strongest anywhere in the world: 540 bln for economic recovery. The April opinion poll showed 79% of Italian and 85% of Spanish respondents asking for more European cooperation.<sup>1</sup> But it is exactly in these countries that euroscepticism was strong before the pandemic. When the pandemic is over the national borders within the EU will be removed because free movement of goods, capital, services and people is one of the basic principles of the European single market. As for external borders, it is highly likely that they will be strengthened both *de jure* and *de facto*. At the same time, the pandemic can become a catalyst for "more Europe" in the EU. If Brussels fulfills its obligations to overcome the consequences of the pandemic, the EU will emerge from this crisis more united and have a chance to upgrade its role in the world politics.

It is already clear that the world economy is entering a period of deep recession. According to the Economist Intelligence Unit, the global economy will shrink by 2.5% in 2020 as a result of the pandemic. While in Europe the effects could be even more severe – a drop in Eurozone GDP of up to 7% has been predicted.<sup>2</sup> At the sectoral level tourism and travel-related industries are among the hardest hit. Economic recession has led to lower energy demand and affect those countries that are dependent on energy exports, first and foremost Russia. Risks are varied and include disruptions in the supply chain, compromised equipment, coercion, or the erosion of a strong industrial and technological base.<sup>3</sup> Economic security is on the rise elsewhere and the future of global economic cooperation will depend on policymakers'

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<sup>1</sup> Sven Biscop How will the coronavirus epidemic impact the European Union. Available at: <https://www.egmontinstitute.be/how-will-the-coronavirus-epidemic-impact-the-european-union/>

<sup>2</sup> Sean Fleming. Do we need a new Marshall Plan to rebuild Europe after COVID-19? 9 April 2020.

Available at:

<https://www.weforum.org/agenda/2020/04/marshall-plan-spain-europe-coronavirus/>

<sup>3</sup> Tobias Gehrke. Why now is the time to get real on EU economic security. 10 April 2020 in Commentaries, Egmont Institute. Available at: <http://www.egmontinstitute.be/why-now-is-the-time-to-get-real-on-eu-economic-security/>

ability to support their national interests, without discarding international cooperation and rules.

The biggest unknown in the post-pandemic world order is China. However, one consequence of the pandemic's impact on China is clear: it has put an end to the Chinese miracle and China's role in the world economy. Before the pandemic, China was approaching the role of the second world power center together with the United States. The coronavirus dealt a heavy blow to the image of China as one of the leaders of globalization. As Israeli scholar Ehud Eiran has rightly pointed out, "The fact that the virus broke out in China is of particular significance. The rising Eastern power plays a critical role in the global economy, *inter alia* as the production hub of most goods we consume. We hailed this global production chain and the cheap goods it provided. Now that the crisis in China is preventing production and export, many countries will presumably try to bring back home some of their essential production elements".<sup>4</sup> Many experts say that the coronavirus has already halted China's mega project- Belt and Road Initiative. Given China's global ambitions it is difficult to predict its response to the possible restrictive measures against the Chinese export and projects.

The US-China distrust invites dangerous coronavirus conspiracy theories that reinforce the split between world powers. The pre-pandemic trend towards a new bipolarity - as a divide between the liberal and authoritarian capitalism represented by the West and the China-Russia tandem - will be blurred by the deliberate self-isolation of the US and the forced marginalization of China. This means that the world will become more polycentric, which however does not exclude the existence of antagonistic groupings.

The China-Russia friendship is based on their shared dissatisfaction with the US hegemony. With this strategic objective in mind, Russia and China often make compromises and downplay frictions in their relationship. Chinese scholars and diplomats believe that Russia's restrictive measures against Chinese citizens "are temporary and will not rock the boat of the Russian-Chinese partnership as long as the United States remains their common enemy".<sup>5</sup> The only hypothetical scenario of a breakup between China and Russia could be related to ethno-social clashes between Russians and returning Chinese migrants in the Russian Far East after the pandemic. This could encourage Beijing to intervene under the pretext of protecting Chinese citizens.

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<sup>4</sup> Ehud Eiran. Coronavirus Outbreak: An Important Test for Globalization. 11 March 2020. Available at:

<https://www.ispionline.it/en/pubblicazione/coronavirus-outbreak-important-test-globalization-25372>

<sup>5</sup> Ka-Ho Wong. How Will the Coronavirus Outbreak Affect Russia-China Relations? 14 March 2020. Available at:

<https://thediplomat.com/2020/03/how-will-the-coronavirus-outbreak-affect-russia-china-relations>

Generally speaking, the overreaction of the international community to the role of China “originating dangerous pandemics” could trigger a negative response from Beijing, which has a wide range of means, from economic to military to take revenge. It is precisely this consequence of the pandemic (although not direct) that could adversely affect the world order. Thereby, one of the most important tasks for Western policymakers is to find a format to include China in a global strategy of responsible development.

Being, in the midst of the pandemic will understandably tend to exaggerate its impact on our life and the world order. Only when this crisis passes can we truly appreciate how much the world has changed.

## THE IMPACT OF COVID-19 IN SOUTH EU MEMBER STATES AND THE FUTURE OF THE MONETARY UNION



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The covid-19 pandemic and the reactions of the international community and nation-states to mitigate it, revealed how much fragile is the edifice of neoliberal globalization. The very high speed of worldwide transmission is, mainly, the byproduct of global value chains and airline transportation, whilst the policies chosen to suppress it activated multiple feed-back loops affecting nearly all aspects of organized human (social) life.

The coronavirus affects seriously those persons that their health and physical situation is not very good, independently of their social class and/or assets they hold. It is transmitted via direct contacts and face-to face interactions, which are fundamental to our service economies and the predominant culture and life styles. Without the availability of any pharmaceutical treatment, the unavoidable options for the mitigation of the spread of the pandemic is either social Darwinism or the shutdown of social and economic interactions by locking down the economy and the enforcement of quarantines. This tribulation of our economic and social institutions will cause multiple and ambivalent effects not only on the health systems and economic activities but on every aspect of our life in urban societies.

First of all, the pandemic undermines the established ways we satisfy our needs by the consumption of products brought in our home, via global value chains, from all over the world. As regional or national value chains are not so much vulnerable to external shocks like pandemics, wars and terrorist attacks not only nation states, but also many corporations, will probably reform their strategies and will turn their investment portfolios towards local and regional options. These changes will affect, also, the WTO's rules for the regulation of "free trade" of goods and services and the mobility of people and laborers.

Additionally, the pandemic is already enforcing national mechanisms for the surveillance of those persons that travel frequently and they will probably be strengthened further in the near future. As a consequence, people will

become more hesitant to move outside the national borders for business or for holidays.

Contrary to the predictions of modern pundits, the pandemic proved once again that the nation-state is resilient and the most effective institution for the management of common social problems. The return of people into the arms of their national institutions for the protection of their physical and social lives is boldly questioning the robustness of the demands for strengthening the international organizations with competences and legislative power for activities beyond the coordination of national agencies.

In this rapidly changing environment the South European countries seem more vulnerable for various reasons. Mainly, because of their structural deficiencies in the frame of the Eurozone, they will be much more strongly affected by the pandemic than the central EU member states.

As the initial assessments published by OECD and IMF demonstrate, the lockdown affects mainly those sectors that demand regular direct contacts with the customers like tourism, transportation, leisure, professional and personal services etc. These are the most widespread economic activities in Mediterranean countries. Additionally, they are labor intensive activities, mainly provided by micro firms and self-employees with limited organizational and financial capacities. The demand for those services is severely influenced by the fluctuations in the purchasing power of middle classes and their lifestyle, attitudes which are vulnerable to the pandemic and will be affected seriously from the measures that will be enforced to mitigate it. So they are affected the most from the lockdown, not only during but also for a longer period after the quarantine.

The national recession rates in the Mediterranean EU countries in 2020 are estimated to reach approximately -8 to -10% of their GDP. As a result, the unemployment rates will reach for the second time in a decade more than 20% and maybe in some countries 30% of the national workforce. As e-governance and other digital transactions substituted the face-to-face official procedures in many public and not only activities, they will accelerate the reduction of employment rates in public administration as well as in retail in the midterm. This means that the already decided measures for benefits, remittances, deferred payments of taxes and social security contributions will, very soon, become insufficient for the restart of the economy.

Additionally, the covid-19 pandemic will seriously change the behavior and the willingness of people to join massively in holiday offers in crowded places and this will accelerate the structural deficiencies of the Mediterranean tourist model causing secondary negative effects, in the purchasing power and living conditions of laborers in those countries. Huge amounts of money will be

needed to ameliorate the effects of the employment crisis and this money is not available unconditionally.

Probably, the officials in EU Mediterranean states, having limited space for fiscal and monetary maneuvers, will adapt to the rules for liquidity and borrowing decided by ECB and ESM and this will increase their debt burden pushing them, once again, towards internal devaluation measures, including the reduction of salaries, job-sharing and part time employment. Their urgent need to attract FDI will affect, also, negatively, public economics in these fragile economies as they will try to reduce tax and insurance contributions and release environmental regulations. These measures will undermine furthermore their fiscal capacity and they will enter again in a vicious sovereign debt circle.

The measures are nowadays undertaken by the governments in the EU Mediterranean countries will very soon evaporate the positive (if any) results of the sacrifices their people did since the global financial crisis of 2008, unless the EU rules for economic governance radically change.

People in these countries have been pushed during the three consecutive international crises of the last decade (financial, migrant/refugee and covid-19 pandemic) to undertake severe sacrifices in order to overcome the negative consequences caused to their life by international reasons. The policies decided by EU institutions for the purpose to overcome the crisis, destroyed the so called values of European solidarity and are transforming them to a very cheap joke. Euroscepticism and nationalism will sooner or later skyrocket.

As the history teaches us, crises are not only critical junctures for the promotion of already formulated agendas. They, sometimes, open windows of opportunity for unpredicted pathways in politics. The leaders of the EU member states are trapped in utopian EU narratives once again and they undermine the future of their peoples for the sake of shortsighted politics. If they will not rapidly decide to abandon the Stability and Growth Pact and the principles of ordoliberalism in EU governance by replacing them with new (more democratic) rules and redistribution mechanisms in the Monetary Union, the EU might well disintegrate in the near future.

## THE CORONA PANDEMIC AND ISRAEL'S NATIONAL SECURITY



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The crisis sparked by the [coronavirus outbreak](#) is sounding the alarm not only in the Israeli health sector but in the national security realm as well. Consider the corona epidemic as a war that was forced on Israel. The situation has many similarities to a war employing chemical and [biological agents](#).

It has become clear that there is not enough medical equipment to fight the coronavirus in Israel: ambulances, protective gear, and [test kits](#). This recalls the repeated instances during previous decades where post-war commissions of inquiry found a lack of preparedness for emergencies.

The pandemic compromises Israel's national security. Many IDF units are suffering from a shortage of manpower because of infected soldiers and commanders, and others who have been placed under quarantine. While the virus seems mainly to affect older people, if the disease spreads, the IDF's ability to act swiftly may be affected as well. History provides many examples of armies disintegrating because of an epidemic.

The training routine of many units has been altered to adapt to the new circumstances. Operations in densely populated areas of the West Bank have been reduced, too. Maintaining "social distancing" is very problematic for the IDF. Incursions into the West Bank are permitted only for preventing "ticking bombs". How are checkpoints supposed to function effectively in a situation of "social distancing"? How is training conducted without soldiers coming into physical contact with one another in tanks and submarines? Physical proximity is essential in forging effective combat units. "Social distancing", on the other hand, may erode the esprit de corps and the motivation to fight.

The IDF is distracted from its military missions because it is increasingly diverted to perform civilian duties. It is in charge opening hotels to function as quarantine and recovery centers for mild coronavirus patients. Paratroopers are distributing food in Corona hit towns and the Education Corps is organizing day care centers for the children of the medical staff. Soldiers help the Police overseeing lockdowns in hardly Corona hit areas.

At the same time, the Corona crisis is preparing Israel for the next national crisis. Israel learns to adopt the appropriate administrative structures and displays typical Israeli ingenuity and flexibility. The Israel Aerospace Industry produces much needed ventilators and the radar industry is developing devices to identify from distance Corona indicators. Counter-terrorism technology for monitoring people's movements has been enlisted to identify people that had contact with Corona patients in order to place them in quarantine.

The Directorate of Research and Development's in the Defense Ministry is developing an app to identify the vocal "fingerprint" of individuals with coronavirus for early detection and prevention and established a multi-disciplinary national emergency team to combat coronavirus through rapid diagnosis, medical monitoring, and prevention of infection within contaminated areas (such as hospitals or ultra-Orthodox areas). The Defense Ministry renders logistical assistance to the Health Ministry, by delivering test kits to labs, using military vehicles as ambulances to increase the number of emergency medical vehicles, and staffing drive-in test facilities. The IDF also mobilized into reserve service its Nuclear Biological and Chemical battalion to decontaminate infected areas, as well as personnel to ensure the continuity of supply lines within Israel and from abroad.

The operational readiness of the IDF in the short run has not been affected. Indeed the "Campaign between Wars" designed to prevent the entrenchment of Iran in Syria and the attempts to improve the accuracy of the missiles in the hands of the Hizballah is continuing.

Fighting the corona pandemic is going to cost enormous amounts of money, in direct and indirect costs.

At this stage, it is impossible to put a price on the eradication of the pandemic, but it is quite clear that in the post-corona period, Israel's government will have to invest significantly to revive the economy and spur renewed growth. This means that in all probability there will be insufficient funds available to implement the IDF's [multi-year work plan](#) for military build-up; a plan which requires a NIS 20 billion (\$5.4 billion) budget increase for the armed forces. And yet, Israel's strategic environment presents challenges that justify significant additions to the defense budget.

The coronavirus is striking at Israel's enemies too, but the effects are not necessarily the same everywhere. Different societies have dissimilar vulnerabilities, but the virus certainly does not affect enemy motivations to destroy the Jewish state. The proliferation of conspiracy theories holding Jews responsible for the coronavirus only intensifies such motivation. Poverty and sickness among Israel's neighbors usually lead to the recruitment of desperate people for suicide bombings.

The assertion that the global pandemic diverts enemy attention from the conflict with Israel and tempers the behavior of Israel's enemies – is, alas, wishful thinking; mainly of incorrigible optimists who have difficulty understanding the Middle East mindset.

Iran continues to supply its proxies in Iraq with arms and encourage them to use force against American targets in Iraq in order to bring an end to US military presence in the country. Similarly, Tehran persists in its support of the Houthis in Yemen, and its entrenchment in Syria – despite the deadly effect the Corona epidemic has on the country. It continues its project to enhance the accuracy of missiles in the hand of its proxies and its missile projects, as well as the nuclear program. During Corona times, inspections of its nuclear installations are obviously less effective.

Despite the spreading Corona pandemic in Turkey, its military continues its struggle to control Idlib. Its real constraint is Russian ambitions, not Corona. Ankara does not desist from its attacks on Kurdish targets in Iraq. Nor is there any evidence of moderation in Assad's behavior. Hamas has not refrained from launching missiles to Israel during its efforts (aided by Israel) to contain of the pandemic, while Hizballah is actually escalating its provocations against Israel.

So far Israel keeps its spirits high. National cohesion is a prerequisite for winning wars, and Israeli society is evincing outstanding national cohesion and discipline at present. Therefore, Israel has a decent chance of winning the war against Corona.

## COVID-19 IN EUROPE AND THE WORLD A CATALYST FOR CHANGE OR JUST AN ACCELERATOR?



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The situation that has been created with the spread of COVID-19 almost throughout the world is indeed extraordinary. This pandemic entails multiple repercussions which affect all aspects of life. Among others, a major economic crisis of global scale is upon us. Chancellor Merkel stated that this is perhaps the greatest challenge since World War II. However, as we argue below, Germany does not seem to adapt to the new realities, at least not as far as its EU-related policies are concerned. Furthermore, these dramatic events remind us once more of the vital importance of the role of the state, especially in times of such crises. Globalization and international organization seem to roll back (at least for now) in favor of a self-regulated fortress state. National policies for the containment of COVID-19 in traditional great powers, like the United States and the United Kingdom, caused widespread criticism. At the same time China, where the virus initially emerged, is trying to exploit its comparative advantage as a manufacturing and exporting giant in pursuit of gains at the level of soft power. In this article we will attempt to evaluate the developments and the future perspectives at these two levels: the EU and the international system.

### **The fight for Europe's future**

In the EU, due to the extraordinary circumstances, the European Commission announced the temporary suspension of the rules for fiscal discipline. This development is significant as it will allow countries to pursue fiscal expansion to address the multidimensional adverse effects of the pandemic. The impact

of fiscal relaxation will be stronger as it is associated with decisions of the European Central Bank for an accommodative monetary policy. Unfortunately, these policy actions may not suffice to address the magnitude of the current challenges. Several European leaders have put forward the idea of adopting a Eurobond to facilitate their efforts. Nevertheless, the response of Germany, supported by Netherlands, was negative. The decisions made in Eurogroup hinder the perspective of a Eurobond or a new Marshall Plan that would seal European unity and confirm solidarity, necessary to save both the European economy and the EU itself.

Germany which is very much criticized for being ideologically attached to rules that are irrelevant during crises, has never used such policy tools after World War II. In this case, as in the previous financial crisis a decade ago, it insists that devastated economies should rely on the solutions provided by the European Stability Mechanism (ESM), not on “helicopter money” or a joint rescue plan. We must not forget though that economic theory allows the prescription of “helicopter money” in special circumstances. When it comes to the idea about a new Marshall Plan that has been widely discussed recently, we must not forget what the United States achieved as a result of its choice to implement the original Marshall Plan right after World War II: not only it managed to rebuilt devastated Western European countries, rescue their ailing economies and save them from Soviet infiltration, but it also enhanced the construction of the Trans-Atlantic alliance that won the Cold War and prevailed in the world in the two decades that followed. In other words, the United States dominated the Western world and, subsequently, the international system in general. Now the European Union (and Germany in particular) is not fighting against a distant expansionist adversary. However, it is fighting against its own demons, a few years after a devastating financial crisis that ruined relations between the North and the South of the continent and amidst an unprecedented migration crisis. At the same time, populism and Euroscepticism are constantly gaining impetus, while Brexit is still fresh news. As it has been pointed out at various fora, the EU faces a serious crisis while at the same time it has to also address critical existentialist issues. In case it fails to get out of this pandemic united, its future will become even gloomier. It is essentially fighting for Europe’s future and Germany has a central role to play.

### **A new world order on the making?**

Like in the case of the EU, COVID-19 pandemic is not actually creating new problems to the international system, but it is rather reinforcing already existing ones. The foundations of globalization and -what we may call- the international liberal order have been shaking already since a while. The post-Cold War western euphoria about the “end of history” and the triumph of liberal democracy and neoliberal economic orientation started fading after 9/11, while US overexpansion in the Middle East broke Trans-Atlantic unity and brought about a new global power competition. Islamic terrorism and

migration undermined social and political cohesion in western societies. Russia returned as a global power, regained control of its backyard and stepped in the Middle East as a major player. At the same time, China continued growing in all aspects and launched a multi-billion dollars project called Belt and Road Initiative (BRI) in order to detour US control of high seas and safeguard its global economic interests.

Therefore, the ongoing pandemic emerges not as the greatest of the challenges that Western-inspired globalization and international liberal order are facing, but as one more among many others. International trade and transportations are being severely damaged, oil prices are falling dramatically and sovereign governments are taking such measures to cope with the spread of COVID-19 that would be unacceptable in Western liberal democracies only months ago. At the same time, international organizations are being constantly undermined. President Trump's recent decision to cut off funding to the World Health Organization (WHO) while an incurable virus takes thousands of lives all over the world is characteristic of a new mentality that hardly reminds the old Western enthusiasm for international organization. Put Brexit in the picture (which was concluded only three months ago) and you get the impression that the Anglo-Saxon part of the Western world is not willing to remain at the lead of the international order any more. Contrary, China seems ready to take the lead and tries to exploit the current situation in order to convey this message to the world, however not without resistance and criticism due to its initial failure to stop the spread of the virus.

### **The day after**

Undoubtedly, the EU and the international order are changing and this is not something new. In the case of the European Integration project, COVID-19 only adds to the existing frustration of several member states and European political forces against Germany's economic hegemony. The discussion on the Eurobond will probably come back, especially if Southern European economies fail to pass the test at the initial stages of this crisis. During these critical times there is no excuse for the sustained attachment to the faulty recipes of the past. If Germany refuses to adopt new approaches, the entire European Project may suffer one more serious blow and eventually Berlin may undermine its own national interests. Similarly, when it comes to the international order, the pandemic serves as an accelerator of already existing tendencies. The Trump administration was already disengaging from international commitments and it will probably continue doing so. At the same time, China will continue working hard to promote its own global interests and, most likely, to take the lead of the international system. A factor that could partially reverse this tendency is the forthcoming US elections, particularly if the Democrats return to the White House. In that case, the pandemic and President Trump's management of the situation may prove to be catalysts.

## **Epilogue**

Undoubtedly, the world is at a critical juncture. In the last few years a technological revolution has been taking place; this was also leading to a paradigm shift. The pandemic has accelerated this process. Moreover, it will also influence the characteristics of the day after. There are several pending issues at stake, the outcome of which is not necessarily predetermined. These include the role of the state and the degree of its involvement in the economy, governance, education, environmental issues and management-labour relations. Furthermore, globalization will also recede, at least on the short run. Inevitably these developments will be influenced by the political processes and the contest in the market place of ideas.

It will be also interesting to see how eventually the EU will address this major crisis. Historically, the EU has managed to overcome structural problems and to come out stronger. In the last few years though, the record is mixed. The Eurodebt crisis was not handled in a suitable way; thus, the social cost was high. And in June 2016 the verdict of the referendum in the UK was for Brexit. Inevitably, the way the current crisis is addressed by Germany and the EU will have far reaching consequences.

Last but not least, it will be essential to follow developments in the international arena. Despite the return of the nation-state as the most important player, the world requires more cooperation. Inevitably, the US presidential elections next November will be crucial not only for America itself, but for the world as a whole.

## EUROPE'S NEW CENTRIFUGAL FORCES: THE AFTERMATH OF THE 9<sup>TH</sup> APRIL 2020 EUROGROUP DECISION



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Amid warm applause and just before the clock struck twelve on 9<sup>th</sup> April 2020, the “Conclave” announced with great pride: “Habemus Papam”. In this case, of course, it was not the Papal Conclave of the “College of Cardinals” at the Vatican’s Sistine Chapel, but the “college” of Eurozone finance ministers, who -after long consultations- reached an agreement on how to deal with the financial consequences of the coronavirus crisis that is currently plaguing Europe. The “Pope” in this case is not expected to give his “urbi et orbi” to anyone, since the agreement reached was disappointing at the very least. This is especially true if one considers the high hopes that many had in the weeks preceding this agreement, who viewed with optimism the scenario of Eurobond and/or corona-bond issuing.

In addition to the European Commission’s recent proposal for the activation of the “general escape clause” of the Stability and Growth Pact (SGP), which was announced prior to the Eurogroup meeting, the latter ratified the decision on the framework for the flexibility of government guarantees, so as to allow government guarantees to be given in the form of business loans. It also agreed at the Eurogroup to support businesses, especially small and medium-sized enterprises, with €200 billion in loans through the European Investment Bank (EIB). In order for member states to be able to derive liquidity from this plan, they must provide - through their banks - guarantees, which will be channeled as business loan guarantees. Cyprus has set guarantees of €50 million for this purpose. It has also pledged €38 million in guarantees in order to raise €160 million (out of a total of €100 billion) through the European Commission's SURE Fund, which aims to support income and wages. It is important to note that, during their first month of operation alone, the support measures announced by the Ministry of Labour, Welfare and Social Insurance of the Republic of Cyprus were estimated at €240 million.

The role of the European Stability Mechanism (ESM) was also agreed upon at the Eurogroup meeting, amidst sharp disagreements. It was finally agreed that states would be supported with credit lines through the ESM, which would

correspond to up to 2% of their GDP, while in total this would amount to €240 billion. The only condition is that these amounts should only be available for immediate and indirect needs related to the pandemic. In the event that member states need further financial assistance (for reasons unrelated to health issues), then they would have to borrow through the ESM, which in essence would amount to nothing more than a future memorandum agreement.

This compromise left a very large portion of European leaders and citizens unhappy, especially in the European south, which has suffered the greatest blow by this pandemic. In addition to the thousands of people who die daily from the virus, primarily in Italy, Spain and France, where the health systems have almost collapsed, the economies of these countries have also been hit extremely hard by the crisis. It is very likely that these countries (as well as others) may soon find themselves over-indebted, but also potentially within memoranda and under a series of macroeconomic surveillance and austerity measures imposed on them by their European “partners”.

The Eurogroup decision of 9<sup>th</sup> April has clearly once again put in jeopardy the European structure, which is gradually disintegrating, being largely dominated by centrifugal forces. The Portuguese Prime Minister Antonio Costa, specifically noted that the attitude of the Dutch Finance Minister at the Eurogroup meeting was “disgusting”, while at the same time, in a letter to the press, Italian MPs and mayors launched an attack on Germany and The Netherlands, accusing them of immorality and lack of solidarity with the rest of Europe. Their letter makes particular reference to the 1953 London Agreement, where 21 states decided to relieve Germany of its debt following World War II. In fact, in the letter it is emphasized that, at that time, it was precisely this [London] Agreement that allowed the German economy to stand on its own two feet, after preventing bankruptcy in the nation, thus allowing the Germans to experience the solidarity they now seem unable to recall.

So just a decade on from the previous financial crisis that brought the global economy to the brink, Germany, The Netherlands and other like-minded countries have not yet escaped the Schäuble doctrine. While most countries around the world are following expansionary monetary policies by increasing their money supplies in order to stimulate their economies, Germany is putting up strong resistance to such a scenario. It is interesting to note that at a time when the US, with a market of 327 million, issued corona-bonds and financed the market with \$2.8 trillion, while Japan with a market of 126 million provided an economic support package of \$1 trillion, the EU with a clearly larger single market of 427 million, resorted -after long consultations and disputes- in the aforementioned corona-package agreed at the 9<sup>th</sup> April Eurogroup, of just €540 billion in total.

The tensions that the latest Eurogroup meeting in fact caused were so intense, that even the 94-year-old “architect” of the Eurozone and former President of the European Commission (1985-1995), Jacques Delors, made a very rare public statement, warning that the lack of solidarity in the face of the virus posed a “mortal danger” to the EU. Indeed, the main trend that we seem to be witnessing today is the relentless entrenchment of the nation-state and the constant dismantling of the regional organization model, as centrifugal forces persistently push states towards heavily guarding their self-interests and insulating their own economies from continuous global, yet globalized, shocks.

## WILL THE EU DISINTEGRATE AS A RESULT OF COVID-19 CRISIS?



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EU contribution against the covid-19 pandemic is marginal. There is indeed great disappointment of the incapacity of the EU to respond and steer some action against the spread of the virus across member states. That disappointment led into criticism. It is yet another occasion when the EU fails to deal with an emerging crisis. As it happened in early 2000s, when the EU failed to see the deep crisis of confidence that emerged in member states to lead into the rejection of the so-called EU constitutional treaty, followed by a failure in 2008/9 to prevent a growing sovereign and financial crisis that drove some member states into deep recession and austerity and concluded by a crisis of unity in 2016 that led into the withdrawal of the second-largest member state from the Union.

In the last two decades the EU repeatedly demonstrated very weak skills and competences in preventing crises and in taming their impact across the Union. The ongoing crisis merges epidemiological and economic implications, which makes it even more difficult to be managed by the EU. Covid-19 crisis is a systemic crisis. It is felt across the EU, but both epidemiological and economic implications are not evenly disseminated. The critical question to ask is whether EU's incapacity to prevent crises and its anemic abilities to manage their ramifications before they spread across the Union would engender a process of disintegration or even dissolution. Will covid-19 pandemic generate a spiral of vicious complications that will end the EU?

There are good reasons and even stronger indications to expect some more acute criticism that will fuel Euroscepticism, but not enough evidence to expect the dissolution of the EU. The prevalent perception across the majority of Europeans is that the EU is not attractive, not effective, not important. Populist politics in all possible directions (from left to right) will become more effective in countries with more problems (i.e. those to deal with greater ramifications of the crisis). EU countries with less problems (which are quite a few) will keep on supporting the Union. In other words, there will be a mixture of reactions and responses to the state of the Union in Europe.

There are two more dynamics to consider that work in favor of the survival of the EU and explain why it is hard to be dissolved. First, there is a very strong institutional rationale behind EU survival. Once regional institutions form they develop their own *raison d'être*, which has a life of its own and has effects beyond the will of its components. There is very strong interest across EU institutions and an equally strong material interest among a lot of EU-beneficiaries that will keep the EU alive against many odds. Second, EU member states who will come to the conclusion that membership offers much less that it's worth of will also come to the conclusion that leaving the EU is worth of much higher risks. In other words, the EU cannot be dissolved by states who will find costly to sustain their membership, because they will find it even more costly to sustain a leave option.

Independent of these factors in favor of EU survival, the Union will need to cope with some old and some new problems. Europe in general and the EU in particular have been losing ground in the world stage for some decades now (as early as of the beginning of 2000s). This is happening because Europe/EU constitutes no more the epicenter of the world; it cannot provide something exceptional that others are looking toward. Production of global wealth, security and prosperity is for a long time now not made in the EU.

The EU also is dealing with some other structural problems, namely an aging population, its failure to integrate migrants, the asymmetry in the ability of EU states to finance public policies and sustain welfare programs. The benefits of EU membership are mostly felt by elites. The historically strongest argument in support of the EU, i.e. that it is a union that sustained peace for a long period of time, is now questioned due to the different security needs and priorities of member states.

The EU may not disintegrate, but it will become very hard to go any further as one Union. If this analysis has any merit, member states would need to investigate some policy implications of an EU with a deteriorating loyalty of its members states and their citizens:

1. EU member states should stop looking their future/interest in a Union of 27+/-.
2. They should opt for partnering with those with whom they can pursue projects of joint interest.
3. A trend towards an EU of various speeds and various forms of ad-hoc collaborations could probably be the more viable future for the Union.

In sum, covid-19 crisis will not dissolve the EU, but it will probably accelerate some dynamics that will force the EU and its member states to think seriously about its future, probably under a new, more flexible form.

## EDUCATION AT STAKE: LESSONS TO BE LEARNED FROM THE COVID-19 CRISIS



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Undeniably, Covid-19 has set a new framework for all aspects of our socio-political and economic sectors, but also for our social and personal lives. By extent, this new reality has also greatly affected the education sector, while putting it at stake. For the first time since the Second World War, many countries around the world had to simultaneously close down their public and private schools and education institutions. This was also the case for Cyprus as its education community was rather shocked by being forced to transcend (literally overnight) from face-to-face teaching to distance learning without clear and specific guidance. The possible detrimental consequences of Covid-19 on Cyprus education have been extensively discussed by the media and various societal actors over the last two months. However, any crisis in education - despite the initial disorganisation and disorientation it involves - may help us redefine the meaning and content of learning. Arguably, Covid-19, in the role of educator, may teach us how to teach and learn in the post-Covid era.

To begin with, driven by the slogan 'The Development of a Digital Cyprus', the Republic of Cyprus, throughout the past five years, has focused on the design, implementation and evaluation of an integrated national digitalisation strategy. In this national strategy, special mention and reference is made to the digitalisation of learning and education, aiming at cultivating educators' and students' digital skills and strengthening participation in civil society through the development of digital citizenship. One of the most important goals discussed in the proposed strategy for the digitalisation of Cyprus education is the development of distance-learning applications and the digitalisation of the content of all modules of the curriculum across all the levels of basic education. These applications and digitalised materials concern both synchronous (live virtual classrooms) and asynchronous (access to pre-recorded visualised lessons and digital education materials) modes.

If these have been the goals of our strategy for digitalising education, then why we were totally unprepared to transcend to digital modes of learning due to the Covid-19 crisis? The Ministry of Education had not have an already

developed clear plan neither for digitalising education, nor for facing the Covid-19 crisis, but rather made (and still is making) decisions along the way. It is worth-mentioning that it was only after the official closure of schools, that the Ministry called a number of teachers for online training in using the new technologies for distance learning, asked teachers to explore the technological needs of their schools and students (i.e. internet access, equipment, etc.), and initiated the development of digital education materials.

What we thus argue is that there is an urgent need for the Ministry of Education to join forces with the newly-constituted State Department of Research, Innovation and Digital Policy in order to bridge this gap between policy rhetoric and practice with regards to the successful digitalisation of education. The Ministry should develop a tangible, rigorous and clear plan for distance-learning education, which should include the following components: curricula specifically-designed for distance-learning education; pools of digitalised education sources and materials; support services for teachers, students and their parents; extensive training for digital skills provided not only to teachers, but also to students and their parents; and mechanisms and indicators for evaluating the outcomes of distance-learning education.

Moreover, the Ministry should reflect on the challenge of digital inequity in education, which negatively influences students' equality of access to learning and knowledge, and thus their academic success. Digital inequity refers to the gap between people or groups who benefit from the use of new technologies, and people and groups who do not benefit because of various socio-economic factors. In developing its plan, the Ministry should figure out how to best address challenges such as inequity in access to necessary equipment, inequity in autonomous use of new technologies, inequity in digital skills, and inequity in social support. To this end, the Ministry should also tailor its digitalisation plan to the needs of students with disabilities, students from lower socio-economic backgrounds, and emerging bilingual students.

Beyond the aspect of digitalisation, various other issues arise that may inform the ways we educate future generations in the post-Covid era. The last education reform that took place in Cyprus in 2010 focused on ascribing a humanistic orientation and character in education arguing for the development of a humanistic and democratic school. A decade later, the Covid-19 crisis rather teaches us that we should re-orient our education system towards the paradigm of techno-humanism which aims to effectively integrate technology in furthering all societal functions. The techno-humanistic paradigm is incompatible with the knowledge-centric approach that still characterises our educational system. Such approach will make our children fail in a world mastered by AI and technology. Future generations should be taught soft skills (and not knowledge) such as resilience, flexibility

and adaptability, independent and critical thinking, creativity, emotional intelligence and empathy, values and teamwork.

Re-orienting the focus of education prerequisites re-orienting teachers' role from knowledge-holders to agents and facilitators of their students' development as active citizens - citizens whom sociologists characterise as 'moral'. The 'moral' citizen voluntarily assumes responsibilities and duties, but also acts collectively by forming socio-political action lobbies. Arguably, teachers should work methodically to empower students as 'moral' citizens who are capable of boldly and responsibly fighting for their rights (including the right to be protected by the state from any visible or invisible future threat such as a pandemic). The 'moral' citizen also leverages fear-based media by critically examining news and information. What the ongoing Covid-19 crisis teaches us is that the widespread of fake news and hoaxes leads to uneducated knowledge that threatens democracy and its institutions. In this context, what we argue is that education of current and future generations should promote critical media literacy in order to 'shield' young people against populism and misinformation. Last but not least, the 'moral' citizen is a citizen of an interconnected world. Our prolonged and entrenched lockdown during the Covid-19 era, along with the instrumentalisation of the 'stay home' moto, have cultivated societal phobias and suspicion. Education should thus focus on educating young generations to work in solidarity across the globe, while leveraging their differences. In conclusion, education may and should become the means for creating a better world for current and future generations.

## COVID 19 PANDEMIC AND EU (RE)ACTION - PRESERVING THE ACQUIS, CRISIS MANAGEMENT AND SOLIDARITY



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Europe, second focus of the pandemic after China, has been affected unevenly across the continent. Italy was the first country to be seriously hit, followed by several other member states, while other countries have had relatively few cases of infections and deaths to date. Member states reacted primarily at national level, while the EU response occurred with delay, which caused disappointment and criticism.<sup>1</sup> The main factor is competence, since protection and improvement of human health is a national responsibility, while the EU can only undertake supportive, coordinating and supplementing actions (article 6 TFEU).<sup>2</sup> In addition, alarming signals from the medical community confronted with an unknown virus as well as different situations in terms of timing, spread and starting conditions, led member states to act in a disparate manner, including travel restrictions contravening EU law and fundamental rights.<sup>3</sup>

As the EU response took shape, a wide range of actions were deployed by the European Commission to enforce EU law, coordinate and support.<sup>4</sup>

- Public health (direct support, medical guidance, joint procurement)
- Borders and mobility (free movement of workers, green lanes for flows of goods, repatriation of EU citizens, support to airlines);
- Research (medical projects, including vaccines)
- Fighting disinformation

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<sup>1</sup> About perceptions:

[https://www.ceps.eu/ceps-publications/how-is-eu-cooperation-on-the-covid-19-crisis-perceived-in-member-states/?mc\\_cid=66d7b1065e&mc\\_eid=92415088b2](https://www.ceps.eu/ceps-publications/how-is-eu-cooperation-on-the-covid-19-crisis-perceived-in-member-states/?mc_cid=66d7b1065e&mc_eid=92415088b2)

<sup>2</sup> Other relevant provisions of the Treaties are article 122 TFEU (granting financial assistance to member states in difficulty under exceptional occurrences beyond their control) and the solidarity clause (article 222 TFEU, EU and member states shall act jointly if a member state is the object of a terrorist attack or the victim of a natural or man-made disaster)

<sup>3</sup> For a critical review of mobility restrictions and 'state of emergency' declarations:

[https://www.ceps.eu/ceps-publications/love-thy-neighbour/?mc\\_cid=d9ec4502db&mc\\_eid=92415088b2](https://www.ceps.eu/ceps-publications/love-thy-neighbour/?mc_cid=d9ec4502db&mc_eid=92415088b2)

<sup>4</sup> For an overview:

[https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/overview-commissions-response\\_en](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/overview-commissions-response_en)

- Measures to help alleviate the economic consequences of the pandemic, most notably:
  - o temporary framework for state aid measures to help companies weather the crisis
  - o suspension of the constraints on public deficits imposed by the Stability and Growth Pact (activation of the general escape clause)
  - o relaxation of banking supervision rules
  - o €37 billion Corona Response Investment Initiative for healthcare systems, SMEs
  - o Financial support to the World Health Organization (WHO)'s global preparedness and response plan.

The European Central Bank (ECB) adopted a Pandemic Emergency Purchase Programme (PEPP) of €750 billion until end 2020;<sup>5</sup> this adds to the €120 billion decided earlier; a total equivalent to 7.3% of euro area GDP is available for buying sovereign and corporate bonds so as to avoid a liquidity crisis, a lesson learned from the financial / euro crisis.

The Eurogroup adopted on 9 April 2020 a package of support measures with four elements:

1. The European Stability Mechanism (ESM) will provide support in the form of precautionary credit lines up to 2% of GDP of each member state, a total of up to 240 billion euro.
2. A temporary solidarity instrument (SURE) to provide EU loans on favourable terms to member states to cover the costs of national short-time work schemes (100 billion euro), based on article 122 TFEU.
3. The European Investment Bank (EIB) will create a pan-European guarantee fund to support businesses, in particular SMEs (200 billion euro).
4. A temporary Recovery Fund to ensure a robust European economic recovery post crisis.

The European Council on 23 April endorsed the Eurogroup agreement, to be operational by 1 June, and asked the Commission to prepare a proposal and clarify the link to the multiannual financial framework (MFF).

This agreement for a package of 540 billion euro compares to the needs of 1500 billion euro of fiscal measures estimated by the ECB and the Commission. While there is no agreement on issuing common bonds (mutualisation of debt), it is accepted that the Recovery Fund should be of sufficient magnitude and targeted towards the sectors and regions most affected. The principles of solidarity, cohesion and convergence have been highlighted. Full functioning of the single market, boosting investment, global

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[https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649397/EPRS\\_BRI\(2020\)649397\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649397/EPRS_BRI(2020)649397_EN.pdf)

action and governance are key areas. The institutional anchoring of the Fund seems stronger than that of Eurobonds. Ideally, the Fund should be used to advance main common objectives (green transition and digitalisation).

On the external side, the EU has formulated a global response to the pandemic, pledging over 15 billion euro assistance to the most vulnerable countries, and based on a 'Team Europe' approach combining resources from the EU, member states and financial institutions.<sup>6</sup> Apart from the benefit to EU's image and in line with its status as the largest donor of humanitarian assistance, this is also in the EU enlightened self-interest given global interdependence.

In the past the EU has attached importance to a high degree of self-reliance and on avoiding dependence in many sectors (food production, minimum stocks after the oil crises, energy diversification and the Galileo satellite programme). Therefore, it is difficult to understand why in the production of medicine and medical equipment the EU has tolerated a high level of dependence on imports esp. from China and found itself confronted with shortages of the most basic materials when the pandemic broke out. Radical policy changes and better preparedness are needed, along a reorientation of global supply chains, possibly favouring shorter distances with beneficial effects for sustainable development.

In conclusion, despite a hesitant response at the beginning of the pandemic, the EU nevertheless reacted rapidly when compared to previous crises. The principal objectives have been to preserve the functioning of the single market, to coordinate actions of member states such as common procurement, repatriation flights or joint research and to jointly manage the economic consequences. On the latter, much will depend on the magnitude of the socio-economic impact and the financing of the Recovery Fund. Cohesion and convergence should be reinforced and common objectives (green transition, digitalisation) pursued. Whether the EU will succeed to manage the exit strategy in an orderly way remains to be seen.<sup>7</sup> Moreover, the EU will have to demonstrate its ability to shape international supply chains and to preserve European autonomy in crucial sectors, while strengthening the international governance system when confronted with global challenges.

Solidarity is the very foundation of the EU (Schuman Declaration) and Jacques Delors famously described the EU as a triptych: competition which stimulates, cooperation which strengthens and solidarity which unites. Lack of solidarity

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<sup>6</sup> <https://www.europarl.europa.eu/EPRS/EPRS-AaG-649379-EUs-global-response-coronavirus-FINAL.pdf>

<sup>7</sup> Roadmap to lifting containment measures: [https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/european-roadmap-lifting-coronavirus-containment-measures\\_en](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/european-roadmap-lifting-coronavirus-containment-measures_en)

could deal the EU legitimacy a fatal blow, which hopefully will be understood by the EU leaders.

## FREEDOM OF WORSHIP AND COVID -19 CRISIS: A BRIEF REPORT FROM ITALY



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### **Introduction**

In response to the emergency triggered by Covid-19 the Italian Government, Regional and local authorities adopted extraordinary and unprecedented measures to contain the spread of the disease. In the absence of a constitutional discipline of emergency other than the state of war (art. 78 Const.), the legal response to Covid-19 consists of a vast array of legal instruments.<sup>1</sup> Such emergency measures raised several core public-law issues regarding, among others: the system of sources of law; the relationships between State powers as well as between the State, Regional and local authorities; the nature, content and limits of the same measures when it comes to restricting constitutional rights and freedoms.<sup>2</sup>

The article aims at presenting a “birds eyes view” on the implication of Covid-19 on freedom of worship starting from the declaration of the state of emergency on 31<sup>st</sup> January until late April.

### **The limitations to freedom of worship**

Whilst freedom of religion is a non-derogable human right, some of its manifestations can be temporarily restricted to protect other constitutional rights, including health. According to the Italian Constitution, freedom of worship may be only limited to protect public morals (art. 19). No restriction is thus prescribed for public health reasons. However, the limit of public health is expressly set out in art. 9(2) of the CEDU as well as art. 18(3) of the

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The article pertains to the research activities of the PRIN 2017 “From Legal Pluralism to the Intercultural State. Personal Law, Exceptions to General Rules and Imperative Limits in the European Legal Space” (PI – prof. Lucio Pegoraro – CUP J34I19004200001).

<sup>1</sup> The official version of the measures adopted by the Government, Civil Protections, the Ministry of Health, Economic and Finance are published on the Official Gazette ([www.gazzettaufficiale.it](http://www.gazzettaufficiale.it)). For more on document review and comments on the legal responses to the crisis see the section dedicated to Italy, [www.comparativecovidlaw.it](http://www.comparativecovidlaw.it).

<sup>2</sup> Personal liberty (art. 13), freedom of movement (art. 16), freedom of assembly (art.17), private economic initiative (art. 41). The right to education (art. 33) is also at risk for those students who lack proper access to distance-learning.

International Covenant on Civil and Political Rights. The restrictions to freedom of religious worship must be reasonable, temporary and proportionate to the effect. Finally, they must respect a proportional balance between different constitutional rights.

In Italy, the emergency measures suspend religious ceremonies *coram populo*, including funeral services. However, the places of worship remain open:<sup>3</sup> individual prayer is allowed, provided that the interpersonal distancing of at least one meter between the believers is respected.<sup>4</sup> The *ratio* behind the measures is to safeguard public health - protected under art. 32 of the Constitution as both a fundamental individual right and collective interest - by avoiding people gatherings.

Since the beginning of the legislative response to COVID-19 a number of issues have been raised regarding the legitimacy of the limitation to religious worship. In this respect, the emergency measures may be questionable from the point of view of the principles of both mutual independence and sovereignty between the State and the Catholic Church (art.7 Const.) and autonomy of other religious denominations (art 8 Const.), especially when bilateral agreements have been signed.<sup>5</sup> In short, collective and public worship has been (insensitively) listed among the “non-essential services” and unilaterally suspended. While it is clear that the protection of public health falls within the domain of the State, one can ask - in an extremely complex balance between the constitutional rights to health and to practice religion - if the measures limiting freedom of worship require previous consultation with the religious denominations.<sup>6</sup>

Another critical issue regards the nature of the measures taken to limit collective worship, as well as other constitutional rights, which can only be restricted by law or act having the force of law, i.e. legislative decrees and decree laws (artt 76-77 Const.). The Decrees of the President of the Council of Ministers (d.P.C.M) do not fall under these categories. Then, the reasonableness and proportionality of the restrictions were also under discussion, as well as the lack of clarity of some measures.<sup>7</sup>

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<sup>3</sup> The expression “places of worship” is used by the public authorities in a broad sense, including both religious buildings and open spaces where people practice their religious faith.

<sup>4</sup> See d.l. (decree-law) 23 February 2020, n. 6, art.2(c), turned into law the 5 March 2020; see also the following decrees of the President of the Council of Ministers: 8 March 2020, art. 1 (g)(i); d.l. 25 March 2020, n. 19, art. 2(h); d.P.C.M. 10 April 2020, art. 1(i).

<sup>5</sup> The (amended) Concordat with the Catholic Church and the agreements (*Intese*) between the State and religious denominations other than the Catholic Church.

<sup>6</sup> For instance, informal negotiation between State and religious authorities occurred in France, but not in Spain or Greece.

<sup>7</sup> See, for instance, F. BALSAMO, *The Loyal Collaboration between State and Religions at the Testing Bench of the Covid-19 pandemic. A perspective from Italy*, [www.diresom.net](http://www.diresom.net), 27 March 2020; (in Italian) V. PACILLO, *La sospensione del diritto di libertà religiosa nel tempo della pandemia*, [www.olir.it](http://www.olir.it), 16 March 2020; N.COLAIANNI, *La libertà di culto ai tempi del*

In this respect, the Ministry of Interior issued a note to clarify that Churches are open and religious rites and liturgies can be celebrated by religious ministers and their strict collaborators - provided that the sanitary measures are respected - so to ensure the “dignity of the rites”.<sup>8</sup> However, individual prayer does not fall into the category of “well-grounded reasons”, “situations of need” or “health reasons” to be self-certified in case of control by the public security forces. With hints of bureaucratic parlance, the note said that believers can access the Church solely when this is located along the route otherwise permitted for emergency movements or work-related needs. Firstly, the note does not seem to take into consideration places of worship other than “Churches”. Secondly, if applied to religious minorities as well, the same rules may be particularly detrimental of religious freedom as minorities rely on fewer places of worship.

### **The loyal collaboration between the State and religious confessions**

Despite numerous legal issues raised by the nature and content of the legal instruments adopted to limit freedom of worship, the religious confessions showed a cooperative attitude towards the State by finding in their religious laws the basis to adapt to the emergency situation.

The Union of the Italian Jewish community reminded that, under Talmudic law, the duty to observe the *mitzvot*<sup>9</sup> and the protection of life and health must be balanced and, ultimately, health considerations prevail. The community must observe the emergency measures of the State authorities. Furthermore, some practical indications concerning the Shabbat and the Purim festival were provided.<sup>10</sup>

The Islamic community resorted to the *fatwā* (legal opinion) to regulate the *ummah*. The General Secretariat for Fatwa Authorities Worldwide called for transboundary cooperation against the pandemic disease.<sup>11</sup> In Italy, the *fatāwā* issued and translated by the Union of the Islamic Communities and Organisations of Italy (UCOII) and the Grand Mufti Bosnia and Herzegovina regulated the funeral services for the victims of infective diseases. Another *fatwā* by the University of Al-Azhar stated that it is both a religious and legal duty under Islamic law to respect State measures to save the community from the disease. Some guidelines were issued to regulate fasting and rites during the Ramadan.<sup>12</sup>

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*Coronavirus*, [www.statoechiase.it](http://www.statoechiase.it), n. 7, 2020, pp. 25-40; LO GIACCO, *In Italia è in quarantena anche la libertà di culto*, [www.diresom.it](http://www.diresom.it), 12 March 2020.

<sup>8</sup> Note of the Ministry of Interior, 27 March 2020, [www.interno.gov.it](http://www.interno.gov.it)

<sup>9</sup> The God’s commandments and, in a broader sense, the religious practices.

<sup>10</sup> Italian Rabbinical Assembly, *Un Sèder insieme ma isolati*, [www.olir.it](http://www.olir.it).

<sup>11</sup> The note (in English) is available at [www.dar-alifta.org](http://www.dar-alifta.org).

<sup>12</sup> The *fatawa* regulate the bathing (*Ghusl Mayyit*), the shrouding of the body, as well as the prayers for those who died from Covid-19. The fatawa have been translated into Italian by the UCOII, [www.olir.it](http://www.olir.it).

The Catholic Church accepted the measures unilaterally taken by the Italian State in the spirit of “mutual collaboration for the promotion of humanity and the well-being of the country”.<sup>13</sup> As the Masses *coram populo* are suspended, religious functions - including those of the Holy Easter - were broadcasted via streaming and public television. The Pope repeatedly asked the Catholic community to respect the restrictions.

### **Concluding observations**

On 26 April, a new d.P.C.M opened the “phase two” of the emergency by gradually easing the lockdown. However, there has been no significant progress concerning freedom of worship.<sup>14</sup> In a note, the Presidency of the Council of Ministers announced that protocols and guidelines to allow public and collective freedom of worship while protecting public health are under discussion.<sup>15</sup>

The announcement followed a note from the Episcopal Conference of Italy that expressed “the disagreement of the bishops” for the persistence of the “arbitrary” prohibition of Masses. However, it is likely (and appropriate) that - as required by the principles of mutual collaboration and State secularism - the protocols under discussion will be directed to religious minorities as well.

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<sup>13</sup> Art. 1 of the (amended) Concordat between the Holy See and the Italian State, 1984.

<sup>14</sup> The attendance to funeral ceremonies is now allowed to family members (max 15 people). The ceremony shall be preferably taking place outdoor. People shall respect interpersonal distance and they must wear masks. See, d.P.C.M 27 April 2020, art. 1(i).

<sup>15</sup> Note of the Presidency of the Council of Ministers, 26 April 2020, [www.governo.it](http://www.governo.it)

## EUROPE'S DEMONS



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The corona virus pandemic, like the recent financial crisis of 2008, have shown the main causes which come to the surface once again to remind us of the contradictions and conflicting interests of the Eurozone member states.

Germany's stance, which is undoubtedly the hegemonic economic power, remains the same when it comes to the Eurobond as it does not want to "share the burden" of a common debt with the most indebted countries in the Eurozone (DW, 2020). According to the latest data from EUROSTAT, countries such as Greece, Italy, Spain and France are above the average of the Eurozone countries, i.e. their debt is over 100% of GDP, while on the contrary, countries such as Germany, Austria and the Netherlands are below average not only in the Eurozone but also in Europe, as their debt is 50-70% of GDP (EUROSTAT, 2020).

The European Stability Mechanism (ESM) was created to provide loans to any member who has lost access to markets, in the context of conditionality, i.e. the implementation of agreed reforms. Therefore, this means that the nine countries that are currently requesting the issuance of a Eurobond, if this does not happen, are likely to be forced to resort to the ESM and adopt new measures and structural reforms in their economies. That is, the Eurozone, while having nineteen member states, nine of them - almost half - will be committed to fiscal adjustment programs. The problem of multi-speed Europe is well known, but at the moment there is a risk of creating even more intense friction and contrast due to the immediate connection of EU priorities with those of Germany. Alternative measures requested by other states in order to reduce the social and economic costs of the pandemic have been discussed in the recent EU Summit, however, the division between South and North was remarkable.

In addition, forecasts are not optimistic, as there will be a long-term recession, unemployment will rise, GDP will decrease and debt will rise. According to published data, production in China has already decreased by 13.5%, while according to OECD data, GDP growth will decrease (Ayittey et al.2020; BBC,2020; FT,2020; OECD, 2020). This will widen inequalities

among Member States and cause further polarization within the region and greater economic asymmetry. The social instability that may arise due to the unfavorable international external environment will strengthen the voices of Euroscepticism, at a time when Europe has to prove its international role in security issues that arise in the surrounding area.

Power and national interests are undoubtedly the factors that shape international relations and high politics, but even in low politics such as the economy, cooperation is achieved only through common interests.

The challenge is whether Europe will finally be able to face its "demons" or surrender - once again - to them, questioning its very existence.

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## **POLITICAL COMPETITION POST-COVID-19: POLITICAL CHANGE IS NOTHING BUT CERTAIN**



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There is only one certainty in politics: uncertainty! As the Covid-19 pandemic tragically reminds us, certainties of the past and of the present can be easily overturned by events that no one expects to happen or foresee. Politics take place in a very complex environment where uncertainty and fluidity are predominant. Both uncertainty and fluidity, though, negatively affect the ability of political actors to act and political scientists to analyze. However, some educated guesses (hypotheses) can be attempted.

The starting point of any analysis is the bigger factors at play that determine the context in which politics unfold. In recent years this is largely defined by globalization and neoliberalism. Globalization constantly highlights the multifaceted interdependences of politics with the ecosystem, the economy and many other human activities. The Covid-19 illustrated this very vividly. The political hegemony of neoliberalism as the dominant economic paradigm often combined with authoritarianism (e.g., Hungary, Brazil, etc.) has led to the dissolution of social welfare systems and labour relations. This is mostly evident in Europe and the EU because of the strong traditions of social struggles and state intervention in this part of the world. The Covid-19 pandemic has exposed the inefficiencies of public health systems after years of neoliberal attacks and inflicted huge losses on the world's financial markets. These reiterate once more the dialectic relationship between the natural environment, the economy and politics. Moreover, the pandemic has once again exposed the EU which proved unable to react timely and appropriate in yet another crisis, while some analysts point to the structural limitations and inefficiencies of the EU design, as well as the ideological obsessions of European elites.

Given the above, is the pandemic experience pointing to a paradigm shift? What will be the main dilemmas and divisions in political competition post-Covid-19? I argue that political competition will be structured along three main divisions that can exercise a decisive influence over the overall paradigm of contemporary politics. At the heart of all these divisions lies the role of the state. The main divisions I have in mind concern the struggle between forces

representing: (a) neoliberalism vs Keynesianism; (b) globalization vs return to the nation-state; and (c) the expansion of individual, civic and social rights vs their containment and curtailment. These divisions are not independent between them but they are interconnected and cross-cutting, thus reinforcing each other and their implications can be distinguished between short, medium, and long-term.

In the short-term the nation-state is making a comeback, fueled by this extraordinary crisis. Debates about reverting powers previously given to regional or international organizations have revived, particularly in the EU. Similarly, attention of political actors, institutions and public opinion is expected to focus on health care systems as part of a much wider discussion regarding the welfare state. In this regard, economic debates are expected to polarize between neoliberal and Keynesian approaches emphasizing issues relating to social welfare. Fueled by the repercussions of the pandemic, Keynesian economics are expected to receive a boost at least in the short and medium-term. In this context, the hegemonic neoliberal narrative will be under a lot of pressure. Whether these pressures will lead to a change or transformation of the dominant economic and political paradigm is largely dependent by the mediation of political actors.

Both in the short and the medium-term a state of exception regarding human and civic rights could be invoked much more often than in the past in cases of a real or even a fake and/or manufactured threat. This could be the result of extraordinary circumstances per se but also of the great salience that issues of public and personal security now have for the public and societies at large. Trust in representative institutions is plummeting for years now and the crisis will probably aggravate this trend. Representative institutions are not trusted anymore for giving solutions to the major problems the people face. All the above combined, create conditions for curtailing individual and civic rights with the compliance of the citizens. In turn, at the political level, this is a favourable condition for the far right or parts of the mainstream right-wing to rise professing a combination of a leftist social agenda with a conservative/authoritarian political agenda that focuses on law and order. Whether this situation will also benefit leftist or social democratic forces is a bigger puzzle, particularly for the social democrats given their recent record and their attachment to neoliberalism.

The tug of war between the forces of globalization and the nation-state will probably favour Eurosceptic, populist and nationalist actors but is highly unlikely that this 'war' can reverse the dynamics of globalization. Nationalist, anti-immigration forces and voices will find a favourable terrain to demand further borders control against the 'immigrant and refugee threat'. Issues related to the context and extent of globalization, state sovereignty, ecology, immigration and the role of the EU will occupy the discussions in this regard.

The main conclusion we can draw is that the day after could affect changes in political perceptions, practices and structures. However, this is highly contingent on the balance of power between social and political forces and the way political actors will act. Taken together, they will determine whether neoliberalism will recoup or wane.

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