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THE CURRENT: Do Germany's border closures signal a new stage in Europe's COVID-19 response?

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(Music)

PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adriana Pita.

As Europe becomes the latest epicenter of the coronavirus pandemic, France, Germany, and other countries are tightening social controls within their borders and closing those borders to non-essential travel between countries. With us for an update on how Germany and Europe are responding is Constanze Stelzenmüller, senior fellow with the Center on the United States and Europe at Brookings and Kissinger chair on foreign policy and international relations at the Library of Congress. Constanze, thanks for talking with us today.

STELZENMÜLLER: Glad to be here.

PITA: In Monday night address to the nation, President Macron described France in a state of health war. Spain is seeing a surge in cases. And Germany is the latest country to close its borders to most of its neighbors. What's the latest on what's happening, in Germany and the rest of Europe?

STELZENMÜLLER: Chancellor Angela Merkel gave a press conference on Monday evening which already in its physical arrangement showed that Germany was going to make some pretty momentous announcement. The pictures showed at most a dozen chairs, spaced at least 3 or 4 feet away from each other, and I, from the pictures, counted about ten journalists sitting there. Merkel stood in front of them to say that she had radical measures to announce. She did so in her usual, very calm and very unflappable way. She said there would be a nationwide closure of all bars, clubs, pubs, opera houses, museums, exhibitions, movie theaters, gyms, playgrounds, and she did not bat an eyelid as she said this. And this is also true of religious congregations, civic associations, which are really a mainstay of German social life, and tourism, a key services industry; all shut down. Restaurants can operate, but they have to close by 6 p.m., and the only thing which is going to be left operating is essential shops like supermarkets and pharmacies.

PITA: Thus far every country, like Germany, has been managing their response on their own, in terms of deciding what scale of gatherings are going to be banned, or discussing whether churches also have to close, and which stores can stay open, but with EU Commission just recently moved – they're looking at banning travel for the next 30 days from anywhere outside the Schengen area. This seems like it might be one of the first major centralized response from the EU. Can you talk about this balance of power? Who is addressing which aspect of this crisis from the country level to the EU level?

STELZENMÜLLER: Yes, there are various factors complicating the EU response. On the other hand, there is the physical, political, and social geography of Europe, which has been that we have enjoyed open borders for decades now, we have moved across each other's borders to work, to trade, and of course for social purposes. Germany shares borders with nine other European countries, and there's a huge amount of border traffic. So, it's a very big deal that Germany on the weekend closed its borders with several of its neighboring countries. So far, the European countries have been making these

decisions on their own, and the reason for that is the European Union actually has very few powers in the area of domestic policy and that very much includes health policy. So what has been happening there is, as it were, not the EU Commission – headed by a German, Ursula von der Leyen -- exercising formal centralizing powers, but attempting to coordinate political reactions which, because they are quite different from country to country, might create tensions further along.

We've heard about the UK's attempts to create herd immunity, which have been widely criticized. The Germans have come down somewhere in the middle, being criticized for being somewhat late with their social distancing policies. And I think the most radical response at this point has come from the Austrians and the French, and the Spanish by now, and of course the Italians, all of which have seen their governments basically put their countries into lockdown mode.

PITA: What else is within the realm of EU centralization? Where else might they be looking to coordinate as the crisis goes on?

STELZENMÜLLER: Clearly, we're now seeing these border closures in the Schengen area. That again is within the EU's right. It also, you might say, has a precedent in the U.S. border closures, first to citizens of China, then to European citizens last week. That is expected, or can be expected, to have a fairly significant impact on Europe's economic situation, although right now the decision seems to be to let trade continue, and the entrance of goods continue. But of course we all know that the services industry, which has been increasingly important in post-industrial Western countries such as European countries, depends on the free movement of human capital – in other words, of people. No doubt this is going to have a fairly major economic impact.

PITA: There was also recently some controversy over a German pharmaceutical company, CureVac, that's working on a coronavirus vaccine; different rumors about what's happening at that company. What can you tell us about that?

STELZENMÜLLER: CureVac is a German company that until recently had an American CEO. It had startup funding both from a German billionaire and from the Gates Foundation. And apparently the American CEO had traveled to Washington and met with the White House and President Trump. And the story that came out of this was that President Trump had offered to buy the research – in other words for it to become American intellectual property – or even to move the scientists and their work to the United States. This story was denied by the current ambassador to Germany, Richard Grenell, and a White House spokesperson, but it was confirmed by the German government in the person of the German health minister, Jens Spahn. The American CEO was fired a couple of days ago. CureVac, while refusing to deny or confirm the story, said that it was not going to develop its research for any proprietary purposes, but only for the use of the whole world.

PITA: In terms of coordination beyond the EU, G7 leaders held a videoconference on Monday, looking at trans-Atlantic coordination. What do you know that came of that?

STELZENMÜLLER: Well, the G7 major economies have pledged – pledged on Monday to do, as they said, whatever was necessary, unquote, to stabilize the global economy which has been really rattled by this pandemic. So far, based on market movements on Monday which were pretty devastating, that doesn't really seem to have impressed investors very much. The G7 governments will have to follow up and this will, I think, be a real test both of the effectiveness of Western and European national government measures as well as of international coordination here. The French in particular – most European governments have made some form of guarantees to their own business sectors. The German finance and economic minister said that they were pulling out the bazooka: there would be unlimited aid for companies that are in trouble both large and small. The French government has proposed even to nationalize companies that are in trouble. I think it's too early to say at this point what the outcome of this for markets will be and for the economic damage that's already done, but that's something we're going to have to watch very carefully as the days and weeks draw on.

PITA: Lastly, I wanted to finish up with a quote from Chancellor Merkel from some remarks she gave—I believe this was last week. She was talking about the responsibilities of leaders and government but also of common citizens at this time of crisis. Her quotation was: “This is putting our solidarity, our common sense and our openheartedness for one another to the test. I hope that we will pass it.” I realize as you say that it’s still early days yet, that Europe and the rest of the world are going to be facing severe economic challenges even after the peak of the virus itself has passed. Can you address the response from Germany and the rest of Europe through that lens of solidarity and what that looks like?

STELZENMÜLLER: I’d say the picture is decidedly mixed. The Italian government and I think Italian civil society was very upset – and in my view justifiably so – with the German government’s early decision to restrict or ban the export of certain medical equipment, including face masks. That kind of nationalism, it seems to me, to be the last thing that is warranted in a crisis such as this and undermines European solidarity and cohesion. But I understand that ban has since been lifted, as has been a similar ban by the French government. I think that, given the integrated nature of European politics, economics, and society, the only possible way that we can resolve this crisis and remain a cohesive continent is by addressing these issues in a European manner. Again, that does not mean giving additional centralizing powers, formal powers, to the EU Commission. It means European coordination, which is what my continent has always done in times of crisis. But this really is the moment to keep the nationalists at bay and make sure the poorer, less advantaged, more vulnerable nations and societies in Europe are protected against this crisis.

On the national social level, I would say that Germans, based on what I’m seeing on social media and the internet, have been quite slow to respond to exhortations to stay at home, so as, again, to protect the more vulnerable, older members of society, and that, I think is a reason why the German government and Chancellor Merkel stepped in on Monday to say that this behavior needs to change.

And let me end perhaps with a really sobering note. Germany so far has a remarkably low death rate in this crisis. But the number of infections has been increasing exponentially. The Financial Times has a really useful composite tracker that shows that Germany is pretty much exactly on the course of Italy, except that it is two weeks behind where Italy is now. Now, my country has probably the largest number of intensive care units, beds, in Europe, but based on those numbers, that’s not going to be enough, so we are going to have to act very quickly to be in the position to both help ourselves and help our neighbors when the crisis really hits in terms of an explosion in the number of infections and of a rise in the death rate.

PITA: Yes, sobering indeed. Constanze, thanks for talking to us about this today.

STELZENMÜLLER: You’re very welcome.