

# ES IST ZEIT



## ■ JACQUES DELORS

Founder President of the  
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Mr. President,  
Mr. Minister,  
ladies and gentlemen,  
dear friends,

I am delighted to have this opportunity to address you today at the start of this important conference on the future of Economic and Monetary Union. I have been greatly looking forward to this conference. And I wanted it to be here, in Berlin, since the future of EMU implies the dedicated support of Germany. Of course I would have liked to be here in person to discuss this topic with you, if my health had permitted. Because now is the time to decide, now is the time to act, now is the time to move forward. Es ist Zeit!

Things are certainly going less badly for Europe. The financial crisis of 2008 and its consequences in Europe, the so-called "euro" crisis, are now behind us. The Union's institutional framework has shown itself to be more robust than the markets and commentators considered it to be. At the forefront, it was the European Central Bank, and its president, who with determination and composure played a key role in ensuring that the euro remained resilient. For this reason, I am especially pleased and honoured that Mario Draghi is taking part in this conference, and will share with us today his ideas on the future of Economic and Monetary Union.

At the moment when Europe and its fundamental values are under attack from populists of all kinds, at the moment when one of our largest Member States has taken the brutal decision to leave us, we cannot content ourselves with contemplating our past successes or merely defending that which we have already built. The time has come to be, once again, audacious. To continue to construct a Europe that is more effective, more balanced and more united. With this in mind, I thank the Delors Institutes, in Paris and Berlin, together with the Hertie School and the Bertelsmann Foundation, for having jointly organised this conference and for the fact that both institutes are actively engaged, with their ideas and suggestions, in the debate on the future of EMU, offering their unique perspectives from Paris and Berlin.

To take full measure of the work that still lies ahead of us, allow me to place EMU in its long-term context. Monetary integration was neither an accident of history, nor a purely political project, as is too often said. It was primarily the logical consequence of having built a single market with its four indivisible freedoms. It was an essential complement. A single currency is an indispensable element of a single market—the fifth freedom if you like. In this sense, the euro is a collective assurance, and I am convinced that it has

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helped all of us—France and Germany alike, Spain as much as Finland—to manage the crisis far better than each would have done, left to their own fate.

But it is also true that, for reasons good or bad, EMU was created with a lot of emphasis on the “M” – monetary integration – and not enough on the “E” – economic convergence and integration. And as soon as we talk about the economic, we cannot separate it from the social. When we created the single market, we set up the Structural Funds so that the benefits of integrating our markets would be accompanied by instruments capable of making the new single market a promise of prosperity for all. But when we created the single currency, we did not sufficiently develop the tools to ensure that the benefit of integrating our currencies would lead to a converging Europe, a Europe socially balanced for all. These are the two pillars of EMU, the economic and the social, which we must build in the years ahead. I have always said and I repeat it again today in Berlin: the euro needs both its legs to walk – the monetary leg alone is not sufficient and never will be sufficient.

### The future of EMU

I hope that Europe today has understood. After the United Kingdom’s historic vote to leave, the Union stands more united, stronger, more determined, in a global situation that some want to upset. Since the start of negotiations with London, the Twenty-Seven have shown tenacious cohesion. In the face of this cohesion, Brexit, which I deplore for Europe and for our British friends, provides a clear demonstration that belonging to the European Union brings a benefit to all. And leaving it represents an error, now and for the future. Besides, no continental leader today is seriously considering exiting the European Union.

But I also have the impression that with the crisis, attitudes on Economic and Monetary Union have evolved. The recent agreement at Meseberg between the French and German governments, opened the door to a compromise that could be acceptable everywhere in Europe. I salute the German finance minister, Olaf Scholz, who is here today, for the work

he accomplished with his French counterpart to bring about this compromise, which deserves to be taken seriously and merits a closer look. I think this compromise is appropriate: not because it is the most ambitious that one could imagine. No, it is attractive because it is at once pragmatic and innovative, because it addresses the future of our currency in a way other than solely via the financial markets. The banking union was surely an essential step, the most important step towards integration on the economic level since Maastricht. But, as we know, EMU is far more than a technical financial framework. It needs to have the tools to make our economies converge, to ensure European prosperity, our common objective.

And I feel that with their proposal for a real budget for the eurozone, Germany and France have taken an important step towards this objective. I really do hope that our two countries pursue this path and are joined on it by others. We will not be able to go into the European elections next May, which are approaching and in which the stakes, this time, will be higher than usual, without having made decisive progress along this path of economic and social convergence, which is in line with the expectations of our fellow citizens ever since they have had the euro in their pockets. I hope that this conference will help us move forwards.

A useful reminder to finish. When the Single European Act was adopted, giving birth to the large market, its four freedoms and structural policies, I raised the prospect of a single currency like the trail of little pebbles in the story *Le petit Poucet*, with vision and confidence. And without tiring, I repeated this symbolic phrase:

It is growth that drives us, cohesion that makes us stronger, solidarity that unites us.

I sincerely hope that this formula will define the spirit of EMU reforms. This is essential so that the European Union, finally conscious of itself, can be this creative force of influence, peace and human progress.

Thank you for your attention, and I wish you a very stimulating debate.

Managing Editor: Sébastien Maillard

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