**PRESS RELEASE**

**Online Citizens' Dialogue “Will Europe survive this crisis, too?”**

**Margaritis Schinas: Prepared for an economic reboot with a Recovery Fund at the helm**

Margaritis Schinas, vice-president of the European Commission participated in an online discussion with Loukas Tsoukalis, President of ELIAMEP, and spoke on the critical issue of the pandemic and the EU’s reaction. He explained that what we are seeing is the usual model of European crisis management. Firstly, we biker under the pressure of the crisis and under the assumption that the solution rests within the national level and then we realize that what unites us is much bigger. We therefore move to a second phase: convergence. “Now we find ourselves in the third and final stage: economic reconstruction,” noted Margaritis Schinas.

Loukas Tsoukalis stated that, financially, this is undoubtedly the biggest crisis we have experienced so far and reminded us that when the Eurozone comes across major crises it initially functions under a “save yourself” principle but, thankfully, quickly sees the fault in that approach.

“When the financial crisis broke out it took us too much time to coordinate and the measures we took were insufficient. Today the decision making is rapid. What is at risk is too big,” stressed the President of ELIAMEP. Margaritis Schinas explained that there is an asymmetry between what people expect of Europe and what it can provide based on the resources it commands. EU competencies on education and health are practically non-existent. The vice-president of the Commission admitted that the first stage of tackling the crisis revealed deficits in the European production model. It took a pandemic for Europe to realize that it does not produce masks. What remains a priority is how Europe will achieve cohesion, stressed Margaritis Schinas.

Loukas Tsoukalis introduced the crucial issue of the asymmetrical consequences of the pandemic in each country but also the somber fact that the abilities of each country to face this crisis are equally asymmetrical. “We suddenly discovered we are all in the same boat. Europe must now realize that we are not just on the same boat, but that we do not all have the same abilities,” commented Loukas Tsoukalis.

The priority is to restart the economy, said the vice-president of the European Commission during the online citizens’ discussion organized by ELIAMEP. Margaritis Schinas referred to the ECB’s new bond-buying programme, aimed at tackling short-term unemployment and added that in the next ten days the Commission will present its complete plan regarding a Recovery Fund.

As Margaritis Schinas noted, what is essential for the Recovery Fund is to have the necessary resources at its disposal and he spoke of 1,5 to 2 trillion euro. What is also imperative is for the fund to provide equal support to those who need it. “The bleak predictions that forecast the Greek economy to contract by 9.7% might even act as a blessing in disguise and push Greece into the Recovery Fund,” commented the vice-president. Necessary is also the provision of loans and government assistance, since the South should absolutely not shoulder the cost of reconstruction, said Margaritis Schinas. He added that it is of great importance that member states move quickly this time and that this all depends on whether they reach a consensus. The President of ELIAMEP Loukas Tsoukalis agreed that the decisions that have already been made are important but also insisted on what resources the Fund will have at its disposal, as well as the conditions for the loans and subsidies eventually given. “How will the money be split among countries,” he asked.

The moderator of the discussion, journalist Eleni Varvitsioti brought to the table the seminal decision of the German Federal Constitutional Court, a ruling that undermined the ECB’s quantitative easing programme and the Court of Justice of the European Union. Margaritis Schinas commented that perhaps this clash between banks and judges could ultimately result in the strengthening of the EMU.

Loukas Tsoukalis called the ruling dangerous and shared how the Maastricht Treaty is overly restrictive, wondering who would dare to change it. Margaritis Schinas explained that under no circumstances could these emergency measures outlive the crisis itself and noted that it is not possible for someone to receive financial support from their own government while also receiving EU funding.

The President of ELIAMEP noted that the Commission’s decision to loosen rules was necessary because the market alone was leading to an Armageddon. However, he added that “while some have strong life jackets others have ones full of holes and if we do not control the situation only those with the strongest state will survive.” Regarding the crucial question of corona bonds that has divided Europe, Margaritis Schinas asserted that what Europe needs is a weapon that will make a difference and will soon bring stability. He described the Recovery Fund as super-weapon.

From his side, Loukas Tsoukalis agreed that what matters is the result achieved but he positioned himself in favour of corona bonds.

Regarding migration, the vice-president shared that the Commission is working towards presenting a plan on asylum and migration by June, before the German presidency begins. The plan will include controlling the flows at their sources, a collective and effective protection of the borders, similar to what is being done in the land border of Evros, and the sharing of responsibility among member states. “We need permanent solidarity rather than solidarity a la carte,” argued vice-president Schinas.

Loukas Tsoukalis explained that Europe has to be in an ongoing dialogue with Turkey, since Turkey is a country with a large market and a strategic geopolitical position in the region. Neither Turkey can survive without Europe, nor Europe without Turkey, stressed the President of ELIAMEP, while he characterized their coexistence problematic, with Greece acting as the inbetweener that has to put up with the behaviour of the “neighborhood bully”.

Lastly, during the discussion with the President of ELIAMEP Loukas Tsoukalis, the vice-president of the European commission Margaritis Schinas noted that people have high expectations of Europe, they do not forsake it and in times of trouble they do not rely on populists. Loukas Tsoukalis added that the more effective the response of national governments and Europe, the less chances populism will have to thrive. Populists put forward easy solutions to complex problems, concluded the President of ELIAMEP.