

European consumers call on EU leaders to respond boldly to the COVID-19 crisis in order to rebuild individuals' trust and protect the EU Single Market

Brussels, 22nd April - European consumers call on EU Leaders to respond boldly to the COVID19 crisis, arguing that tomorrow's European Council meeting is an important chance to demonstrate that Europe has a forward-thinking exit strategy to the COVID-19 crisis. The fact that Europe's consumers deserve no less than that was one of the key takeaways at a webinar [COVID-19 Economic Crisis: European Solidarity and Financial Instruments](#) on 16th April. Speakers and participants were unanimous that an ambitious and unified response from all heads of government in order to save the European Single Market - under significant threat as a result of the crisis - is what's needed to ensure that we emerge resilient.

These issues were also emphasised by **Euroconsumers' recent letter** to the EU institutions and reinforced by high-profile speakers at last week's webinar which included CEPS Director **Daniel Gros**, Bruegel Senior Fellow **André Sapir** and Euroconsumers Board Member **Paolo Martinello** and moderated by EU Law Professor **Alberto Alemanno**.

"Euroconsumers gathered us together to discuss not only the proposal for a COVID-19 recovery package ahead of the next European Council foreseen on April 23, but also to help us unpack a rather dense, often emotional debate about what role Europe could and should play in addressing the financial burden of the recession induced by COVID. Ultimately, this is a debate about Europe's future and what role our continent wants to play both at home and globally." said Alberto Alemanno.

Three main takeaways from Euroconsumers' webinar

1. EU Leaders must respond with an ambitious and unified voice

Daniel Gros discussed the dilemma of Coronabonds - and **why in his view they would not work**. The proposition of mutualised debt instruments issued by the EU to be used to finance expenditure in Member States demonstrated, he said, the lack of clarity as to how the EU could finance national expenditures. Gros argued that coronabonds would also require unanimity - unrealistic, in his view. He also pointed out that coronabonds may not be as effective as they might suggest. "For Italy, coronabonds makes sense only to the extent that there is a difference between the 20% that Italy pays into the budget and the X% that it receives." If Italy were only to receive 25% from the coronabond mechanism then "... the impact, economically speaking, would be very minor."

And the alternatives?

André Sapir declared support for a French-inspired plan where Member States who are willing could finance a "**Special Purpose Vehicle**", similar to the European Development Fund and where they would "... raise the money according to ability, and spend it according to need". More generally, Sapir warned against the possibility of Member States beginning to distrust the Single Market.

2. **We need more - not less - Europe.**

While the COVID-19 crisis warrants European solidarity, “... **we have seen very little of it**” argued **Daniel Gros**. Many of the recent debates highlight a growing divide between the North (Netherlands and Germany) who believe that the South is taking advantage of the crisis to obtain concessions and the South (Italy, Spain and Portugal). which maintains that the North is acting selfishly.

André Sapir argued that EU leaders have failed to show true leadership by merely endorsing the actions of the ECB and the Eurogroup. “We should all agree on solidarity. The question is: how do we implement [it]?” he said.

3. **We must save the European Single Market, together with Consumers and market players.**

Paolo Martinello pointed out that “...while [ECB] loans are better than nothing, they cannot adequately compensate consumers for their losses. It is just not a question of putting money into consumers’ pockets. Rather, it is about ensuring that consumers will be willing to spend it”, arguing that strong consumer confidence will be the cornerstone upon which any recovery strategy should be built. The EU should ensure that COVID-19 exit packages are aligned with the Green Deal, he said. “Fostering a future economy where sustainability, digitisation and innovation are commonplace should be the primary goal of EU leaders,” he concluded.

Euroconsumers once again calls on EU leaders to work together and commit to the European project. Now is a defining moment for Member States and their governments to show strength and ambition by proposing bold financial measures to raise funds to ensure the long term stability of the EU Single Market. More importantly, this would protect businesses, the healthcare system and the purchasing power of households and avoid creating first and second class citizens as a result of the pandemic.

Watch the recording of the webinar [here](#).

Gathering five national consumer organisations and giving voice to a total of more than 1.5 million people, Euroconsumers is the world’s leading consumer cluster in terms of innovative information, personalised services and defence of consumer’s rights. Our organisations work together and also with BEUC, the European Consumer Organisation, and Consumers International to ensure consumers are safe, that markets are fair and benefit from honest relations with businesses and authorities.

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