

The Maastricht treaty 20 years on

by Jacques Delors, Founding President of Notre Europe

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How is the idea of an intergovernmental conference born and how does one decide to convene such a thing? Well, it always tends to be when a given challenge and the force of events coincide with a political will that has been expressed throughout the Community's long life. From this standpoint, in the case of Maastricht there are two salient driving elements: on the one hand there is the fall on the Berlin Wall, a political event of epoch-making importance; and on the other, there is the progress made in the field of Economic and Monetary Union – given that, after the report was accepted at the European Council meeting in Madrid on 1989, work continued under every presidency in an effort to thrash out a proposal.

That brought us to a process in four steps, four stages. First of all, I would like to review the historical context of the years between 1988 and 1991 – a very different matter from today's climate. After that, I would like to list the most significant events in connection with the debates that have taken place and the differences that have emerged. Thirdly, I would like to look at the Maastricht Treaty as a frame for Economic and Monetary Union, for without that driving force there may well have been no treaty at all. And finally, I shall be examining the other major achievements spawned by the Maastricht Treaty, regarding which my illustrious colleagues and friends will subsequently illustrate the content and conduct an assessment.

1. The historical context

Where the context from 1988 to 1991 is concerned, I would like of course to highlight the fall of the Berlin Wall, the external conflicts that assailed Europe, the Community's internal mood and, lastly, the liveliness of the debates on the very concept of European construction. It was an era in which heads of state and Commission members voiced their views on the future of European construction, on the philosophy and the future of its institutions, and on the sharing of powers.

Let us start with the fall of the Berlin Wall. It led to the collapse of the Soviet Union and the attendant breakdown of the COMECON, an organisation with which the European Community – as it was then known – had ties. It was an enormous change, as everyone agrees, and it could have had extremely dire consequences. Great hope was spawned by the spread of the ideas of freedom that had begun with the fall of the Wall. One can never repeat often enough that therein lies the strength of politics. And if you will allow me, it may be a trifle unfair of me but I would like to single out three figures whose wisdom, whose sense of vision... Well, they may not always have agreed with one another, but between them they managed to prevent the fall of the Wall from leading to thousands and thousands of deaths. I would like to mention Gorbachev, President Bush and Chancellor Kohl, who probably had the most difficult task of all, along with Gorbachev.

To recapture the mood of the time, we should also highlight the concerns harboured by Germany's partners. At a European Council meeting in December 1989, convened by François Mitterrand in the Elysée Palace itself, Chancellor Kohl was forced to explain and to reassure his interlocutors, just as H.

Genscher and T. Waigel were to do in their respective capacities. Naturally, a successful outcome was far from a foregone conclusion – I shall describe here neither the more or less fearful and negative reactions of some nor the downright hostile attitude of others. In particular, there was an Atlantic alliance summit in Canada which left a bitter taste in the Germans' mouths because their colleagues in the Union were still voicing a few reservations. Yet in the face of such a major upheaval, there was every reason for them to ask a few questions. But as I said, two whole years Chancellor Kohl and Messrs. Waigel and Genscher simply submitted a progress report at every European Council meeting, attempting to reassure their interlocutors as other potential factors for division arose.

Now let us turn to the Commission's active presence in its sphere of competence. The very day after the Wall fell, I was interviewed by the German press and I said that the East Germans belonged to Europe. After that, the Commission put together a programme for the East German *Länder*. To cut a long story short, reunification was sanctioned on 2 October 1990, after the luckless confederation episode, and thus the possibility of calling an intergovernmental conference was already being aired at the European Council meeting in Dublin in November 1990. Also, there was the Mitterrand-Kohl letter on political union. Chancellor Kohl – who saw both the problems and the hopes that the fall of the Berlin Wall had triggered in Germany – and his partners (with François Mitterrand heading the list) thought that it was necessary to take a step towards political union, in order to overcome all of those problems while, at the same time, making all of those hopes come true. This was not independent of the move toward Economic and Monetary Union, it reflected the major event that was the fall of the Berlin Wall. And thus it was decided in late 1990 to officially convene the intergovernmental conference, but while the Community was busy mulling over the proposal, it was being challenged, as always, by external events. There was the first Iraqi war, which attracted broad support in Europe (unlike the second). And above all, there was the start of the Yugoslav tragedy, in connection with which I truly thought for a moment that we were heading, if not towards a rift, then at the very least towards serious contradiction and opposition. The intra-European debate was long and our powerlessness a fact of life. Thus I was despatched on a mission to Belgrade with Mr. Santer (in June 1992) and we became convinced that the differences between the member states were so huge that a rift would be inevitable. Then the Dutch duty presidency made a splendid effort by convening a conference chaired by Lord Carrington, but alas, to no avail. The differences were substantial: Great Britain, The Netherlands, and more especially France and Germany could not agree over when to afford Croatia and Slovenia official recognition. But the worst was averted, and I will always believe that the French and Germans chose to make rapid progress with a new treaty so that they could sweep under the carpet an issue over which their differences were more than merely diplomatic. Despite all of these difficulties, a mood of confidence prevailed within the Community and there was a will to move ahead. The fresh boost imparted to the Community by the "Objective 1992 – Single Act" triptych, the Delors 1 Package, had fostered a certain amount of euphoria, a climate of optimism among the member states. The economic situation was favourable, given that the Community had created 12 million jobs between 1985 and 1990. And that led the authorities to start talking about a single currency even before the Commission broached the subject. I am referring in particular to statements made by Mr. Genscher, the Federal German minister for foreign affairs, and by Mr. Balladur, the French finance minister. The European monetary system functioned rather well despite two parity adjustments. As a result, under the German duty presidency, the European Council in Hanover decided to set up a group of wise men to study the ways in which an economic and monetary union could be forged. Not everyone was happy with that. Mrs Thatcher said "If it's only a study, why not? ", but the man who harboured the greatest reservations was the chairman of the *Bundesbank*. However, the chancellor had the German people's trust and he held out.

The fourth item we need to set the stage is the liveliness of the political and theoretical debates. There was the Franco-German drive, the dilemma as to whether Great Britain would want in or out, and then there was Mrs. Thatcher's speech in Bruges, to which I replied the following year. The

important thing is that there were theoretical debates on this Europe that were linked to events: what should the ultimate goal be, how should it be achieved, and what did it entail? I shall only quote one of Mrs. Thatcher's remarks: «Europe is not the creation of the Treaty of France», and there you have the substance of her approach.

2. The most significant events

Now, what were the most significant events? As I see it, there are four in particular.

- Great Britain's opposition
- European defence
- The concept of the treaty as a whole
- The repercussions of Denmark's «no»

Great Britain's opposition. Great Britain never let down its guard where the single currency was concerned: it was "'yes' to a group of wise men, but no more than that"; and where defence was concerned, it was the Atlantic alliance. Mrs. Thatcher even refused to adopt the Charter of the Fundamental Social Rights of Workers at the European Council meeting in Paris in 1989. Then she demanded a broad exception clause, which the other countries refused to grant her. All the British got, under her successor John Major, was an opt-out clause in Maastricht.

Where European defence is concerned, a crucial meeting was held under the Luxemburg presidency. Mr. Genscher took the floor and he said: "Given that we are going to have a common foreign policy – this was one of the points in the conference's mandate – why don't we have a common defence policy too?" There was an immediate reaction from several countries to the effect that our common defence was the Atlantic alliance. That was when I realised that they would not reach an agreement. That was when it became extremely clear that there was a fully-fledged chasm of divergence with Great Britain over two issues: the currency and defence... but given that politicians are nothing if not resourceful, Mr. De Michelis raised the issue again with Douglas Hurd under the Italian presidency (second semester of 1990). He was attempting to reconcile membership of the Atlantic alliance, the effort to strengthen it and the Community method. It did not work. Then, after a draft treaty had been thrashed out under the Luxembourg presidency in the first semester of 1991, the Dutch presidency attempted to submit a new treaty in the second semester, but the treaty got a really terrible reception. I myself was constantly driven by the will not to leave Great Britain out of the picture, while remaining loyal to the Community method. The other countries argued that this Dutch blueprint was putting in too tardy an appearance and they were a little peeved that all of the work already accomplished had been overlooked... Yet I still want to highlight this episode because it is part of the Dutch tradition to always attempt to get back to the principles of the Union even when such a task was clearly impossible on that day.

The third debate was on the overall concept, the classic "tree or temple" question, if you are familiar with the metaphor. The draft treaty provided for a distinction among three spheres: the so-called Community (economic, financial and social) sphere; a common foreign and security policy (CFSP); and a third pillar comprising internal affairs and security. The Commission reacted in the same way as it had over the Single Act. Some of you students are probably wondering: "What is this barbarism, the Single Act?" It is true that it means nothing to the uninitiated. What it means is that cooperation in the sphere of foreign policy and of the economy come under a single hat: the Single Act. It was something we invented, not something we are especially proud of, but we did manage to hold the whole thing together. So the Commission reacted in the same way as it had over the Single Act. I used the image of a tree with the growth of different branches (the economy, the currency, foreign affairs, security, internal affairs) to illustrate my point, but I failed to garner the support of all the members. Opposition came from the British, the Portuguese and the Danes, while the Italians, the

Belgians, the Spaniards, the Greeks, the Irish and the Dutch were in favour. France, for its part, adopted a fairly subtle stance which consisted in thinking: "This Commission president really is a spoilsport; we were on the right road to getting a treaty and he goes and dumps a whole bunch of minor issues on our plate again!" So we did stick with the three pillars; the urgency of the moment won the day and the battle for a single Community was lost. The Commission fought to the bitter end, that much I can guarantee you. In November 1991, before Maastricht, in the company of my good friend Frans Andriessen, whose support never fails, we once again put forward the tree theory, but to no avail.

I would like to wind up this explanation of events by looking at the repercussions of the Danish "no". The Danes had said "yes" to membership and "yes" to the Single Act by a majority of 50.7 per cent, but when it came to the Maastricht Treaty they said "no". The campaign was extremely instructive, all kinds of things happened: the new treaty even threatened subsidies granted to churches! And that was the day I learnt that you can say just about anything in a referendum, including things that are positively outrageous. François Mitterrand was subsequently to reach the conclusion that a referendum should be held in France, and it was successful by only a very narrow margin. The British presidency drew an excellent conclusion from that, namely that "more needs to be done for subsidiarity". And we worked on subsidiarity for months and months. It was quite amusing... If I am not exceeding my time limit, I would like to tell you a little story. There was a directive on the protection of animals – the British were very sensitive to the issue – a directive on the transport of pigs. They had to travel at a set distance from one another and they had to be able to see each other. I proposed the abolition of that directive, among others, and Kohl burst out laughing. So, as you can see, subsidiarity can lead you down any number of garden paths as long as you can find your way out!

3. The Maastricht treaty, a frame for the Economic and Monetary Union

So the Maastricht Treaty spawned the Economic and Monetary Union. The first stage was the committee of wise men which I chaired. The committee was tasked with discussing how to implement the Economic and Monetary Union (EMU). Unanimity was achieved, with even the British governor agreeing to the draft. In addition to Mr. Andriessen, the vice-president of the Commission, and to two experts, the committee consisted of the central bank governors. The British governor was subsequently summoned by the prime minister, who said to him: "So?" "Well, Prime Minister, I pointed out how it should be done, I did not say whether or not it should be implemented". But that did not stop him from being dismissed. In any event, we achieved unanimous agreement. The report was submitted early 1989 and it was endorsed by the European Council in Madrid. Work then began under the French presidency – even though no one was yet talking about an intergovernmental conference – with a report by Elisabeth Guigou, and then under the Italian presidency with the Carli report. All in all, the progress made in laying the groundwork for the EMU, which still focused on how it should be implemented, was satisfactory. I should remind you that a three-stage process was adopted: the first, on 1 July 1990, which was behind us, instituted freedom of movement for capital, and France, albeit somewhat reluctantly, was forced to grant its central bank independence. The second phase, on 1 July 1993, was the creation of the European Monetary Institute chaired by Mr. Lamfalussy to pave the way for the single currency, but the date on which the euro would be born had yet to be decided. That issue was finally settled only in Maastricht itself. I would remind you that in the wise men's report, the Delors report, the economic aspect takes up more room than the monetary aspect; we should never forget that. The intergovernmental conference began, and still convinced that the currency and the economy should move forward together, I proposed that the five budgetary and monetary criteria be supplemented by two other criteria, namely young people's unemployment and long-term unemployment. The first to say "no" was the Spaniard because there were no supposedly serious data on unemployment in all of the member states, so my proposals

were turned down – to the immense if unspoken delight of the Germans and of the Dutch. That was my last attempt, in my capacity as president of the Commission, to achieve a balance between the economic and monetary aspects. The rest, as they say, is history. But this imbalance explains at least in part the difficulties being encountered by the EMU. However, this is neither the time nor the place to go into any further details regarding what was a crucial mistake, an outright structural fault.

So the final decisions were to be taken in Maastricht. We got to the European Council meeting without a date for the last phase. It is rare in an intergovernmental conference for such crucial questions not to have been settled in advance. Tommaso Padoa-Schioppa, *Notre Europe's* former president, played a crucial role because he persuaded Mr. Andreotti that a date was essential. That date was thrashed out in the course of multiple conversations among the heads of state, although I was not present. The decision eventually reached was that the third phase would begin on 1 January 1999 at the very latest. Historians consider the choice of that date to have been a crucial move. If we began without a date, the EMU's spill-over effect would not have continued. Right up to the end it was the same with the social protocol; there were issues that had not been settled, and the Dutch presidency was extremely embarrassed because it was a matter of sanctioning an important British "no" for the very first time. That is the effect that the granting of an opt-out to Great Britain had on the EU.

4. The Treaty's other achievements

First and foremost, the Community became a Union. I still feel nostalgia for the old "Community" because it was driven by a different spirit, it had a different smell to it. So the Twelve moved from being a Community to being a Union, while granting the British the removal of any reference to federalism. But that issue was in the treaty all the same because a qualified majority vote is federalism too, if you think about it.

Where the treaty's other achievements are concerned, the first one that I would like to mention concerns the new powers granted to the European Parliament, its right to take the Commission to task, and in particular the legislative codecision procedure – a major step forward – of which the European Parliament has made excellent use, as I have seen with my own eyes. It is a pity that the media do not provide more coverage of this. It is true that in some countries they barely talk about their own national parliaments' debates. Yet those same media then deplore the lack of democracy. My answer to them is this: Democracy is first and foremost a parliament elected in the European tradition.

Secondly, there was the common foreign and security policy. I came away from Maastricht with a feeling of scepticism, as indeed I believe Frans did too. One has but to consider the oxymoronic text: "The common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence". Period. So I have never really believed in the dynamism of these measures, and it would have made far more sense to say: "Every time the European member countries agree, they will pursue common action in the field of foreign policy". It would have been more modest in scope but it would have been safer, and we would have avoided a whole lot of disappointment.

Where security and justice are concerned – António Vitorino will be talking about these issues in a moment because he was in charge of that important sector – the Commission enjoyed the non-exclusive right of initiative. It was a launch accompanied by a myriad of difficulties and clashes with the Commission, based on cooperation among member states regarding matters of common interest such as the status of non-EU citizens, the struggle against terrorism, drug trafficking, and the

establishment of Eurojust and of Europol. Everything was then going to depend on the players as to whether this critical debate on European citizenship would be imbued with more or less substance.

I shall wind up with the social protocol, which is often neglected but which followed the provisions in the Single Act. Given that some people obstinately repeat that there is no social content in Europe, we would do well to review the crucial points. The Single Act treaty covered health, hygiene and safety in the workplace, and it referred to social dialogue, the structural policy that accounts for fully 25% of the Community budget. And the successful social dialogue, shared opinions, and support for Objective 1992. And lastly, we had the Community Charter of the Fundamental Social Rights of Workers approved in September 1989, with Britain abstaining. The new development there was that I had asked for the text to be drafted by the Economic and Social Committee rather than by the Commission. So it was the Economic and Social Committee that submitted the draft, which was the result of dialogue between the players in civil society and the social partners. It was necessary to take one more step in the Maastricht Treaty, which defines the spheres of competence, offers any clarification needed, and rules that any agreement among the social partners shall be sanctioned by a Community directive. The Court of Justice would be wise to read that passage from time to time. It means that instead of a political decision being made, the social partners can thrash out an agreement that will then have the force of law. I say this because the Court of Justice has issued several judgements on social affairs in Sweden which do not go in that direction. The measure was prepared by a common declaration issued by the social partners: they agreed with each other, and they agreed that I should present the draft. It ran the risk of being somewhat short-lived because just as the participants attending the European Council in Maastricht were starting to feel very tired, along comes the Commission president to prod them awake with his protocol! Some of them asked me to postpone the proposal to a future intergovernmental conference. But I stood my ground because it was part and parcel of the overall balance. Then the British rejected the whole thing, which led to a second opt-out. The treaty, which also included the principle of subsidiarity, is a reference text that we can still use today; it is still suitable.

Lastly, there is European citizenship, an idea raised initially in the Adonnino report in Fontainebleau involving confirmation of the right to settle, to circulate, and to leave, the right to vote in local and European elections, and the defence by consular authorities from every EU country of citizens born in one of the other EU countries. And finally, at the start of this lecture I asked the question: "How is the idea of an intergovernmental conference born?". The Maastricht Treaty provided for the convening of a new intergovernmental conference and it was convened in Amsterdam in 1997.

I am loath to conclude, but at the end of the day the EMU and the euro were born, the codecision procedure is a success from democracy, the third pillar has unquestionably allowed progress to be made, and it has fostered greater sensitivity on the part of the European institutions and of Europe to those issues which are of vital importance to the citizens. On the other hand, the social aspect for which the treaty pleads has not been taken up. The CFSP has not triggered any virtuous processes. And finally, the intergovernmental method is attracting an increasing number of fans both in theory and in practice. In fact, in some cases it is even used as an argument to reassure certain countries. People are also talking about a new concept called "the Union method". If you can find a good definition of what that means, please do not hesitate to share it with us in the think tanks. We shall make good use of it. And yet at the same time as the intergovernmental method is being extolled, some people are talking about fiscal federalism.

See what you can make of that!

Thank you for your attention.