

Commentaries

European Council meeting,
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Christian Kvorning Lassen: COVID-19 – despite Member State disunity, the conclusions were unanimous and clear

The Council meeting had all the ingredients of the western classics of yore; challenges to overcome as well as a Mexican (virtual) stand-off. In a similar vein, three conclusions – the good, the bad, and the ugly – can be drawn from the Council meeting.

The Good: The EU committed to upholding the global value chains of which it and the Single Market is an integral part. Contrary to the UK and the US, it is an impressive show of solidarity and acknowledgement of the bloc's global responsibility at a tense time where the EU could – rightfully so – have initiated a retaliatory breakdown to the detriment of the rest of the world. Plans for the easing of restrictions were also broached in light of vaccination uptake come April and onwards were also discussed, highlighting that a fresh dawn is near.

The Bad: The UK remains bent on its destructive approach towards the EU. While the UK has de facto banned the export of vaccines from its own plants, it continues its campaign to discredit the EU's threat of engaging in the self-same practice. Any country or bloc can decide to stop vaccine exports; if that happened, the global vaccination program would grind to a halt as the vast majority of vaccines are produced within the EU. It is a testament to the failure of journalism that the narrative of the UK "having a better contract" remains perpetuated; if the UK's approach was adopted, the world would devolve into vaccine wars.

The Ugly: Kurz and his Central and Eastern European allies continued complaining to everyone else about their own failure to order sufficient amount of vaccines that they were able to under the EU's purchasing program, prompting Merkel to highlight their failures. A less diplomatic leader might also have questioned their reading capabilities,

given that they all agreed to the conditions of the vaccine program under which they declined to buy sufficient amount of vaccines.

Although the pandemic takes its toll, it is important to note that the speed at which vaccinations are being rolled out and the infections are being curbed is unprecedented; if the world has returned to even a slight semblance of normalcy in 2022, it would be a historical miracle. The Council conclusions, for all their politicking, were a glimmer of hope that the EU has indeed risen to this monumental challenge.

Kateřina Davidov: Climate sidelined at the summit, despite major legislation coming up

The COVID-19 crisis and troubles with vaccinations took priority at the recent European Council meeting. The topic of climate change was completely omitted from the agenda, despite the major "Fit for 55" legislation package coming out in just three months, leaving the EU leaders with little time to discuss their positions before the package is presented by the European Commission in June.

The EU leaders have also wasted a precious opportunity while discussing the future of European industry to give a clear signal that the new industrial strategy for Europe should have a strong climate component. By failing to align the EU's industrial policy with green transformation objectives, the EU risks not only the deterioration of the climate crisis, but also a loss of competitiveness on the global scale, as the US and China scramble to dominate the green technology market

iga Faktor: EU and Turkey – 2021 as an opportunity to restart the relationship

Following the latest turnaround in the narrative of president Erdogan, both the EU and Turkey seem to be ready to work towards more positive and stable



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cooperation. However, the results of the European Council are a display of a cautious approach to EU's often unreliable, yet essential partner. Leaders of the EU brought both sticks and carrots to the table and will closely monitor current de-escalation of tensions caused by Turkish activities in the Eastern Mediterranean.

The Council proposed several areas in which the two blocs could enhance their cooperation, including the adoption of regular high-level meetings or strengthening of its economic ties through the renewal of current Customs Union agreement from which the crumbling Turkish economy could greatly benefit. The EU is also willing to extend its financial support to Syrian refugees currently living in Turkey, and cooperate further on migration and border protection. These proposals should be however easily reversible if Turkey renews its provocations, and the EU is ready to adopt strict economic measures instead.

The outcomes of the Council are a positive sign that the EU is open to establishing positive dialogue, from which both the EU and Turkey could benefit. On the other hand, it maintains cautious approach and the topic will once again be discussed during next European Council in June. The recent withdrawal from the Istanbul Convention is just another reminder, that Erdogan will never fully comply with the core values of the European Union, and as such, this partnership will always need to be closely monitored.

Vít Havelka: EU plans to levy digital services

European leaders again discussed the Union's plan to impose taxes on digital economy during their last European Council meeting. In the Summit's conclusions, they reiterated that the EU prefers global solution and will strive to find consensus by the Summer 2021 within the OECD. Should a global response fail, however, the Union will go forward and impose digital levy no later than January 2023.

The leaders' conclusions are important as they unanimously confirm that the Union is ready to tax

digital economy even if there is no global consensus. The EU is set to be in the position of regulation frontrunner. As things stand at the moment, it will be very difficult to agree an OECD-wide solution as the digital levy will primarily target American tech giants such as Amazon, Google or Apple. The latest change of administration in the White House means that there is some chance the US might agree to a common approach, yet the chance remain fairly low.

The Union needs to impose digital levy not only because the digital giants are experts in taking advantage of EU's tax havens, but since it also plans to use the levy as an additional revenue for the EU budget. Last summer, the Union decided to increase its budget by issuing European bonds. Those will have to be eventually paid back, and a digital tax might be a solution for easing pressure of national budgets who would otherwise have to cover the costs of the post-covid recovery funding. In any case, we have a thrilling half a year ahead of us. If the Union carries its plans as decided by the EU leaders, the new tax might become a game changer in digital economy.

Danielle Piatkiewicz: America is back, back at the 'virtual' global table

As expected, the United States President, Biden's remarks during the European Council meeting yesterday met the foreign policy and transatlantic communities' expectations.

The meeting marked the first time in 11 years that the European Council welcomed president of the United States, speaking volumes to the relationship between the EU and the past US administration. President Michel mentioned in a press statement after the discussion that "it was the opportunity for the president of the United States to express his vision about the future cooperation between the EU and the United States, and it was also the opportunity for us the European Union to express our very strong commitment for this fundamental transatlantic alliance."



In a statement released by the White House, Biden reaffirmed the US's commitment to revitalizing relations between the two regions by stressing the shared democratic values and economic ties as the EU remains one of their largest trading and investment partners.

In accordance with the core issues Charles Michel, President of the European Council made during his opening remarks, Biden also called for closer cooperation on shared challenges, including combating COVID-19, tackling the threat of climate change, deepening economic ties, and ensuring that “democracies rather than autocracies set the rules of the road.”

This then translated into working closer on shared foreign policy interests, including China and Russia. In addition, he noted the need for continued US-EU engagement on Turkey, the South Caucasus, Eastern Europe, and the Western Balkans.

Together with Biden's presence at the Council meeting, both sides can agree that the US-EU relationship is officially back on track. However, as both global and domestic challenges continue to mount, these democratic allies will need to start translating these symbolic and powerful commitments into action.

Charlotte Bufano: The International Role of the Euro – The Four R's as integral pillars

During the latest Euro Summit of the European Council, the heads of state or government discussed the international role of the euro with the President of the European Central Bank (ECB), Christine Lagarde, and the President of the Eurogroup, Paschal Donohoe. EU leaders agreed on a statement where they expressed their support for strengthening the position of the euro on the global stage in order to enhance the EU's strategic autonomy while preserving an open economy, contributing to the stability of the global financial system, and supporting European businesses and households.

The President of the Eurogroup, Pascal Donohoe, asserted that strengthening the international role of the Euro must rely on four “R”s: on a strong Recovery from COVID-19; on the Role of the euro with attention to its digital future; on Resilience, in particular how the capital markets can be deepened and how to deliver on the commitments in relation to banking union; on Renewability and how to ensure that the Euro is more and more the currency of the transition to a far lower carbon future. And this is precisely what the EU leaders agreed upon, claiming that progress will be presented during the next European Council's meeting in June 2021, in the aftermath of the COVID-19 crisis.

The euro, apart from being both a symbol and a driver of European economic integration, is the second most important currency at the international level in terms of global payments and, as such, it is capable of shaping the global geopolitics and boost Europe's ever stronger ambition to be the next tip of the balance in the global order. It is refreshing to see that the topic, which has long been stagnant, gaining traction once again as part of the EU's push towards geopolitical leadership.



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