

Vaccine Debacle

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Whatever else you may think about Angela Merkel, one thing you must allow her: she knows a hot potato when she sees one, and she can pass it on to someone else in no time. In the summer of 2020, Germany having just taken over the presidency of the EU27, it appeared that by the end of the year there might be a vaccine or two, to end the lockdowns once and for all. To Merkel this must have smelled like an approaching pack of rats: delays in research, delays in production, extortionist prices, conflicts over national shares and distribution – and above all the nightmare of nightmares: Germany, rich from monetary union, getting the vaccine first and vaccinating its citizens faster than the others, thereby undermining the ‘ever closer union among the peoples of Europe’. What to do? Move it to Brussels, and fast.

Waiting there for useful employment was Ursula von der Leyen, Merkel’s ex-Minister of Defense, installed at the head of the European Commission by a French President unwilling to surrender the post to one Manfred Weber, *Spitzenkandidat* of Merkel’s European party family, the EPP, and member of the CSU, the CDU’s Bavarian sister party. (European Union politics

is becoming an outgrowth of German domestic politics.) Dropping Weber was not very costly for Merkel as von der Leyen was also German, from the CDU rather than the sometimes-quarrelsome CSU, and a woman. For Macron she was an ideal pick. As French Commissioner he had nominated another former Defense Minister, Sylvie Goulard, an inveterate insider of French centre-right politics. Apparently, the hope was that she and von der Leyen, said to be friends, would together advance his favorite project, a European army as a captive customer of an integrated European defense industry. But this misfired when the European Parliament, led by none other than said Manfred Weber, refused to confirm Goulard, nominally because of the same corruption charges that had cost her her ministry in 2017 (misuse of funding for European Parliament assistants, plus €10,000 monthly payments for ‘advisory’ work with the US-based Berggruen think-tank). Since corruption is not really a problem in Brussels – viz. the Ex-Commission President Barroso who, skipping the obligatory cooling-off period, became chairman of Goldman Sachs International (succeeding the likes of the two Super Marios, Monti and Draghi) – we can safely assume that the idea behind the putsch was to pay Macron back.

On to the vaccines. As Germany’s Minister of Defense, von der Leyen had messed up every major procurement project she laid her hands on, from assault rifles to transport helicopters. This may only partly be her fault; the German defense bureaucracy has long been known to excel in sabotaging its ministers, which is why being German Defense Minister usually ends your political career. It is an interesting question why von der Leyen took the job

when instructed by Merkel to do so; perhaps she believed that she could achieve what others could not (she radiates this kind of elitist self-confidence, which is why the Bundestag deputies of her party are said to have loathed her).

What made matters worse, however, was that she hired Katrin Suder, the head of McKinsey's Berlin office, as Secretary of State for armaments. Four years later Suder resigned over allegations of having illegally awarded multi-million consulting contracts, as expensive as they were useless, to friends from the consulting industry. At the time of von der Leyen's move to Brussels in December 2019, a parliamentary investigation had just begun on what had come to be called the *Berateraffäre* (consulting scandal). Safe in Brussels, von der Leyen has been effectively out of its reach.

When Merkel decided to hand the vaccine business to her ex-Defense Minister, she was of course aware of her German record. What she should perhaps also have known is that unlike the British, French and German ministerial bureaucracies, the staff of the EU Commission, tiny in comparison, was never involved in a procurement project as big as this. To deal with three, four, five pharma giants, represented by a posse of highly trained and even more highly paid corporate sales sharks, is not, as the Chairman had it, like 'a dinner party, or painting a picture, or doing embroidery'. During negotiations, the EU delegation had to check back with 27 nervous national governments facing 27 scared national electorates. Price was a major concern for the Commission, in contrast to the UK and US governments who were

paying with their own money rather than that of others. More problems arose over having to buy without guarantees of production and pending medical approval, as well as worries over liability in the event of emergency certification. Even more important perhaps, the EU delegation had no authority to promise subsidies for new production facilities. In the end it turned out that contracts were poorly written, in particular regarding production volume, delivery dates and export and import shares. To top it all off, EU certification authorities went on holiday over Christmas, further delaying the start of vaccination.

One never knows for sure who does what and why in and around Brussels, the most impenetrable political sociotope since the fall of the Soviet Union. If there ever was a need to prove that nation-states are better equipped than international organizations when things get serious, insiders must have known that the vaccine negotiations were about to produce such evidence in abundance. In fact, in June 2020 when Germany took over the EU presidency a consortium of four member states – Germany, France, Italy and the Netherlands – acting on behalf of the other 23, had already begun talks with the pharma companies. These had to be abandoned when Merkel told her Health Minister to turn the matter over to von der Leyen – as it turned out, a recipe for disaster although politically the safer thing to do. If there was blame to be taken, let Ursula take it: after all, that's what she's there for.

Indications are that there was yet another reason for the EU's 'vaccination debacle', as it was meanwhile called. This had to do with the French pharma giant, Sanofi, result of a merger of a French firm with

Farbwerke Höchst, a postwar descendant of IG Farben, and a favorite object of French industrial policy. Sanofi, working with the Institut Pasteur, had recently gained notoriety for a series of failed development projects. Apparently, the French government pressured the EU to delay purchases until Sanofi had developed a vaccine of its own. When the signing of contracts could no longer be postponed, the EU ordered 300 million doses from Sanofi (partnered with GlaxoSmithKline) and the government of France another 45 million. In late January, however, Sanofi had to throw in the towel, announcing that their vaccine would not be available until the end of 2021, if then. To close the gap in the vaccine supply, the German government had to arrange for Sanofi to produce the ‘German’ Pfizer/BioNtech vaccine under license, at the former Farbwerke plant in Frankfurt-Höchst, beginning in the spring at the earliest.

To complete the picture, we need to return to German domestic politics. In January 2021, the Minister-President of the Land of North Rhine-Westphalia, Armin Laschet, was narrowly elected party leader at a CDU party convention, making him one of two possible CDU/CSU candidates for the chancellorship in the national election in September. Without the support of the Merkel machine he would have lost to a more right-wing competitor, Friedrich Merz. Since being elected, Laschet abandoned his once more liberal positions on the lockdown, perhaps also because his state, the most populous of the 16, has an even lower vaccination rate than Germany as a whole. Also, a few weeks after the party convention it became known that Laschet had hired the Head of Public Affairs of Sanofi Germany – any German manager with a minimum

level of self-respect has an English job title – to serve on his ‘crisis coordination committee’, a highly secretive body overseeing the state’s ministerial departments during the vaccination campaign, for six months beginning in January, with permission to return to his Sanofi job without a period of gardening leave. All that was required of him was his signature on a statement to the effect that he would not divulge any confidential information he had learned while sitting on the committee. Laschet, who hails from Aachen, or Aix-la-Chapelle, and claims to be a descendant of Charlemagne, is known as a staunch European.

The state of play by mid-February 2021: Germany had vaccinated 4.95 out of 100 inhabitants, its huge new vaccination centers deserted. Mission accomplished: Italy vaccinated 4.94, Spain 5.18; except that France (Sanofi!) vaccinated only 4.25. Of course, the UK vaccinated 22.98 and the U.S. 15.9, but this is due to amoral ‘vaccine nationalism’ and therefore irrelevant. ‘Europe’ expresses gratitude to Merkel; so does (most of) the German press (and don’t mention Brexit!). Monetary union is rescued again; Germany, while last, or almost last, on vaccinations, can remain first on exports. Up to now, no-one in Germany has dared to calculate the number of additional deaths caused by the vaccination debacle. The problem, if one is seen at all, is blamed on Brussels, but only softly due to the sacred nature of the EU in German public discourse. This may change. In the meantime, Merkel could let it be known that ‘basically nothing has gone wrong’ with her government’s handling of Covid. A few days later, she extended the lockdown until mid-March, for the time

being. Whether other EU countries will stay equally sanguine remains to be seen; there is growing concern in German political circles that they might not.

And Brussels? Von der Leyen, Merkel's convenient lightning rod, briefly panicked and considered closing the border between Ireland and Northern Ireland, to keep her precious vaccine from the commercially more adept British. Journalists are now trying to find out who wrote the proposal to trigger Article 16 into her briefing papers; suspicions are that it was the Commission President herself, eager to show her mettle. After the British Prime Minister and the Irish Taoiseach had talked her out of her not-so-brilliant idea, she began enthusiastically celebrating 'European solidarity'. While publicly continuing to declare the arrival of the virus 'the hour of Europe', in meetings with the EU-Parliament she apologizes for unavoidable mistakes back in early 2020, caused by an inevitable lack of knowledge about the unknowable. Meanwhile, the pandemic raging, her bureaucracy is returning to business as usual, apparently preparing a directive to force producers of alcoholic beverages, such as champagne, to adorn their bottles with warning labels and shock images, like cigarette packages. Expect the unexpected: a moment when we thank God for Emmanuel Macron reading the riot act to 'Europa'.