

'The EMU Report: For a "historic convergence"' from Europe (21 April 1989)

Caption: On 21 April 1989, Emanuele Gazzo, Director of Agence Europe, urges the political leaders of the Twelve to respond positively to the proposals set out in the Delors Report on the establishment of Economic and Monetary Union (EMU).

Source: Europe. Dir. of publ. Riccardi, Lodovico ; REditor Riccardi, Ferdinando. 21.04.1989, No 5000. Brussels.

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URL: [http://www.cvce.eu/obj/the_emu_report_for_a_\"historic_convergence\"_from_europe_21_april_1989-en-a6b9e0bc-3f20-4ac6-9774-dffb2ee8046e.html](http://www.cvce.eu/obj/the_emu_report_for_a_\)

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The EMU Report: For a “historic convergence”

We mentioned a few characteristics and highlights of the Delors Report; by publishing its full text, we wanted to make a wide debate easier.

It is too early to assess the probability that this project will be implemented in optimal conditions. We have always insisted on the eminently political character of the monetary choice. Today everybody is forced to recognise it. Since, as Mr. Jean Peyrelavade has just written, the current system “is no longer viable in time” and “the institutional aspect must finally answer the economic one; if not, the dissociation forces will prevail in the end”. The inspiration at the basis of the construction of Europe being political, the political aspect will have the last word.

This said, success is not assured. The “ideological” opposition, which manifests itself mainly in the UK, will be able to base itself on pretexts of a “pragmatic” character to justify “deadlocking” the process at one stage or another of its development. It is true that this process was imagined and explicitly defined as a whole, and that it is difficult to dismantle it to use one or another of its parts separately (like somebody would like to do with the Single Act). Like “The Times” wrote recently : “by setting out a path towards EMU the Committee has written an agenda which cannot now be unwritten”. This led the daily to criticize Mrs. Thatcher for adopting a risky tactic by accepting to give the Committee a mandate. She most probably hoped that insurmountable obstacles would soon appear within the Committee, resulting in the failure of the enterprise.

This failed to take account of the tenacity of Mr. Delors and of his collaborators, but also of what can be called the “creative realism” of all those who contributed to this work and who realised not only the ineluctable character of a certain evolution, but also the absolute and urgent need to take account of it and help it along.

We can thus say that the real strong point of the report is the fact that it exists. However, this might also be its weak point, if the political leaders should lack the determination and coherence demonstrated by its authors.

Indeed, it is now up to them to answer and act. The Report indicates a starting date, 1 July 1990 at the latest, which is fully logical since this is the date at which the full liberalisation of capital movements will enter into force. But which of the twelve Member States will be on the starting line? And which of them will make a commitment to accept all the elements resulting from this process and notably the final objective? The Report recalls that, if there is only one Community, all its Member States have not always fully taken part in all its aspects since the beginning: some degree of flexibility will thus be required. What is important is (Paragraph 39) “a clear political commitment to the final stage”. Such a commitment would be all the more important “if all members of the Community became full members of the EMS in the course of stage one and undertook the obligation to formulate a convergent economic policy within the existing institutions”. However, commitments are one thing and concrete actions may be another one. Since there is no timetable and no final deadline, a coordination of policies resulting in a convergence of performances might turn out to be an illusion, whatever the “constraining” procedures adopted, since the framework of existing institutions is not strong enough if (national) political authorities do not follow. Deadlocks and “dilatatory” manoeuvres would be implemented. How would it be possible to avoid it? The experience of the 1970s does not offer much hope.

We need a strong political impulse, which should result not in a “compromise”, but in a “historic convergence” between those who say they are realists and those who really are (Kissinger wrote: “there are two kinds of realists: those who use facts and those who create them”). In order to create the new European reality, the British contribution is valuable: it would be saddening to note that it is not indispensable.

Emanuele Gazzo