

Rules, but a vision above all

by Jacques Delors, Founding President of Notre Europe

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Renaud Dehousse: *For three years, Europe has been dealing with a triple crisis – financial, economic and political. How do you explain the difficulties experienced by politicians in coming up with a convincing answer?*

Jacques Delors: The outbreak of the crisis occurs outside Europe, with the sub-primes crisis in the United States. It is true that for three years, the 17 members of the Economic and Monetary Union have regularly intervened too late, and to do too little. If this has been the case, it is because in the beginning they were no longer clear on the purpose of European construction: the European spirit had disappeared and national self-interest predominated. This tendency for creeping nationalism, that I have observed for a decade, is related to globalisation and also to the human and economic phenomena which are its consequence. So I take it that the spirit of the times is not as good as it was in other periods of European construction. And this is a great risk as, in my opinion, a big blow to the Euro would bring about the unravelling of the Internal Market, which is the cornerstone on which the process of European integration has been built.

RD: *A thing that strikes me since the beginning of the crisis, is the exacerbation of rivalry between Member States. Yesterday there was talk of the Merkozy couple and today of a defeat of Angela Merkel due to a Latin alliance... What evaluation do you make of these tensions?*

JD: It is the consequence of the effacing of the community spirit and method. To illustrate the point we have reached concerning communication and information, the “Euro plus” pact, which was adopted in 2011, is a European Commission proposal. In a way we were reverting to the good method: the Commission proposes, the Council of Ministers acts. But nobody mentions the work of the Commission when the text is cited.

RD: *There has been a lot of quibbling in recent weeks about the relations between France and Germany and about the Franco-German role in the European mainstream. In France, Mr Hollande has been criticised by the opposition for having distanced himself from Mrs Merkel.*

JD: Historically, I would say that the Franco-German tandem is essential to European construction but not central. If it becomes central, then it is to the detriment of community spirit and living together in harmony, which involves the respect of each member country. I worked towards this outcome when I was President of the European Commission (1985-1994). With the risk that from time to time the French or the Germans would not like it. The Commission is there to serve governments, it must be remembered, but it has a duty to work towards a good compromise and to take into consideration all member countries. Since then, bad habits have been acquired in the form of “take it or leave it” propositions. Fortunately, recent initiatives by Italy and Spain, backed by France, have reiterated the requirements of working together.

RD: *Isn't there a hidden paradox in all that? On the face of it, intergovernmentalism triumphs, but when we look at what has been decided, we realize that in fact the great beneficiaries of the measures taken could well be the supranational structures. The growing control of national budgets has led to a reinforcement of the supervisory powers of the Commission, and the European Central Bank is without doubt the principal beneficiary of the agreement on a “banking union” adopted at the European Council in June 2012.*

JD: Yes but that has led to a complexity which distances us from our citizens and handicaps the system. With the European semester, the “Six-Pack”, then the “Two-Pack”, then the fiscal compact, and finally, the

so-called growth pact, I wonder who understands, or even masters the system? Who can say what kind of sharing or transfer of sovereignty the new supervisory mechanisms will lead to?

RD: This complexity covers at least two things. On the one hand a pragmatic approach which has been followed: efforts have been made to find an immediate answer to the most urgent problems, without taking into consideration the big questions to which you are alluding, namely on what basis cooperation is to be organised. But there is also a deliberate will not to state the facts, to maintain the fiction of the all-powerful state.

JD: There is a kind of happy relief with the fact that the European Council and politicians took the bull by the horns, dealing simultaneously with the short term – putting out the fire – and the medium term – rebuilding the Union – but agreement has yet to be achieved on the implementation. Hence my questions: wouldn't it be appropriate to turn the EMU into a genuine enhanced cooperation within the framework of the Lisbon Treaty? Shouldn't we define precisely the respective roles of economic policy cooperation and supervision, in other words, what will be the place of politics and that of the rule? However, quite clearly, several governments prefer to throw a veil of shadow over that in order to avoid internal problems.

RD: When we talk about economic policies, we can see that there is a silent conflict between the different ways of conceiving European economic policy; on the one hand, the German way amounting to a maximum number of rules in a treaty in which strict control mechanisms are foreseen; on the other hand, an approach demanding supplementary means in order that the EU or the Euro zone may act.

JD: That's exactly right. For the moment, there is a proliferation of rules that remain to be clarified and applied. But the time will come when the rules will reach their limits and will not be able to replace a clear vision of what we want to do together, i.e. a political choice. I, personally, have always deplored that in the decisions taken in 1997 to finalise the EMU, there was no balance between the monetary pillar and the economic pillar, as this cannot be reduced to budgetary control. Beyond the budgetary instrument, macro-economic policy means should be developed to ensure at an optimum level. As previously stated, there is an agreement dealing with debts and national budgets, with a tribunal which imposes sanctions. But on the other hand, we don't know whether there is anyone in charge to deal with the economic development of the Euro zone, and to speak bluntly, and with the social and economic policy of the EMU.

RD: In your opinion, at what level can the quest for a balance between budgetary constraint and economic policy take place?

JD: For the time being, it can only take place at the level of the Economic and Monetary Union. From the point of view of the European Union, that means that some countries will go further whilst still respecting the marriage contract of the 27. It's the very spirit of enhanced cooperation.

RD: Talking of banking supervision, it is quite possible that there will be the same problem...

JD: At EMU level, a European authority for banking supervision has been envisaged, a bank deposit guarantee scheme up to a certain limit, and an EMU agency to help to solve the difficulties that certain banks would face. Two questions that can't be ignored: how can subsidiarity be implemented and who does what? How can a balance be ensured between the essential process of restructuring and economic recovery, which is just as necessary? And, to answer these questions, shouldn't we engage in political and institutional reflection?

In international meetings and in some media outlets, the EMU has been made the scapegoat of the situation, as if it alone were responsible for the global crisis. But look at the British and American difficulties or the slowdown in emerging countries, for reasons linked to their own development, all of that cannot be attributed to the stagnation of European economies. Once again, all of this deflects us from clarity. However, as a politician once explained to me, in social and political fields, all that one can reasonably hope for, is a "spotlight in a bush", as total clarity is not tolerated.

RD: Basically, if I understand you properly, there is a contrast between the reflection that you place your hopes in and the work of the Convention on the Future of Europe, ten years ago. The Convention embarked on an abstract institutional reflection, but without paying much attention to concrete problems, whereas

here, it is the problems of economic and financial stability, whose importance can be measured every day, which call for institutional clarification.

JD: There comes a time when pragmatism and narrow realism come up against either, insufficient reactions or, the adoption of decisions that do not bring about a better future.

RD: I'd like to use your light metaphor and say that we have to put a spotlight in the bush: where could this light come from?

JD: A genuine opportunity, is the European Parliament, and a possible occasion, is the forthcoming European elections in 2014. Clarification could come from the fact that on this occasion, European political parties could override national parties. Each European party could agree on a project for tomorrow's Europe. This would also lead to precisions: who does what? How? What about subsidiarity? I have never been a federalist fundamentalist; if I use the formula "federation of Nation States", despite its ambiguity, it is because I am anxious to propose elements of union within diversity. We should never neglect the nation as a factor of reference and as an element of motivation throughout History. Hence, a new architecture must be imagined and offered to the deliberation of the peoples of Europe.

RD: Simplifying would of course be a positive development, but it has been said that we only emerge from ambiguity at our expense. And the risk is to scare public opinion of which a large part is disorientated, people no longer understand what is happening, whereas others show impatience by voting for Euro-sceptic movements.

JD: You are absolutely right: I could justify the ambiguous, reserved attitude of every government depending on its country, its traditions, its history, and its political situation. The application of the fiscal compact will rapidly highlight the contradictions between the control logics we have spoken about and politics. This is the system desired by the Germans, as they are the ones most exposed to risk with the solidarity programmes and the banking union; and in return they demand conditionality and control. But, that is not a strong enough argument to not answer the question: what type of Europe do we want for tomorrow?

RD: By the same reasoning, to be able to speak to citizens not only about the necessary discipline that Europe lays down, but also about the improvements that it brings, there are some who refer to the need for mechanisms whose existence would be palpable on a daily basis... There is even talk of a European minimum income.

JD: It could go even further. With great pedagogical skill, it would be possible to draw up an inventory of all the positive consequences of the European adventure for the citizens. But who considers doing it? Of course it is not enough to remember the fundamentals of Europe: when we call to mind peace, we irritate, and equally, when we remind people that Europe only has the choice between survival and decline; yet this is the vital dilemma that we are faced with. But even so, all of that remains defensive talk. We must stop getting up in the morning saying to ourselves: what troubles are yet again going to befall Europe? Another state of mind is imperative. We need to go beyond the current discourse on an inevitable but punitive Europe. Think positive through collective action in favour of social and economic dynamism, restore hope through action to European peoples, a hope founded on the virtues of acting together, of cooperation.

RD: Shouldn't we also enable citizens to influence choices which are made in Europe? We see the community of nations engage within the European Council, and certainly it is one of the components of Europe; but shouldn't we go further?

JD: First of all, there is a vital job that each national parliament should do; namely, discuss and give a full account of European problems, listen to what the elected representatives have to say. Civic life in Europe begins with democratic debates at national level. It is not always enough but it does not even happen. The serious current difficulties demand that we pursue further. Take the new treaty: the TSCG. Our duty is to explain it, to show the need for it, but also its limits. Then, political choices can be made. For example, I reiterate a criticism that people do not find pleasant: we have forgotten too quickly that the single currency constituted a radical mutation in relation to the rest of European construction. After 1997, the idea that all the countries could aspire to the Monetary and Economic Union and that it was even a success for Europe, overshadowed the constraints of a strong single currency. Now, if the Euro protects – it even protects us

from our foolishness – it does not stimulate. Many have abused it. From this point of view, each country can undertake its mea culpa.

RD: To clarify: you wouldn't pass the same judgement on the enlargement in general?

JD: No. I consider that the greater Europe, provided that the marriage contract is a good one, should not stop at 27. We have a geo-political responsibility with regard to the future. But of course, this greater Europe will not be able to have ambitions as great as those cherished from the 50s to the 80s; hence, the need for differentiation to let the driving forces for growth work in domains such as Schengen, the Euro and perhaps defence. People will no doubt say, "Jacques Delors, you are not realistic, if you were to introduce this sort of discussion on the agenda of the European Council, you would risk breaking the convalescence which is underway". There is still a concern that "the lighting in the bush" be not too bright. But, we'll have to come to it one day.

RD: What is remarkable in the current situation, is that a gestation can be felt, notably among heads of State and governments, who accept the idea of more Europe but who only advance reluctantly, so to speak, forced by events, without really accepting to undertake an in depth "aggiornamento".

JD: Alas, as things stand, only the events dictate. I cite the famous phrase by Jean Monnet quoted by his collaborators: "You are in a panic because of the crisis, but out of the crisis something better will emerge". It is not always guaranteed though. All the more so because the role played by Community institutions has been voluntarily restricted by governments.

RD: Don't you think that this ambiguity partly explains the lack of knowledge that exists regarding the real and important role of the supranational institutions, which is not simply the result of poor communication policy?

JD: Yes, to a certain extent. Our heads of government do not get up in the morning thinking about Europe; it is the role of institutions to do so. The confusion that surrounds the role of President of the Commission and the role of President of the European Council has not helped. When there was a President of the Commission, he was perceived as speaking in the name of Europe. If he went too far, he got his wrists slapped by the member countries. But, there was a voice which was heard and could, from time to time, explain what had been done and which could have gone unnoticed.

RD: In essence, we could say the same thing about the European Parliament, which still does not benefit from great credit in public opinion, despite the extremely important role it plays.

JD: The European Parliament is not able to drive through the wall of civic indifference whereas it accomplishes a remarkable job. But who talks about it? Let's think about Parliament and the elections in 2014 in our work as activist-researchers. And at the same time, we must draw up the blueprint for Greater Europe in 2030. How can we ensure the right synthesis between the new challenges such as globalisation and environmental problems, but also the rise in individualism? We must define a development model which takes into account the constraints of nature and the risks for mankind, the respective roles of the State, the social dialogue and the markets. And create at European level solutions which allow to advance towards a form of world regulation.

RD: How can we take concerted action on both fronts that you have evoked, the work of institutional clarification and the reflection on future policies?

JD: Both fronts go hand in hand. There is an enormous amount of work to do. It would be a good thing if the different intellectual reviews and the various think tanks established programmes of reflection and exchange enabling the European model of tomorrow to be outlined.