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WHAT WILL PUBLIC AFFAIRS IN EUROPE LOOK LIKE POST COVID-19?

A briefing from
FleishmanHillard EU



FLEISHMANHILLARD

LAUNCHING FH BRUSSELS' EU RECOVERY AND RESURGENCE PRACTICE



METTE GROLLEMAN

Senior Vice President & Senior Partner,
General Manager FH Brussels

The impact of the COVID-19 crisis across Europe is unprecedented. Economies have come to a stand still, many businesses have seen a massive reduction in their operations, and the impact on lives and livelihood is profound.

When it comes to public affairs, there is certainly no 'business as usual'. As we start to exit this crisis, we will find ourselves returning to a new norm - both the political and policy landscape have changed, the environment that we are operating in is different, and how we conduct engagement will be impacted for a long time.

FleishmanHillard Brussels' is delighted to launch its EU recovery and resurgence practice. Combining sectoral, supranational and market level public affairs expertise, our goal is to support businesses operating within Europe to effectively manage the policy and political challenges that COVID-19 has enforced upon us.

Within this document, FleishmanHillard Brussels' sectoral experts, alongside thought leaders from across the European network, share their insights on what they believe will be the key policy trends moving forward for your sector, and how to navigate that in your advocacy activities.

We look forward to discussing your public affairs recovery programme with you,

Best wishes,

A handwritten signature in black ink that reads "Mette Grolleman".





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AN OVERVIEW OF OUR NEW R+R PRACTICE



DEEP SECTORAL EXPERTISE

A team of 70+ expert consultants engaged in all key EU policy sectors



EU POLITICAL AND POLICY ACUMEN

Deep understanding of policy and regulatory processes as well as a finger on the pulse of behind the scenes politics



A EUROPEAN AND GLOBAL NETWORK

A public affairs network that continuously provides local insights that can be activated across Europe and beyond



INFLUENCE BEYOND BRUSSELS

A proven ability to manage multi-market communications campaigns and be part of the opinion shaping conversation beyond Brussels



ENHANCED POST COVID ENGAGEMENT TACTICS

A 30 year track record of being at the forefront of innovation in our craft

PUBLIC AFFAIRS WILL BE CENTRAL TO RECOVERY AND RESURGENCE

The COVID-19 crisis has led to a combination of both political and policy changes in a very short period of time. As we emerge out of this crisis, it's likely that we will be looking at a new political sphere for influence, with national governments looking inwards, reluctance to over rely on global supply chains, and already existing divides within the European Union exasperated.

From a policy perspective, rapid changes have had an impact on entire industries and their value chains (competition policy, state aids, decentralisation of production value chains, etc.) The new policy agendas that we have witnessed reflect a time similar to during national election periods.

Industry's ability to effectively practice public affairs will be central to its recovery and resurgence.

Across our European markets, those with established strong political relationships have been more effectively able to navigate the crisis.

The challenge moving forward will be how to stay relevant amidst new decision making processes, and whilst decision makers focus on economic recovery. Industry's ability to act responsibly and provide solutions for society should be seen not only as a reputational exercise, but a long-term investment in stakeholder relationships. Finally, engagement in public affairs activities will be essential to continue to stay abreast of fast-moving policy changes that may impact operating models, and advocate for support mechanisms if needed.

"Public affairs and corporate communications have never been more important, as the size and reach of government continues to grow and expectations of society as a whole increase"



**A GLANCE AT THE
KEY POLICY TRENDS POST
COVID-19**

THE BIGGER PICTURE IN EUROPEAN POLITICS



METTE GROLLEMAN
General Manager FH Brussels

Sometimes it's hard to remember what European politics looked like before the COVID-19 outbreak. The pandemic, and the political response to it, has been central to the agenda of every politician operating in Brussels, and every national government since early spring. We are facing a global health crisis of a dimension that none of us can remember – and as a necessary response to protect the health of Europeans, the economy has taken a hit that will influence Europe and its politics for years to come.

Having finally left the impact of 2008's financial crisis behind, Europe must now muster up the strength to come together and fight a new battle, which again struck some member states harder than others.

From a European perspective, the lack of coordination and solidarity has become a political problem and essentially a question about how and if there still is a European Union. Whilst we have moved away from the first few months of political firefighting, there are still major obstacles to Member States coming together and responding to the crisis as one united Union.

“Kicking the can” politics will not solve this crisis – actions are needed to both save the European economy, but also to restore faith in the European project. As the only suitable institution for the task, the European Commission will eagerly lead the way.

Yet there is concern as to whether the European Council and its Member States are ready for the Commission to assume such a critical role. Will they give them the necessary tools to help intervene? Will they agree to lead out of Brussels even if this presents fresh challenges for national politics?

COVID-19 has accentuated divisions where the EU has long struggled to find unity – especially when it comes to economic politics, where the future of the Economic Monetary Union, and how to move it forward, has been debated amongst finance ministers for years. It's evident that yesterday's lack of progress needs a tomorrow that will pick up the pace, or the entire future of the Eurozone may be questioned.

Another area where Europe has struggled in the past, is to find a collective view on its industrial strategy. European champions have become increasingly important for Europe to claim its place in the world as well as having the access to critical industries on European soil. We have only just started seeing the political initiatives being explored – expect this to become a key component in Europe's plan for the future.

Yet whilst Europe is busy looking inwards to find the right response, it's increasingly evident that an urgent response to the outside world is just as important.

THE BIGGER PICTURE IN EUROPEAN POLITICS



METTE GROLLEMAN
General Manager FH Brussels

Let's not forget that when Commission President Von der Leyen took office, she emphasised that Europe should take its rightful place in the world – as a geopolitical player. Regions may continue to look inwards, but there is an opportunity for Europe to step up and play its rightful role in leading a collective global response.

What does this mean for industry? Engagement has never been more important. Never underestimate the importance of helping policymakers to understand how different businesses are challenged and how industry can actually support Europe in its crisis response. Whilst times are difficult and we look for new ways to engage, it is critical to have a voice and to speak to both national and European decision makers.

Using virtual technology to engage has proven to be the way forward, whether it is organising online events or doing stakeholder outreach, everyone has embraced the new way of working.

Whilst the streets of Brussels might seem quiet, you can be sure that Brussels is still very much at the heart of European politics and very much ready to engage on the issues that matter to all of us. Getting Europe back on a sound economic trajectory and creating the right business environment is at the heart of that debate!

AGRICULTURE & FOOD



STEPHANIE BROCHARD
Agri-Food Specialist

The agri-food sector is severely impacted by the COVID-19 crisis, underlying the fragility and interdependence of European food systems. Intensifying the economic insecurity of many European farmers, the crisis showed how much food security depends on a well-functioning Single Market and regulatory coordination, particularly for transport and labour rules.

Before the crisis, European food systems were already assessed as fundamentally unsustainable on all counts: environmental, economic and social. The recovery phase will strengthen the need to undertake a deep transformation of the sector.

The crisis will not change ambition for more environmental sustainability which will become a key pillar of EU food and agricultural policy. However with the looming economic downturn threatening farmers, this transition will have to demonstrate its capacity to generate new and more revenues for farmers. Policy actions will be directed towards enabling new business models in agriculture.

Safety, quality and transparency have always been the foundations of EU food policy and will continue to be so. The crisis put food security and affordability back on the agenda, which will be combined with the ambition for the EU to set a global standard for sustainable food supply chains.

To enable the transition, agri-food policy will actively combine three main objectives. First, we can expect policy actions to further empower consumers to make health-and-sustainability conscious choices through the extension of labelling rules. Second, EU policy-makers will also seek strengthened industry commitments and requirements for sustainable and responsible business practices. Finally, the EU will have to balance an increased resilience of European food systems without turning to protectionism through trade policy and collaboration with third countries to streamline sustainability and health across global food systems

“European food systems were already fundamentally unsustainable: environmentally, economically, and socially.”

“The recovery phase will strengthen the need to undertake a deep transformation of the sector”

CHEMICALS & ENVIRONMENT



MALIK DUHAUT

Chemicals and Environment Specialist

The COVID-19 lockdown has had a limited impact on the regulatory sphere. The European Chemicals Agency will continue to deliver at a fairly high speed, meaning we cannot take a break from focusing on the regulatory challenges ahead. Björn Hansen, Executive Director of ECHA, stated that while there will of course be some impact on ECHA's work, he expects no major break in efficiency.

In this spirit, Commission Executive Vice President Timmermans, in charge of the European Green Deal, has emphasised repeatedly that the Green Deal remains one of the Commission's priorities and this is where we will be seeing the most movement in chemicals policy in the coming months.

The biggest upcoming Commission initiative in our sector, the Chemicals strategy for sustainability, is on track for Q3 2020. In the Roadmap the Commission points out that there is urgent need to produce essential chemicals within the EU, specifically regarding pharmaceuticals and disinfectant. Here in particular, the crisis showed that the lack of domestic manufacturing presents an issue.

We expect the issue of European manufacturing of chemicals to come at the forefront of future debates on risk management in Europe.

In the broader context of the circular economy, there is much work to be done regarding chemicals.

Many of the headline issues to be addressed, such as substances of significant concern in recycled materials, microplastics and active substances, have been fairly high profile in Brussels for years. However now we face an entirely new level of appetite for action. It's also worth remembering that the chemicals sector is also a major source of solutions for the circular economy.

The circular economy will change the way we produce and consume, and almost all consumer products will, at least in part, have started their lifecycle in a chemicals plant. In the spirit of looking for solutions upstream, we can therefore expect EU policy makers to take a lot of interest in the chemicals sector in the years to come, in particular in the discussions around the Green Recovery.

The key challenge for the chemicals sector as we move forward will be to show its immense expertise and create technologies that advance the European Green Deal. It must demonstrate that the sector holds many of the solutions to ensure a successful transition to a circular economy.

Brussels is wide awake and many are paying attention to all things chemical, so this is the time for solutions, improvement and showing your value to a circular and sustainable society.

The key strategy will be for chemicals companies to engage without forgetting the solutions that they offer. Now is not the time to be shy, it's the time to bring bold answers to the forefront of the discussion.

"Brussels is wide awake and many are paying attention to all things chemical, so this is the time for solutions, improvement and showing your value to a circular and sustainable society."

CLIMATE, ENERGY & TRANSPORT



STEPHANIE BROCHARD
Climate specialist

Negative electricity prices and a 90% decline in air traffic in April 2020: this is just a snapshot of the severe impact that the COVID-19 crisis has had on the energy and transport sectors. Putting some of the crown jewels of Europe's industrial base at risk, the pandemic has questioned the future of the EU's climate and Green Deal agenda, where energy and transport sectors are at the front and centre. It is certain today that pandemic-induced decisions in the coming months will seal the fate of the EU Green Deal and its climate ambition.

Some would argue that if the EU has learned one thing from the crisis, it is the importance of a coordinated and timely response. However, the link between a major public health crisis with an increasing daily death rate, and the climate crisis is not obvious to all stakeholders.

Two main questions will drive climate, energy and transport policy discussions for the rest of 2020: conditionality of state support and where and how to invest the money required. Until the next multi-annual financial framework (MFF) is agreed, a lot of the political and public affairs game in Brussels will be directed at tracking and attracting recovery money.

But the fundamentals of the climate crisis have not changed, and it is here to stay in policy discussions across Europe.



CILLIAN TOTTERDELL
Energy & Transport specialist

For the EU, the climate agenda is not a debate about economy vs. climate. It is about short-term economic crisis vs. long-term economic strategy. The recovery phase will put the idea of the Green Deal as a growth strategy to the test and stakeholders wanting to engage with policy-makers will have to demonstrate they can balance the two, rather than presuming climate and economics are mutually exclusive.

As we enter the complex conversation on the recovery, we may see greater polarisation between those who see climate and economy as mutually exclusive, and those that insist both are two sides of the same coin. Recovery packages will need all of the money the EU and its Member States can gather for the next few years. Where this money is directed and how it is allocated will shape the future of the EU's economy and impact EU climate policy.

Given the magnitude of investments needed for both the recovery and the green transition, there is a risk that scattering money across too many sectors and technologies reduces the impact of the financial support. This approach risks locking investments in technologies that may help in the short term but will not have a lasting role in a zero-carbon economy.

"The fundamentals of the climate crisis have not changed and the recovery phase will put the Green Deal as a growth strategy to the test"

FINANCIAL SERVICES



JANE GIMBER
Financial Services Lead

How the financial sector emerges from this crisis will be defined not only by their financial resilience, but equally by their ability to help the real economy recover.

The economic repercussions from the Coronavirus are not yet fully known, but early signs are pointing to a severe economic downturn. Whilst EU leaders grapple with how best to use public finances to aid economic recovery across Member States, the real political stress test for the financial sector will come as economies move from immediate forbearance measures to increasing financial risk once the recession bites.

It is against this backdrop that EU financial services policy will be set.

As the crisis took hold, short term relief measures implemented by financial institutions - often guaranteed by the state - provided highly sought after liquidity support to weather the most immediate effects.

Now that Europe's focus is turning to economic recovery, political scrutiny over the sector will increase.



MARIJN SWINTERS
Financial Services Lead

Policymaker attention is expected to converge on financial resilience and managing market instability, whilst enabling the sector to remain a necessary partner for recovery. Questions will be raised over risk management and governance practices, with much greater alignment between the sector's reputation and corporate responsibility:

- Greater focus will be given to strengthening Europe's macro-prudential toolbox across banking, insurance and asset management;
- Liquidity assumptions in non-equity markets will be tested;
- Banks may see some capital relief to stimulate credit provisions, but policy makers will expect the sector to act in line with its recovery policy in return;
- Asset valuation will be challenged amidst ongoing volatility, sparking fresh debate over mark-to-market accounting;
- Funding the twin transition of sustainability and digitalisation will remain a priority throughout the economic recovery.

"The ability of financial institutions to work in partnership with governments and the real economy will characterise public affairs engagement in the aftermath of COVID-19. Enabling economic recovery whilst strengthening Europe's financial system will result in a greater focus on corporate social responsibility in addition to financial resilience and long-term stability."

HEALTHCARE

The Coronavirus outbreak revealed huge limitations in the European Union's ability to respond to a cross-border health crisis. The mobilisation of doctors and nurses from across borders and the stockpiling/deployment of PPE to areas most impacted all came too late. The EU lacked the powers to coordinate on crucial aspects of virus control such as the timing of lockdowns, testing protocols and the support of medical research. Systems to fight this pandemic were either not in place or had never been used on such scale before. These limitations will no doubt change the future direction of EU health policy.

We expect that the EU will ultimately assume more powers in health. A recent proposal from the centre-left European Parliamentary party, Socialists & Democrats (S&D) revealed huge ambitions for an increased EU competence in health. It has since been signed by both the centre-right European People's Party (EPP) and liberal RENEW meaning it has support of all 3 major political parties.

At the very least, we will likely see a Brussels-based permanent emergency health unit and EU level guidelines designed to stress test national health systems.

At the other end of the scale, we may see joint procurement and transparency solidified at EU-level, a trend we already began to witness before the crisis with initiatives such as BeneluxA and the Valetta Agreement.



EMMA CRACKNELL
Healthcare Lead

This would ultimately change how both the pharmaceutical and medical devices industries operate in Europe.

The digitalisation of healthcare is also going to have a big impact on the industry with new policy challenges. Post COVID-19, it is highly likely that telehealth will become mainstream. This includes online GP appointments, Remote Patient Monitoring (RPM) and the use of symptom trackers to assess your own healthcare concerns. There has already been a big demand for the increase in update of telehealth across the globe due to potential cost savings, and COVID-19 has certainly accelerated its uptake. Industry will need to embrace a 'new way' of doing healthcare, alongside the policy implications that will come with that, including data privacy and liability.

Finally, the economic downturn provoked by COVID-19 will have a huge impact on industry's ability to launch new products across Europe. Healthcare budgets and pharmaceutical spending take a massive hit after severe economic crises, as demonstrated by the 2008 financial crisis. Being able to demonstrate the value of new innovative therapies will be more important than ever before. Good government relations and environment shaping activities will be critical to success.

"Often side lined as a lesser important sphere for healthcare public affairs, Brussels may become more important than it's ever been before for industry. Effective preparation will entail the further development of stakeholder relationships, close monitoring of new policy initiatives and a bigger push for corporate positioning."

TECHNOLOGY

As Europe went into lockdown, technology stepped up to the plate and moved society to a new virtual lifestyle of remote working, socially distant socialising, and online shopping sprees. Politically, Commissioner Breton's cabinet members are on record stating that the coronavirus could be a turning point for Big Tech. Whilst COVID-19 has perhaps softened the most virulent Techlash narrative; it has also laid bare the EU's dependency on tech and its ramifications in Europe.

Pixelated video conferences, sudden cuts in connectivity, and opening calls with apologies has underlined the need to further develop Europe's infrastructure. The increased demand for stronger, faster, and more-secure digital infrastructure and capacities will require a step up in coordination and investments. Unlocking EU funds will be a political priority, as Europe looks to fill the EUR 155 billion gap between their necessary funding and the current reality. In addition, the regulatory framework can be updated to increase cybersecurity for the weak points identified during the 'stress test' placed on our infrastructure.

Seamlessly working on top of Europe's infrastructure, online platforms continued to gain market share and prominence despite the economic downturn. The COVID-19 crisis underlined the central role of certain platforms in maintaining public order and society, and how dependent Europe has become on so-called 'gatekeepers'.



CRISPIN MAENPAA
Technology Specialist

Whilst extreme views demanded that certain tech services now be categorised as 'public utilities', the reality may be a push for greater regulatory oversight. The crisis showed that telecoms and energy regulators, for example, could effectively ensure service delivery despite new demands. Is a single European body also required to coordinate systemic EU wide platforms? On the legislative front, we expect these experiences to feed into the Commission's (in)famous Digital Services Act (DSA) which is due later this year. Europe's digital learnings from COVID-19 would be incomplete without considering the ramifications for the EU's data policy.

As we reach two-years since the GDPR entered into force, the EU's reverence for privacy now faces murmurs of dissent. We shouldn't expect a re-opening of the GDPR, but rather a growing assessment on the boundary between privacy and the public interest. Should individuals cede their privacy to ensure exit strategies from COVID-19? Looking further ahead on data, it's clear that the pandemic will heavily impact the Commission's objective to create 'a single market for data'. Political impetus has solidified around the need for increased data sharing between citizens, companies, and governments, but questions abound on the priority sectors, quality of requisite data, and the balance between mandatory and voluntary sharing.

Whilst many hope that a softened Techlash will reduce regulatory risk, the reality is that the crisis has confirmed the belief of policymakers that regulatory intervention is urgently needed. Regulators now want to step up to the plate, as they look to rebuild a more digital economy that is fairer and shaped by Europe.

"COVID-19 could be a turning point for Big Tech, which has stepped up to deliver a virtual society for Europeans."

TRADE

Most policymakers agree that COVID-19 has shown the need for more resilience in supply chains, but remain at odds whether this means bringing more production closer to home, or to diversify where you source it from. What is the price that policymakers are willing to pay in order to attract firms to repatriate parts of their supply chains or produce more in the EU Single Market?

The Commission will undertake a comprehensive trade policy review this year, with a primary focus on supply chain resilience and stronger trade defence mechanisms. It will have to strike a careful balance doing so. On the one hand, the EU will want to maintain its relative economic openness that have made its businesses globally competitive, by pursuing trade liberalisation and advancing reform of the World Trade Organisation. On the other hand, it will seek to answer calls for “protecting people and businesses”, for example looking at strengthening its trade defence toolbox and coordinating strategic stockpiling. Soft measures, such as due diligence requirements or public investment in automation and 3D printing R&D may spur the reconfiguration of some supply chains.

Trade is also closely related to industrial and competition policy. Both Germany and France have emphasised that the EU should insist on reciprocity in third-country public procurement markets.



THOMAS LINDERS
Trade Specialist

Furthermore, we will get a better understanding of how the EU wants to tackle the issue of state-subsidised industries that are competing in the EU Single Market, when the Commission announces its White Paper on Foreign Subsidies in mid-June. While the impact of COVID-19 is globally felt, the EU will also have to deal with challenges of the asynchronous restart of the global economy. (South) East Asia, which recovered early from the health crisis, has reopened ahead of the European economy and has steadily accumulated surpluses in merchandise goods, which cannot find a destination at the moment. Given the fraying bilateral trade relations between the U.S. and China, the EU might find itself flooded with heavily subsidised, manufactured goods. In turn, this will test the robustness of the EU’s trade defence tools.

Amid this doom and gloom, the EU does try to strengthen bilateral relations, including critically with the U.S. and China. With its Washington counterparts, Trade Commissioner Phil Hogan attempts to find a long-term settlement to industrial subsidies in the aerospace sector and de-escalate trade tensions that have led to tariffs on steel, aluminium, orange juice, motorbikes and alcohol. Meanwhile, talks in China on a future bilateral investment treaty have entered a critical phase as Brussels seeks to rein in the influence of the Chinese state in the economy, among others by addressing subsidies and joint venture requirements. Given the importance of Chinese exports to the EU and the pressure faced by Beijing to restart the Chinese economy, Brussels officials are hopeful that they can strike an agreement before the end of the year, as Hogan promised when he appeared before the European Parliament last year.

*“Policymakers have rapidly embraced the concept of ‘strategic autonomy’.
Businesses will have to assess whether this is economically sound and engage with stakeholders to make sure its concerns are heard”*



**PUBLIC AFFAIRS
PERSPECTIVES FROM
ACROSS EUROPE**

FRANCE

France is among the European countries most severely hit by the COVID-19 pandemic which makes the recovery and resurgence even more critical. As the policy agenda has been overtaken by the need to fight the crisis, the French government will aim to draw lessons from the crisis. We can expect policy discussions to aim to balance out the government's willingness to promote a greener economy while securing the country's future industrial leadership.

From a policy perspective, French President Macron has been very outspoken about the need to relocalise value chains in France/Europe and to ensure a "green" recovery. In practice, resources will be limited to make this happen across sectors given the upcoming economic downturn and difficult situation of public finances. We can expect French policy to focus its efforts on the cornerstones of its economy most affected by the crisis (tourism, automotive, aviation) while trying to secure a key position for France's industrial leadership in the future – for example clean vehicles or digital technologies.

With this objective in mind, we can also expect France to ascertain its position in Europe in favour of more protection, be it through a carbon border adjustment, control of foreign investments or a deep reform of EU competition rules to allow the emergence of true European champions.



FABRICE ALEXANDRE

Senior Partner, C&I, an FH company

From a public affairs perspective, three major trends will impact strategies and engagement in the future. More state intervention in the economy will strengthen the need to establish constructive relationships with decision-makers and to gather strategic information. The need to maximise the impacts of public intervention in the economy, due to public budget constraints and high deficits, will imply careful selection of sectors/companies that should benefit from public support. Organisations looking for public support should more than ever back their propositions with strong data and impact studies. Finally, the risk of social unrest and another "Gilets Jaunes" episode will remain a major concern for decision-makers and any public affairs strategy will have to include this element.

As the country recovers from a severe public health crisis and enters a challenging economic situation, the need to demonstrate contribution to the common good has intensified. Public affairs campaigns and messages should be carefully calibrated as not to be perceived as corporatist or self-serving.

France's policy discussions will aim to balance out the government's willingness to promote a greener economy while securing the country's future industrial leadership.

GERMANY

Before the COVID-19 crisis, German politics was largely driven by concerns around climate change and the environment. The Green Party's high polling results pressured policymakers of the established ranks to make amends and take sides. During the crisis, environmental groups, the media and environmental policymakers continue to urge the public not to leave these issues out of sight. However, whether this will resonate with a wider audience depends on the magnitude of the economic backlash of the crisis, as well as on the tangibility of climate change in Germany (i.e. dry summer). This will impact the German EU Council Presidency Agenda in 2020 as well as the Federal Election outcome in 2021, which - before the crisis - seemed as a safe bet to put the Greens in government.

The COVID-19 crisis has been a pinnacle for the executive branch, as well as the federal states. Chancellor Merkel's criticism notwithstanding, states competed for best-case solutions, and state leaders were compelled to enter into a popularity contest. Currently, policymakers engage frequently via digital tools, and continue to take meetings with external stakeholders virtually. During the first weeks of the crisis, engagement with a direct link to COVID-19 was prioritised. Many discussions evolved around the question of which economic sectors and services are systemically relevant. This entailed somewhat of a comeback for German industry associations, who are a traditionally lobbying powerhouses in Germany, but saw a downfall in relevance over the past years.



ROSA TAUB
Public Affairs Specialist, FH Germany

As of May, policymakers are starting to get back to their normal agenda. It can be expected that moving forward, more stakeholder meetings will be held in virtual spaces, meaning that Public Affairs work will involve less travel throughout the fractionalised federally organised Germany. However, personal meetings and political events will continue to take place, remaining an invaluable tool to build up trust and display accessibility.

What will continue to be an underlying theme and should be considered in messaging moving forward, is the systemic meaning of an industry sector and product for the German and global economy. At this point, it is unclear how or whether at all, COVID-19 will shake up the German perspective on data sharing and precaution vs. innovation. On global trade and consumerism, it should be noted that despite a downfall in consumption, with the German economy still largely depending on exports, a functioning of the economy will remain a major policy theme.

"During the crisis, environmental groups, the media and environmental policymakers continue to urge the public not to leave climate change issues out of sight"

POLAND

Unpredictable legislation and its overproduction have been a longstanding challenge in Poland - COVID-19 has accelerated this. In response to the crisis, the Polish government has implemented three anti-crisis shields and one financial shield. As the pandemic evolved, so has Polish politics. Due to the epidemic, the presidential election did not take place as scheduled on May 10, and whilst controversy remains, it is now scheduled to take place on June 28.

The campaign, timed with the pandemic, has led to the ultimate transformation to digital public affairs. Discussion around policy is already moving heavily to social media with the current presidential election campaign taking place mostly online. The current landscape highlights the increasing importance of up-to-date intelligence - analysis of stakeholders, monitoring of changes in their attitudes towards business objectives will be needed to adopt an adequate industry response. Owned media (incl. social media channels) will become more and more important in presenting arguments and conducting a direct dialogue with stakeholders. Meanwhile, the importance of indirect bodies - industry organisations, economic events and the media, which were a natural place for debate - might decrease. Members will request that industry organisations act much faster and in a more agile way.

The pandemic has restored the general public's trust in government, however whether the level of lockdown measures that were introduced were appropriate will likely be questioned as the lockdown is eased, guiding future policy discussions.



WOJTEK WAGLOWKI
General Manager, FH Warsaw

The organisation and efficacy of Poland's healthcare system will be a central feature. An increase in spending on the healthcare system is likely alongside a growth in social demand for health protection. Economic growth will also be a policy focus as recently implemented economy packages come to an end. The economy will start recovering, but through this economic restart, there may be a shift in dynamics of the most dominant industry sectors. The labour market and labour policy will be in the very centre of that discussion. The third trend is anti-globalisation - a further increase of economic patriotism, shortening supply chains and cooperation in smaller groups of countries or alliances.

Looking at how organisations should engage moving forward, anti-globalisation, and the digitalisation of the workplace will be key features of the landscape. Public policy strategies need to be properly adopted to anticipate the change - this should be monitored, and an impact assessment will be crucial at an early stage. Identification of new stakeholders should be a next step.

There is one positive impact of COVID-19 pandemic - people and decision makers seem to have a sense of restored trust in science and scientific evidence. In a mid-term perspective, scientists are expected to become very important stakeholders and will be more and more involved into public affairs activities.

"Increased spending in healthcare systems, economic recovery and anti-globalisation are three key themes that will likely dominate future policy discussions in Poland."

UNITED KINGDOM

Bigger than Brexit! Who could have imagined that any issue could define British politics in 2020 more than Brexit. This year was, after all, set to be dominated by the future relationship showdown with Brussels and a myriad of much hyped trade deals. Fresh from a landslide election victory, Boris Johnson promised to give Britain back its mojo, “level-up” its imbalanced economy and redefine the UK’s place in the world.

COVID-19 has, as elsewhere, transformed the UK political agenda, totally absorbing government bandwidth, eclipsing the future relationship negotiations (now little more than a sideshow), and impacting the UK economy far more deeply than the hardest of Brexits. So, what have we learned about Public Affairs?

- 1) Faced by existential challenges as a result of COVID-19 disruption, government, and therefore the practice of public affairs, has never been so important to business survival. For many, public affairs moved from fringe concern to business critical overnight. This won't change for a while.
- 2) Businesses with established political relationships and effective trade associations have had distinct advantages in the crisis phase, compared to those with none, who have had to fight hard for a voice in a crowded field.
- 3) An integrated “communications approach” to public affairs has become more important - with the media and digital advocacy, essential supplements to amplify a policy ask or message.
- 4) In recovery, partnership with government, has become increasingly normalised, with the traditional boundaries of officialdom broken down by Zoom and Teams



TIM SNOWBALL
Head of Public Affairs, FHF London

And, what's next?

- 1) The form of recovery matters and business can influence it. Shaping ongoing government support, assistance or concessions will remain a key determinant of survival, recovery or success.
- 2) COVID-19 has left the “Overton window” of policy consideration wide open. Having moved so decisively to support the economy in crisis and with austerity now an unpopular option, the UK government may now look to a more activist agenda as it emerges. This is therefore a time for big thinking, radical action, and also potential influence.
- 3) The UK will not budge from its end of year deadline to agree a future relationship with the EU, though it is not yet clear whether COVID-19 will drive the UK to a more hard-line or more pragmatic position. Both the economic and political salience of these negotiations are currently diminished. However, if criticism mounts regarding its handling of COVID-19, it may suit No10 to seek to shift public frustration back to Brussels.
- 4) Re-emerging domestic policy will be a mix of old and new'. Levelling up' and trade will continue to be the UK's central policy priorities. But this may be uncomfortably twinned with increasing scepticism of foreign investment and a new eagerness to 'back British'. The government may continue with a more active public health agenda and the disruption of COVID-19 may change public sentiment permanently on matters of corporate behaviour

“The form of recovery matters and business can influence it. Shaping ongoing government support, assistance or concessions will remain a key determinant of survival, recovery or success.”



**PRACTICING EU PUBLIC AFFAIRS
IN THE RECOVERY
AND RESURGENCE PERIOD**

PUBLIC AFFAIRS IN TIMES OF SOCIAL AND PHYSICAL DISTANCING

The COVID-19 crisis has guided us into new ways of working, engaging in discussions with decision-makers, and making our voice heard. Not only have we (re)discovered a variety of platforms and IT tools that can support virtual meetings, but we have leveraged upon online channels to get our messages across and keep the our broader policy networks up to date with our priorities.

As the severe economic and social impacts of the crisis unfold, the recovery and resurgence phase will require us to integrate the lessons we learned during this crisis.

This will have a huge impact on the way we practice public affairs and communications in Europe in the following months, and perhaps years to come. It will also impact the content of certain public policies, particularly in sectors most affected by the crisis.

BILATERAL ENGAGEMENT

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The COVID-19 crisis revealed that we do not always need to be in the same room to have engaged and meaningful discussions around key issues. This can be a game changer in the future, particularly for stakeholders not based in Brussels (or Paris, or Berlin, etc.) who should no longer shy away from initiating contact virtually.

Videocalls have proven to be quite efficient to establish a first contact or strengthen your relationships with existing allies, and there is no reason why this should not continue in the future.

The crisis has showed us that we have a range of options for bilateral engagement, beyond the traditional face to face meeting with advocacy partners and policy makers. The crisis also underlined the importance of flexibility and adaptability, as many of us worked from home, juggling personal and professional priorities. As we are slowly going back to normal, offering more options and flexibility to your interlocutors will become even more of a no-brainer.

As the recovery and resurgence phase will require most of the attention and effort the EU can muster, assessing whether your timing, tone and message are appropriate will continue to be instrumental to success.

However face-to-face will remain an essential part of your advocacy work as informal conversation during an event and thoughtful face-to-face meetings remain the best way to convince those on the fence of the merits of your argument.



EVENTS AND NETWORKING

Organisations that have invested in the know-how for using these online tools are unlikely to move all events back into a face to face format. Webinars and online events will become an integral part of the public affairs toolkit.

Events and networking were the bread and butter of public affairs in the EU prior to the COVID-19 crisis. Less resource-intensive and allowing for a larger reach, online events have seen a steep increase in their popularity.

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However online events are not suited for everything. And with virtual options becoming more natural, we will see organisations further question the objectives of their events, and how these objectives can be best achieved. While online events are efficient at spreading knowledge or a particular message, they provide limited opportunities for discussions among participants or building new relationships. Whilst events remain online, extra effort must be taken by participants to follow up with speakers and other key stakeholders. Event organisers may consider options to include a Q&A tool within their event infrastructure – allowing participants to submit questions and be connected to thought leaders.

As in-person events look to resume later in the year, it will be essential to be mindful of the legacy of the COVID-19 crisis, for example in terms of size of event and venue as well as cleaning and hygiene protocols.



VISIBILITY & GETTING YOUR MESSAGE ACROSS

“The crisis has led some organisations to (re)discover the value of other forms of engagement and communications. This applies for instance to online communications or media relations.”

Making your voice heard by policy-makers has always been challenging given the density of the public affairs environment, particularly at EU level.

The post-COVID-19 world will be no different, but the crisis has led some organisations to (re)discover the value of other forms of engagement and communications. This applies for instance to online communications or media relations. The role of a well-designed website that captures the attention of your target audience and where the content is optimised to answer to what people are searching for cannot be underestimated. Nor can the impact of a fully integrated campaign, both online and offline.

As we enter a “new normal”, organisations should bear in mind that audiences have been reshaped by the crisis and they will have to adapt to this new reality if they want to claim a seat at the table. Organisations should rethink and adapt their messaging as they will increasingly be expected to showcase their contribution to society beyond the generation of wealth or employment.

Organisations will have to critically look at their messaging and the value they bring to the table, and ensure data-driven and authenticity-based communications in an integrated fashion.





HOW CAN WE HELP?

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CONTACT OUR SECTORAL EXPERTS TO FIND OUT MORE

Use our recovery and resurgence practice email address to get in contact with policy specialists and understand further how we can support your business at this challenging time.



ATTEND OUR POLICY ROUNDTABLES

Look out for our upcoming online policy roundtables to get the chance to hear from key stakeholders on your new operating environment



SIGN UP TO OUR SECTORAL NEWSLETTERS

Sign up to our sectoral newsletters, including a daily COVID-19 policy and political update, to keep abreast of developments that matter to you.



FOLLOW US ON FH BRUSSELS SOCIAL MEDIA CHANNELS FOR THE LATEST UPDATES

Check out FH Brussels' website, as well as our LinkedIn and Twitter pages to keep up to date with our latest thoughts and perspectives.

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1946

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in more than thirty countries

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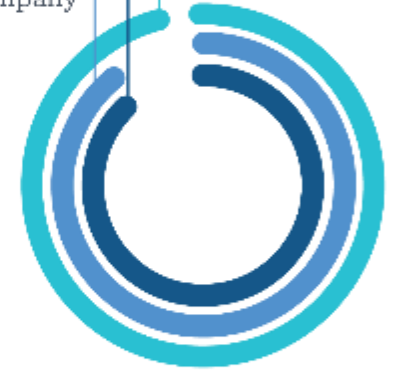
- Value one team.
- Think boldly.
- Seek out new and different ideas.
- Deliver great work every time.
- Have confidence to grow.
- Embrace challenges.
- Harness our unique perspectives.
- Do what's right.

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employees worldwide

89%
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97%
of our top 50 clients are served out of multiple offices

87%
of clients reported they intend to continue or expand their relationship with us



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21 years
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PRWEEK U.S. OUTSTANDING LARGE AGENCY
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PR NEWS' CSR A-LIST



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