

interview

An interview with Iulia Matei, Secretary of State for European Affairs (Ministry of Foreign Affairs)

The crisis generated by the COVID-19 pandemic continues to test the European Union (EU) and its Member States. The media speaks about the gravest crisis in the Union's history. How did the EU react to the ensued challenges and what was the role of Union-wide cooperation throughout this difficult period?

Throughout its existence, the European project has had to face numerous challenges or crises, many of which have eventually contributed decisively to the progress of the integration process. At the same time, there is no doubt that, through its sheer scale and virulence, the COVID-19 pandemic has generated a situation without precedent on a European level and for the whole international community.

Let us not forget that we are talking about a public health crisis that has impacted not only all the EU Member States, but also many third countries, almost simultaneously. This situation led to tough social and economic measures, lockdowns, and put to the test the solidarity of the Union and its core components - the freedom of movement, the single market, the rights and liberties of the citizens and the functioning of our economies.

Given this difficult context, a wide range of instruments and measures were mobilized and deployed at European level, some of which already available instruments that needed only to be activated, while others were especially created to tackle the new challenges.

First of all, major decisions of economic and financial nature were taken, some of them having an immediate applicability (like the flexibilisation of the framework for accessing European funds), while others aimed at creating broader instruments in order to address the long-term economic recovery. A measure without precedent was the activation of the general escape clause of the Stability and Growth Pact, which allowed Member States to undertake ... p. 2



opinion

in this issue

The Pandemic and the Economic Crisis: what lies ahead?

Author: Daniel Dăianu

We will overcome the Pandemic and the severe economic crisis in the end. However, these two calamities will leave deep scars and entail profound effects. Sweeping changes are speeded up by high-tech and climate change. These changes add to tensions and policy dilemmas that precede the current crises and call for overhauling public policies in order to deal with huge challenges.

Challenges to our societies originate not only in the idiosyncratic inclinations of some leaders, in the rise of illiberalism; they have deeper roots such as unrestrained globalisation and market fundamentalism, neglect of social aspects, business misconduct, lack of proper regulations, disregard of climate change, inability to reform the EU, etc.

Keynes' macroeconomic prescriptions staged a comeback after 2009 in order to avert a collapse of financial markets. The fallout from the current crises will likely further shape economic systems in the years to come. ... p. 4

- 5 **The European Commission published its first report on the rule of law**
- 7 **Completion of research activity under the POCA project**
- 8 **European Economic Forecast - Autumn 2020**
- 9 **The impact of the pandemic on EIR's training offer**

An interview with Iulia Matei, Secretary of State for European Affairs (Ministry of Foreign Affairs)

[continued from page 1] measures to adequately deal with the crisis, while departing from the budgetary requirements that would normally apply under the European fiscal framework. At the same time, SURE - a temporary instrument acting as a shield against the unemployment risk - was created.

Without any doubt, the most publicly visible decision in the economic realm was the agreement, at the level of European leaders, in July 2020, on the major Recovery Plan for Europe with a total value of over 1,800 billion euro, which combines the next Multiannual Financial Framework 2021-2027 (MFF) and the newly created instrument Next Generation EU, to be financed from funds borrowed by the EU on the markets. The recovery plan will ensure both the recovery of European economies and the continuation of the implementation of medium and long-term EU objectives, e.g. the digital transition or the process of achieving climate neutrality by 2050.

Also, concrete measures were proposed in order to ensure the well-functioning of the single market during times of crisis and severe restrictions. Practically, the goal was to make sure that the European citizens' access to goods will be safeguarded, by creating the so-called 'green lanes' for the fluidization of freight transport inside the Union, but also by facilitating workforce mobility in order to provide essential goods.

In the health area, the European Commission (EC) was in charge of handling a joint procurement framework for medical equipment and devices, as the Member States' access to these products on the international market was hindered by the global outbreak. Currently, efforts are made, again in a coordinated manner and through the EC, to buy vaccines, as they become available. Also, various EU Member States host strategic stockpiles of medical equipment, with Romania being the first one to host such an emergency reserve.

Last but not least, I would like to mention another important dimension of common and coordinated action at EU level, namely the repatriation of European citizens from third countries, through the EU Civil Protection Mechanism. On the same note, let us not forget that we have a common approach from the Member States as regards the regulation of entry into the Union for third-country nationals. In the case of countries with high infection rates, only essential travels are permitted, in order to reduce as much as possible the risk of new cases.

Even if not all these actions and initiatives can be immediately perceived by the citizens, it is worthwhile mentioning that they are the product of joint and coordinated efforts deployed by the Member States and the European institutions, meant to facilitate our overall objective of overcoming the crisis as soon as possible.

Which are the main 'lessons learned' from the current crisis on the European level?

As it is usually the case with a crisis of such magnitude and intensity, a number of lessons can be drawn. Some of these 'lessons learned' are more general in nature, rooted in the realm of principles, while others touch on the functional dimension, with regard to concrete European policies. It is important that these lessons, once drawn, inform actions and instruments that will contribute to the strengthening of the Union.

Certainly, the most important lesson is given by the value of European unity and solidarity, of the common efforts deployed to mitigate the crisis' impact upon all of our societies, economies and medical systems. Once again the crisis has shown that we cannot rely just on national responses and that we all benefit when the Union as a whole is strong and acts united. As such, we must continue our common efforts aimed at consolidating the Union and the European instruments available to respond to similar crisis. The solutions identified must benefit all Member States, consolidate the Union overall and avoid the creation of division lines and different circles of integration.

This lesson is in fact just another confirmation of Romania's consistent approach at the European level, advocating for solidarity and unity in the face of common challenges. During the health crisis, this approach materialized in concrete actions undertaken by us at the European level. As such, medical teams from Romania went to Italy and the Republic of Moldova to support the relief efforts in these countries. Also, in May 2020, Romania provided a significant bilateral donation consisting of medical equipment and supplies to the Republic of Moldova, in order to support this country in dealing with the ongoing pandemic.

Moreover, Romania was the first Member State that volunteered to take on the responsibility of hosting an EU strategic medical equipment stockpile (via the rescEU mechanism). As a result, our contribution was appreciated both by the European Commission and by other Member States, and was acknowledged as an example of European solidarity in difficult times.

Another important lesson derives from the necessity of a continued coordination at EU level. The crisis has shown that measures are more efficient and offer more added value if they are commonly implemented by all Member States, with the support of European institutions. The experience gained through the creation of the 'green lanes' for transport in the first half of the year should be extended. On a global scale, we have to focus our efforts and resources in order to ensure our access to future treatments and vaccines for all the European citizens.

Also, the recent experience has reconfirmed, in full convergence with Romania's traditional stance, that European values remain quintessential, as defining elements of the Union's identity. Shared values represent and unite us in the

framework of the EU, and the full respect and adherence to these values must remain the core of the EU and the Member States' actions.

Finally, we must not ignore the crisis' lessons for the Union's international role. The European Union must assert itself as a balanced, influential and relevant actor, driven by a clear capacity to act both domestically and globally.

The implementation of the next Multiannual Financial Framework 2021-2027 and of the Recovery plan for Europe will be one the European priorities in the coming period. What is Romania's stance on these files?

The European Council's agreement in July 2020 had a particular significance in the context of the concerted efforts at European level aimed at ensuring a process of swift recovery for the national economies, in parallel with pursuing the strategic objectives of the Union.

Following that agreement, the German Presidency of the EU Council has undertaken significant efforts to finalize the negotiations with the European Parliament, a task that has been by no means a simple one, given the expectations of the latter with regard to the general level of ambition of the next EU budget and to a series of European priorities - digitization, climate change, health, fundamental rights etc. Romania has fully supported the efforts of the German Presidency, which led to the conclusion of a provisional agreement over the main elements of the recovery plan and the EU budget, including the horizontal conditionality regarding the rule of law, one of the new elements in designing the future of European funding.

As we are facing a protracted COVID-19 pandemic crisis, it becomes all the more important that the final agreement over the European budget and the economic recovery instrument should be reached sooner rather than later. We are dealing with a limited timeframe, and the effectiveness of the programs financed through the recovery plan depends, to a significant degree, on the timely implementation of the agreed upon measures, bearing in mind all the complex logistical and programming efforts that they entail.

We believe that there is a need for openness and realism from all Member States in order to be able to finalize as quickly as possible this process. We are confident that the German Presidency of the Council will be able to identify the best solution to advance our common objectives at EU level.

Interview translated by Bogdan Mureşan, EIR

About the author:

Iulia Raluca Matei was appointed secretary of state for European Affairs on 8 November 2019. She is a career diplomat since 2003 and has advanced through all professional stages, currently holding the diplomatic rank of ambassador. Her diplomatic career was constantly associated with EU affairs and with Romania's membership to the European Union.

Before becoming secretary of state, she held, starting from April 2013, the position of deputy director general and later, from 2016, director general of the European Union Department within the Ministry of Foreign Affairs (MFA). In this quality, she was in charge with handling the whole spectrum of EU-related files, both from the perspective of the MFA's role as the coordinator of the national system dedicated to EU affairs, and that of the bilateral political-diplomatic dialogue with the Member States of the European Union.

She coordinated the activity of the European Union Department during Romania's first mandate as President of the Council of the European Union, between 1 January and 30 June 2019. The results achieved during this time played an important role for enhancing Romania's visibility at the European level and for the general promotion of the European project.

After Romania's accession to the EU, starting from April 2007 and until July 2012, Iulia Matei was part of the Permanent Representation of Romania to European Union in Brussels, where she was in charge of coordinating the relations with the European Parliament.

In the period 2003-2007, she was part of the European Union Department within the Ministry of Foreign Affairs, being responsible for the handling of the preparatory work for Romania's EU accession, focusing on the aspects regarding the political criteria for accession and the political-diplomatic dialogue with the European institutions, especially the European Parliament.

She graduated in 2001 from the Faculty of Political and Administrative Sciences - the French section - within the University of Bucharest and she obtained a master's degree in EU institutions and policies, at the Institute of European Studies of the ULB - Université Libre de Bruxelles.

The Pandemic and the Economic Crisis: what lies ahead?

Author: Daniel Dăianu

[continued from page 1] Thus:

- Governments (states) will be more present in society in order to provide essential public goods;
- climate change is an existential threat and public health becomes a national security concern;
- industrial policies will be on the rise, not least due to geopolitical concerns;
- inclusion and fairness will acquire more prominence in public policies.

Regarding concrete features and dynamics, it pays to ask and answer some relevant questions.

Is there an ideal model?

The Nordic model is eye-catching. This model relies on a very high level of economic and social development, with massive redistribution of resources through the public budget. The South of the EU is different in many ways; sometimes it seems entrenched in inertial structures - though economic progress has been made over the years.

There is an all-encompassing model epitomized by EU's principles and values, which is embraced by the political families that are imbued with the liberal spirit in its deepest meaning. However, this all-encompassing model has flaws that derive from the incompleteness of the EU, of the euro area (the shortfall of fiscal arrangements), and the current model of the Single Market.

Markets, States, Community

The debate should be about the type of capitalism, whether markets can be reined in so that inclusion, fairness and income distribution be met as policy objectives. Raghuram Rajan, Paul Collier, Martin Sandbu and others emphasize the need to rediscover the middle ground, the community. Samuel Bowles notes that not only incentives are needed to shape individuals' conduct, but also that society needs "good citizens". This brings us to the issue of ethical conduct.

Social and economic dynamics will be more tense if the middle class is increasingly eroded, if new technologies displace large groups of people from the labour market. For an entire society cannot turn into a Silicon Valley. A "start-up nation" is an exciting catchphrase. However, it is difficult for economies and societies to turn into "scientific-technological complexes" (to paraphrase Dwight Eisenhower's "military-industrial complex") within a relevant timeframe. I do not even think this is possible.

Dealing with companies that abuse markets and society

Industries have to be properly regulated and undue rents need to be downsized, if not eliminated. Massive tax evasion and avoidance need to be fought against resolutely, especially since public budgets are under so much strain and income distribution became so skewed. Tax regimes have to be fair.

Carbon tax is a must in order to deal with climate change as are digital taxes on giant companies that pay almost nothing in numerous countries where they operate.

What happens with finance?

Finance will continue to change, not least due to new technologies and digitalization. The regulation and supervision of finance will have to consider new systemic risks, which come from capital markets and the advent of digital currencies. Central banks consider climate change as an increasing systemic risk and income distribution is also on their radars.

The social responsibility of the corporate world

The shareholder vs. stakeholder distinction should not be a formal one, and what is called corporate social responsibility should not be empty rhetoric, a mere object of study in business schools.

The threat of climate change may speed up a transformational attitude, as people would be pickier in their preferences.

Public debts and fiscal sustainability

Mounting public debt (fuelled by the current economic crisis) may entail a clash between generations, with political implications on public policies. Very low natural interest rates (à la Wicksell) may work as an exit in advanced economies via very low monetary policy rates, but not for ever, and do not work in many emerging economies even now.

Taxation of wealth, as advocated by some economists, may be seen from this perspective, i.e. of dwindling chances for many youth to enjoy the well-being their parents had. Climate change adds further anxiety to the fiscal sustainability conundrum.

Global commons are needed

Global issues should not be underplayed. Not only because there is a geopolitical competition for resources and supremacy, but also because we all face the common global challenges, among which climate change is paramount; other challenges include the fate of very poor countries, large disparities in economic and social development around the world, etc.



Rediscovering Truth

We need to rediscover Truth in our lives, to fight fake news and mass manipulation. Truth is indispensable to democracy, and this tendency to distort, or to pervert, should make us worry to the highest degree. This is the only way to combat boundless populism and demagoguery.

Strategic alliances are needed between those who believe in moral values and what a society can offer, combining economic freedom with the need for public goods, with empathy, compassion, and solidarity. Just as markets alone cannot solve the problems of society, an omnipotent state, with an overwhelming public sector, is not the solution for the ills of society.

If we are not mindful of deep trends, if we do not change public policies, skies will fall upon and overwhelm us. Xenophobia, chauvinism, growing racism will open the door to more authoritarian, illiberal tendencies, fuelled by social and political anger. The impact of climate change and the threat of other pandemics may, ironically, reinforce temptations to use authoritarian means in public governance.

The great, historical stake is, therefore, to save liberalism in its deepest sense - which defines democratic parties alike, left and right of the political spectrum - liberal democracy, checks and balances, human dignity, the rule of law, the belief that good ultimately prevails, that human ingenuity can be guided towards noble ends and save us all, both individuals and the society as a whole.

This text resumes thoughts I previously presented in “Which Way Goes Capitalism”(New York, CEU Press, 2009), “When high finance cripples the economy and corrodes democracy”(Eurozine, 2011); “Liberal vs. Illiberal Democracy”(Eurozine, 2018); “The New Protectionism”(Western Commerce Review, 2017); “The Coronavirus has laid bare the need to revamp the EU”(Friends of Europe, Critical Thinking, 2020). A much larger Romanian version was published by Contributors, 24 September this year.

About the author:

Daniel Dăianu - President of the Romanian Fiscal Council; Fellow of the Romanian Academy; member of the EU High Level Group on Own Resources; Member of the Board of the National Bank of Romania (2014-2019); First deputy President of the Financial Supervision Authority (2013-2014); Member of the European Parliament (2007-2009); Finance Minister of Romania, 1997-1998; Chief Economist at the National Bank of Romania, 1992-1997; Member of the Board of Trustees of Friends of Europe; Fellow of CASE (Warsaw); author of “Emerging Europe and the Great Recession”(Cambridge Scholars Publishers, 2018) and “Which Way Goes Capitalism?”, CEU Press, Budapest/New York, 2009; contributor to European Voice, Eurozine, EuropesWorld, World Commerce Review, etc.

news ---

The European Commission published its first report on the rule of law

Driven by a rather pessimistic vision of human nature, one of the founding fathers of the United States of America (USA) and promoter of republican constitutionalism, James Madison, wrote in the Federalist No. 51 that “if men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary”¹. Although the world has changed significantly and irreversibly since the end of the 18th century, at least one meaning attributed to this remarkable quote stands the test of time: the arbitrary use of power by a single branch of government, in the absence of a genuine checks and balances system, may breed monsters and despotism in the political metabolism of a state. Arguably, the rule of law tradition and its interpretation have constantly evolved throughout the time and this flexible and contested concept continues to fuel various political and academic passions and controversies. Regardless, its relevance and importance for a functional liberal democracy remain unquestionable.

A society governed by the rule of law and the supremacy of the law will be characterized by clear and accessible rules, applicable to everyone, as opposed to one governed through rule by law, translated into a selective and skewed use of the law - a corrosive practice for the domestic political order. The condition of the rule of law has a direct impact upon the daily lives of every citizen and it is featured as one of the core values of the European Union (EU), according to article 2 of the Treaty on European Union, which defines the guiding principles and the limitations for the Union’s and its Member States actions². All things considered, beyond the proverbial economic interests, the Member States have created the European community to jointly promote shared values that, in the words of European Commission President Ursula von der Leyen, “are not for sale”³. At the end of September 2020, the Commission published its first report on the state of the rule of law in the Union. The document points to a series of positive aspects and high standards observed at this chapter, but it also highlights new and recurrent challenges, including developments against the backdrop of the

¹ Bill of Rights Institute, “Federalist No. 51” (1788), available at <https://billofrightsinstitute.org/founding-documents/primary-source-documents/the-federalist-papers/federalist-papers-no-51/>.

² Official Journal of the European Union, “Consolidated Version of the Treaty on European Union”, available at https://eur-lex.europa.eu/eli/treaty/teu/2012/art_2/oj.

³ Euractiv, “Von der Leyen: European values are not for sale”, available at <https://www.euractiv.com/section/justice-home-affairs/news/von-der-leyen-the-european-values-are-not-for-sale/>.

COVID-19 pandemic⁴.

The report focuses on four pillars: the justice system, the anti-corruption framework, media pluralism, and other institutional checks and balances. The text is meant to support a more ample annual process of dialogue between the Commission, the Council, the European Parliament and the Member State, as well as other stakeholders on a national and EU level. The corollary of these efforts is a new rule of law mechanism with a preventive rationale, envisioned in the political priorities of the Von der Leyen Commission. It is worth mentioning that this mechanism is not directly linked to the conditionality procedure meant to protect the funds available to Member States through the new massive European recovery plan and the 2021-2027 Multiannual Financial Framework. In the following period, the Commission will start the preparatory work for the 2021 rule of law report, drawing on the lessons learned from the first exercise and with the hope of maintaining the momentum in order to consolidate the resilience of the rule of law state in the European democracies supportive of constitutional liberalism.



Copyright: European Commission

According to the report, strengthening the rule of law in the bloc remains a priority for the effective functioning of the Union, given the fact that threats targeting this fundamental principle constitute threats to the European project's legal, political and economic basis, and its overall normative power. Poland and Hungary, the lot's emerging 'illiberal democracies', came in for the harshest criticism and have to be the report's main discontents. But the document also voiced concerns about corruption and the independence of the judiciary in Bulgaria, Croatia, the Czech Republic, Hungary, Malta, Romania and Slovakia. Out of this problematic grouping, only the Mediterranean island of Malta was not part of the former Communist bloc gravitating around the Soviet Union. And this may point to the fact that the rule of law is intertwined with the historical, institutional and ideological compact in which it has developed. However, the report does signal ongoing discussions revolving around the independence of the judiciary in countries like Germany and Austria, representatives of the 'Old Europe' and more consolidated democracies.

The text, which provides both a synthesis of the state of the rule of law on a European level and separate 27 country chapters for a more national in-depth look, shows that the COVID-19 pandemic was a stress test for rule of law resilience all over the Union. And the Commission's report warns that some emergency measures went too far in terms of proportionality, although time limitations were mostly respected by national authorities. At the same time, there are positive mentions of decisions of national courts and of the involvement of ombudsmen with regard to the emergency measures and their implementation. Also, the report underlines the digitalization boost in the judiciary and the essential role played by the media and the civil society in countering disinformation in the context of the outbreak. However, it would seem that although European citizens do generally enjoy high standards of media freedom and pluralism, some measures designed to tackle the 'infodemic' were used as pretext to curtail fundamental rights and freedoms.

As for Romania's track record, the Commission's report notes that regress registered during the 2017-2019 timeframe has affected the sustainability of anti-corruption reforms. On the other hand, the authors praise the current government's efforts in reducing tensions in the judiciary and Bucharest's renewed engagement to improve on this end. The qualitative evaluation compiled by the European experts shows that Romania benefits from a comprehensive national anti-corruption framework, and also that the civil society has played an important role in defending the rule of law in the country. Recently, foreign minister Bogdan Aurescu wrote that "for Romania, the pursuit of its objectives and interests cannot be separated from the values of a free and democratic society, from the respect for the rule of law, international law norms and its profound attachment to multilateralism"⁵. In a European Union in full transition in a fluid and uncertain global context, Romania can actively contribute to the consolidation of the Union's strategic resilience. Among others, it can achieve that by continuing the internal legislation reforms relevant for the moral conduct of the EU, thus expressing its attachment for the core values that define the European project.

Bogdan Mureșan
European Studies Unit

⁴ European Commission, "2020 Rule of Law Report", available at https://ec.europa.eu/info/publications/2020-rule-law-report-communication-and-country-chapters_en.

⁵ Calea Europeană, "Op-ed Bogdan Aurescu: Valorile comune în spațiul transatlantic - Coerență în politica externă a României și contribuția la rolul global și reziliența strategică ale UE", available at <https://www.caleaeuropeana.ro/op-ed-bogdan-aurescu-valorile-comune-in-spatiul-transatlantic-coerenta-in-politica-externa-a-romaniei-si-contributia-la-rolul-global-si-rezilienta-strategica-ale-ue/>.

Completion of research activity under the POCA project

The European Institute of Romania (EIR) coordinated the research process of five thematic analyses on EU-related topics, under the project “Consolidating and promoting Romania’s position as a relevant actor in the decision-making process at the European level”, financed by the Operational Programme Administrative Capacity (POCA). The research aimed at using these thematic analyses to substantiate a public policy proposal meant to strengthen Romania’s position within the European Union’s decision-making process.

The implementation of the project by IER took place between August 2019 and October 2020, with the initial timespan extended due to the COVID-19 pandemic. Considering the programmatic documents at European level, as well as priorities on the European agenda for the next period, five topics of major importance for Romania were selected and subject to research:

1. The role and relevance of impact studies in defining the national positions at the EU level

The analysis aimed to identify how EU Member States substantiate their decisions at the EU level in terms of impact assessment usage. The research was conducted by a team coordinated by Professor Iordan-Gheorghe Bărbulescu, National University of Political Studies and Public Administration, and composed of: Mihai Alexandru Ghigiu, Victor Negrescu, Mihail Caradaică.

2. The simplification of the cohesion policy for post-2020 period: possible solutions for streamlining the implementation

The thematic analysis aimed to assess the impact of the current Cohesion Policy (2014 - 2020) on regional and national economic development, and to explore concrete and pragmatic ways to simplify and improve the efficiency of this policy in the next framework (2021-2027). The research was conducted by a team coordinated by Professor Dumitru Miron, Bucharest University of Economic Studies, and composed of: Laura-Elena Marinaş, Mirela Diaconescu and Octavian-Dragomir Jora.

3. The impact of digitisation on the architecture and implementation of the European policies designed to strengthening the internal market

The analysis assessed, inter alia, the impact of digitisation on the implementation of the European policies designed to strengthen the internal market. The research was conducted by a team coordinated by Professor Adrian Curaj, Politehnica University of Bucharest, and composed of: Roxana Voicu-Dorobanţu, Cătălin Ploae, Răzvan-Eusebiu Crăciunescu.

4. Artificial intelligence - the impact at the EU level on the productivity of the companies and on the labour market (Case-study: Romania)

The analysis aimed to identify the main AI-related measures taken at European level and their impact. The research was conducted by a team coordinated by Professor Adina-Magda Florea, Politehnica University of Bucharest and composed of: Ştefan Trăuşan-Matu, Traian-Eugen Rebedea, Andrei Olaru.

5. Ways of deepening the Eastern Partnership for 2020 and beyond

The thematic analysis aimed at evaluating the impact of the first 10 years of Eastern Partnership and proposed alternative scenarios so that Romania could have an important contribution in the negotiations regarding the Eastern Partnership reshaping after 2020. The research was conducted by a team coordinated by Professor Mircea Brie, University of Oradea, and composed of: Ioana-Miruna Butnaru-Troncotă, Ana-Maria Costea and Ioana-Teodora Biţoiu.

The first stage of the research process was carried out between 29 January 2020 and 13 February 2020, when [five thematic workshops](#) related to these analyses were organised. At that time, the research teams had the opportunity to discuss directly with representatives of ministries and other specialised institutions, in order to draw preliminary conclusions, to test the scenarios prepared by the research teams and to establish some research guidelines.

Following these workshops, the research teams drew up the intermediate versions of the thematic analyses, which were then subject to feedback in the [online public debates](#) organised between 26 May and 11 June 2020.

Further to the debates and based on the suggestions received, the teams of researchers drew up the final versions of the thematic analyses, both in Romanian and English, which were finally made available to the Ministry of Foreign Affairs (project leader).

Mihai Sebe
European Studies Unit

European Economic Forecast - Autumn 2020

The very pessimistic forecasts regarding the economic contraction at the European Union's level, expressed at the beginning of the novel coronavirus pandemic, seem not to have materialized. Nevertheless, the level of uncertainty is still very high, as underlined in the European Economic Forecast - Autumn 2020, published by the Directorate-General for Economic and Financial Affairs of the European Commission. The unique crisis that all the EU Member States are experiencing right now made the authors of the report to qualify as highly possible a change in the projected developments. The end of the health crisis would enable a faster economic recovery, while an increase in the infection rates would prolong and deepen the economic recession.



The Gross Domestic Product at the European Union level will decrease by 7.4 percent in 2020, then increase by 4.1% in 2021 and by 3% in 2022, respectively. The most affected countries will be Spain (-12.4%) and Italy (-9.9%). Regarding the Romanian economy, the GDP will decrease by 5.2% in 2020, growing in 2021 (3.3%) and 2022 (3.8%). In 2022, according to the data presented in this report, the European economy will barely recover to the pre-pandemic level. Nevertheless, both the intensity of the economic contraction and the pace of the economic recovery will vary from Member State to Member State, depending on a number of factors, such as economic specifics and measures taken by authorities in order to contain the spread of the virus.

Table 1. Forecast of the GDP growth in Romania (2020-2022)

Year	2020	2021	2022
GDP growth (% expressed annually)	-5.2%	3.3%	3.8%

The unemployment rate at the EU level will reach 7.7% in 2020, increasing to 8.6% in 2021, and then slightly decreasing to 8% in 2022. The most affected countries will be Greece (unemployment rate of 18% in 2020) and Spain (unemployment rate of 16.7% in 2020). In Romania, the situation will be slightly better, the unemployment rate being of 5.9% in 2020, and forecast to reach 6.2% in 2021, then 5.1% in 2022. The budget deficit at the EU level will be of 8.4% in 2020, decreasing in the following years (6.1% in 2021 and 4.5% in 2022). Romania's deficit is forecast to exceed the EU average: 10.3% in 2020, 11.3% in 2021, and 12.5% in 2022. Romania will rank fifth in the EU, after Spain, Belgium, Italy, and France.

Table 2. Forecast of Romania's budget deficit (2020-2022)

Year	2020	2021	2022
Budget deficit (% of GDP)	10.3%	11.3%	12.5%

There are worries regarding a possible negative evolution of the European economies, in the short and medium term. The extension of the health crisis generated by the novel coronavirus pandemic might lead to a much slower-paced economic recovery, a rapid increase in the unemployment rate, and negative economic consequences in the long term. The European economy might be hit hard in this scenario, both by the high number of bankruptcies and the disruptions in the global economic flows. In this respect, the report underlines the strong link between developments in the global economy and the EU Member States' potential of economic recovery.

On the other hand, medical advancements and a vaccine development would allow for a faster economic recovery. Moreover, instruments under the Next Generation EU programme, especially the Recovery and Resilience Facility, will provide the support the European economies need, being „a unique opportunity for a fast and transformative recovery”. As Paolo Gentiloni, Commissioner for Economy, said, “NextGenerationEU must be finalised this year and effectively rolled out in the first half of 2021”.

The European Economic Forecast - Autumn 2020 is available in English [here](#). The chapter regarding Romania is available in English [here](#).

Ionuț Mircea Marcu
European Studies Unit

The impact of the pandemic on EIR's training offer

This year has brought challenges for many areas, including for the training sector. Due to the SARS-CoV-2 virus, most of our activities could not be carried out as usual. EIR's Training Unit has quickly adapted to the new reality, shifting all its courses to online delivery.

By understanding that this situation is not likely to change in the near future, we started as early as April to identify ways to continue our activity, analysing options for virtual communication platforms, changing our procedures and adapting the courses to be delivered online.

Mid-May, we started with the first series of online courses, looking for the best means to organize them. Several options were analysed: from 6 hours courses per day to 3 hours courses per day, either during working hours and outside the schedule, from fully subsidized to partially subsidized or paid courses. In doing this we relied heavily on the feedback received from the beneficiaries of the previous courses.

Our first online course gained an overall score of 4.76 out of a maximum of 5 points, as all the participants provided an affirmative answer to the question "Considering your experience with this course organized by EIR, would you participate in another online training delivered by the institution?". This 100% percentage, together with the very encouraging comments we received have determined us to adapt as many courses as possible for the online platforms.

So far, about 140 people have participated in the online trainings organized by EIR, most of them working in the public administration. The topics addressed were in the field of European affairs (Introduction to European affairs), legislation (Norms and Procedures of Legislative Techniques; Normative System of the European Union), environmental protection (Waste Recovery Engineering). All courses obtained scores of over 4.5 out of a maximum of 5 points, placing them at the "Very good" rating. Moreover, all available places were filled rapidly and we even had a waiting list for all courses.

Motivated by the positive feedback, in October EIR presented a new topic "Integrity Warning in Public Institutions", this being our first online exclusive developed course. This pilot training was intended for employees of public institutions and benefited from the contribution of two highly experienced trainers: Cristian Ducu and Codru Vrabie. The participants' comments speak volumes: "The best course I have attended at EIR" and "A top grade course".

For the end of the year, the Training Unit will introduce a second course online-designed called "Challenges of Cyber Security in European affairs", as well as a first non-subsidized course "Diplomacy and Protocol".

The next year will see the development of our online courses offer which will include both traditional and new courses that were started in 2020. Alongside these, we plan to introduce new topics to complete our offer in European Affairs courses addressed to public and private institutions.



Monica Ingeaua
Training Unit

Editor-in-Chief: Eliza Vaş
Editors: Bogdan Mureşan, Ionuţ Marcu, Mihai Sebe
Revision RO: Mariana Bara
Translations RO-EN: Bogdan Mureşan, Ionela Haralambie, Liliana Comănescu, Mihai Sebe, Ionuţ Marcu, Monica Ingeaua
Graphics & DTP: Mihai Paraschiv

* The texts published in this Newsletter express the authors' opinion and do not represent the official position of the European Institute of Romania.

ISSN 2065 - 457X

In order to receive future issues of the EIR Newsletter, you can subscribe [here](#).



European Institute of Romania

7-9, Regina Elisabeta Bvd., RO - 030016, Bucharest, Romania
Phone: (+4021) 314 26 96/ 133 / Fax: (+4021) 314 26 66
Contact: newsletter@ier.gov.ro, Web: ier.gov.ro