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The European Parliament, Economic and Monetary Union, and the Maastricht Treaty

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The European Parliament, Economic and Monetary Union, and the Maastricht Treaty

Based on original archival research, interviews, media sources and wide ranging academic literature, this study focuses on the European Parliament's leading and agenda-setting role in the process of European monetary integration.

Important initiatives included the 1962 Van Campen Report on the coordination of monetary policies, the monetary chapter of the 1984 Spinelli Draft Treaty, the work of the intergroup on European Currency during the period 1984 to 1989, and the 1990 Herman Report to prepare the intergovernmental conference on economic and monetary union (EMU).

The first part of the study discusses the long history of European monetary integration, from the Rome Treaties to the Delors Report. The second part analyses the role of the European Parliament in the intergovernmental conference and the adoption by the European Parliament of the Maastricht Treaty. The third part investigates the influence of the European Parliament on the EMU process.

The European Parliament paid special attention to the democratic dimension of EMU, as well as to its social and regional cohesion and the issue of prudential supervision in a monetary union.

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Executive summary

Europe's economic and monetary union process has been an important topic of research and has led to a large body of literature, with perspectives from economists, political scientists, lawyers, and historians. Most of the historical literature has focused on the 'high politics' (decisions taken at the level of the Heads of State or Government) or the technical actors involved, especially the central banks. In this study the focus is on the role of the European Parliament.

The study is divided into three parts. The first part discusses the long history of economic and monetary union (EMU), from the Rome Treaties to the Delors Report. The second part analyses the intergovernmental conference on EMU. It pays special attention to the EMU report of the European Parliament prepared by Fernand Herman, the role of the European Parliament in the intergovernmental conference and the adoption by the European Parliament of the Maastricht Treaty. The third part goes into the issue of the influence of the European Parliament on the EMU process.

It will be argued that the European Parliament had a leading and agenda-setting role in the process of European monetary integration. Important initiatives included the 1962 Van Campen Report on the coordination of monetary policies, the monetary chapter of the 1984 Spinelli Draft Treaty, the work of the intergroup on European Currency during the period 1984 to 1989, and the 1990 Herman Report to prepare the intergovernmental conference on EMU.

The European Parliament paid special attention to the democratic dimension of EMU, as well as to the social and regional cohesion of EMU and the issue of prudential supervision in a monetary union. The study is based on a variety of sources, including original archival research, interviews, primary documents, media sources and the academic literature in different fields (history, economics, political sciences, law).

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Abbreviations

AMUE	Association for the Monetary Union of Europe
BSA	Bernard Snoy Archives
CMUE	Committee for the Monetary Union of Europe
DCA	Delors Committee Archives
DTEU	Draft Treaty establishing the European Union
EAEC	European Atomic Energy Community
ECB	European Central Bank
ECSC	European Coal and Steel Community
ECU	European Currency Unit
ECON	Committee on Economic and Monetary Affairs
EDC	European Defence Community
EEC	European Economic Community
EMS	European Monetary system
EMU	Economic and Monetary Union
EPP	European People's Party
ESCB	European System of Central Banks
EU	European Union
FSHA	Frank Schwalba-Hoth Archives
GRAEL	Green Alternative European Link
HAEC	Historical Archives of the European Commission
HAEP	Historical Archives of the European Parliament
HAEU	Historical Archives of the European Union
IGC	intergovernmental conference
MEP	Member of the European Parliament
PBA	Pervenche Berès Archives

1. Introduction

The quest for economic and monetary union has been one of the core elements of European integration in the post-war period. The roots of the European integration process can be found in the two world wars and the devastations they caused. The Second World War proved to be a trauma for Europe's political leaders and marked a turning point in European history. It was a catastrophe that led to the almost total collapse of Europe, and which saw the central position which Europe had occupied in the world surrendered to the United States and the Soviet Union. It also discredited the previous international order, based on the nation-state (an exception was the United Kingdom. Churchill called the Second World War 'Britain's finest hour'). People became increasingly persuaded that a united Europe was the only solution to avoiding a new war on the continent and to regaining international influence. Several initiatives for European integration were taken, further stimulated by the beginning of the Cold War. The general feeling in Western Europe regarding Stalin's Soviet Union was succinctly expressed by Paul-Henri Spaak, then Belgian Prime Minister, in a famous speech at the United Nations in September 1948. The motive was: 'Nous avons peur' (we are frightened).

At the heart of European integration was a process of Franco-German reconciliation. The Schuman Declaration of May 1950, which provided the basis for the European Coal and Steel Community (ECSC), clearly stated that 'solidarity in production will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible'. The Franco-German alliance would become a crucial motor of the European integration process. For France, this Franco-German relationship was also a means of containing German power, as evidenced by the Schuman plan for a European Coal and Steel Community, and later also in monetary matters. For Germany the memory of National Socialism and the Second World War was particularly traumatic. European integration was a way to become recognised again as a normal country. The German Members of the European Parliament were traditionally among the most federalist of all the Members of the European Parliament (MEPs). These ideas were expressed very strongly by Elmar Brok, a veteran German Christian democrat, in his speech in the European Parliament on the ratification of the Maastricht Treaty. He admitted that the Maastricht Treaty did not realise 'the United States of Europe', however it marked a 'decisive step' towards it. And he concluded his intervention: 'We must ensure that the Pandora's Box of nationalism is not re-opened in Europe. Seen from my country's viewpoint, I would say Germany cannot be a bridge, it can never be alone, it can never go its own way. We want to continue with Konrad Adenauer's policy, not Wilhelm II's. I believe Maastricht is an important step in this respect'.¹

At the core of European monetary integration was Europe's quest for exchange rate stability, which was considered to be of crucial importance for the functioning of Europe's internal market as well as to safeguard the *acquis communautaire*. Most MEPs shared these ideas. However, the discussions about monetary integration were also shaped by the different economic paradigms and traditions in Europe, especially in France and in Germany.

The Franco-German debates on European monetary integration, which would also be played out on the scene of the European Parliament, are known as the controversy between the 'monetarists' and the 'economists'. The monetarists, with France as a dominant player, were in favour of plans for greater exchange rate stability and exchange rate support mechanisms. They saw a driving role for European monetary integration in the process of economic and, also, political integration of Europe. The economists, under the leadership of Germany, emphasised the new monetary order to be created. The coordination of economic policies and the convergence of economic performances,

¹ E. Brok (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0380; 3-417/95.

especially inflation, were a precondition for EMU. Moreover, Europe's EMU should be a stability oriented monetary union. This was also underlined by Elmar Brok, in his speech on the Maastricht Treaty: 'We should set store by Economic and Monetary Union being established in such a way that the stability criteria to which the Treaty commits cannot be watered down'. One can further note that, in Germany, there were quite often tensions between the foreign policy-makers (in favour of European integration, also in the monetary area) and the economic policy-makers (more reluctant). These differences in approach were also apparent among the German MEPs.

The differing views on monetary integration should be situated in the broader French and German conceptions of economic policy-making. In France, there was a long tradition of a more voluntarist approach to economic policy with an active role for the state in the economy, traditionally characterised as 'Colbertism' (named after Jean-Christophe Colbert, a minister to Louis XIV, who became famous for an active industrial policy with the creation of state manufacturing companies). The idea that monetary integration could have a leading role in the integration process, fitted into this voluntarist approach. In Germany, ordo-liberalism was very influential in the post-war period. The main objective of economic policy should be to create a framework within which markets could function. The task of monetary policy, the responsibility of an independent central bank, was to assure price stability.² In the monetary integration debates, Germany stressed the new European monetary order which had to be created and the (convergence) conditions that countries had to fulfil to participate in EMU.

The differences in economic ideas between France and Germany were largely based on more fundamental underlying differences in meta-beliefs.³ The 'republican tradition' in France stressed the sovereign nation as the source of legitimacy and, consequently, the political direction of economic policy. The post-war German federal system stressed decentralisation and a division of power. The social market economy fitted in with this conception.

The debates on economic and monetary union accelerated in the second half of the 1980s. The single market project and the Single European Act had brought a new drive in the process of European integration. This was happening against a background of changes in the Soviet Union and Central and Eastern Europe. With the end of the Brezhnev period, a period of uncertainty started, which gave European policy-makers an extra incentive to accelerate European integration. With the coming to power of Gorbachev a new era started. The Soviet Union moved from the Brezhnev doctrine of socialist solidarity to the so-called Sinatra doctrine, giving the countries of central Europe the freedom to go their own way. The process of European integration accelerated, and economic and monetary union came back on the agenda. It led to the adoption of a new treaty at the Maastricht summit in December 1991.

When analysing the process of European monetary integration, it is important to observe that decisions about monetary integration have always been taken at the highest level, of Heads of State and Government, as it involved crucial decisions about sovereignty. EMU has been 'high-level politics', with a special role for the Franco-German engine: Georges Pompidou and Willy Brandt at the Hague Summit, Valéry Giscard d'Estaing and Helmut Schmidt for the European Monetary System (EMS) and François Mitterrand and Helmut Kohl for the Maastricht Treaty process. Moreover, monetary integration is a very technical topic, as it involves issues as exchange rate policies, monetary support operations or payments systems. Many studies have then focused on the technocratic actors in the process, especially the central banks.⁴ However, it is important to also

² H. Tietmeyer, *The Social Market Economy and Monetary Stability*, London: Economica, 1999.

³ I. Maes, '[On the Origins of the Franco-German EMU Controversies](#)', *European Journal of Law and Economics*, Vol. 17(1), 2004, pp. 21-39.

⁴ I. Maes, [A Tale of Two Treatises: The Werner and Delors Reports and the Birth of the Euro](#), Brussels: Bruegel, 2024, p. 8.

keep in mind the broader picture. Monetary integration did not happen in a void. Some persons, like Robert Triffin, Robert Marjolin, Tommaso Padoa-Schioppa or Hans Tietmeyer, often considered as technocrats, played an important role in the shaping of the EMU project, becoming real architects of the euro.⁵ Other actors have been involved in shaping the EMU process and played a pioneering and agenda-setting role in the process of European monetary integration. One can think of Jean Monnet's Action committee for the United States of Europe, with Robert Triffin, the architect of the European Payments Union in 1950, as his monetary expert,⁶ or the Committee for the Monetary Union of Europe (CMUE) and the Association for the Monetary Union of Europe (AMUE), two organisations which were founded by Valéry Giscard d'Estaing and Helmut Schmidt (the CMUE, founded in 1986, was more political oriented, consisting of both politicians and businessmen, while the AMUE, founded in 1987, was intended to represent business leaders).⁷

The origins of the European Parliament lie in the Common Assembly of the European Coal and Steel Community, where members of the parliaments of the six Member States of the ECSC met (from September 1952 onwards). With the creation of the European Economic Community (EEC) and the European Atomic Energy Community (EAEC), it became the Common Assembly of the three European communities. In 1962, it decided to call itself the European Parliament. Over time, the European Parliament has undergone profound changes, becoming a political agenda-setter of the European Union.⁸ Since 1979, the Members are directly elected every five years. Moreover, during successive Treaty revisions, the responsibilities of the European Parliament were significantly reinforced, also in macroeconomic and monetary matters. But the European Parliament would also take initiatives itself to strengthen its role and influence in monetary matters. Already in 1962, with the Van Campen Report, the European Parliament discussed the coordination of monetary policies in the EEC, raising the issue of monetary union. Other important initiatives were the monetary chapter of the 1984 Spinelli Draft Treaty and the work of the intergroup European Currency of the European Parliament during the period 1984 to 1989.

In this paper the focus is on the role of the European Parliament in Europe's EMU process. The paper is divided in three parts. The first part discusses the long history of EMU, from the Rome Treaties to the Delors Report. The second part analyses the IGC on EMU, paying special attention to the EMU report of the European Parliament prepared by Fernand Herman, as well as the role of the European Parliament in the IGC and the adoption by the European Parliament of the Maastricht Treaty. The third part goes into the issue of how the European Parliament had an influence on the EMU process. It will be argued that the European Parliament had a leading and agenda setting role in the process of European monetary integration. Important initiatives were the 1962 Van Campen Report on the coordination of monetary policies, the monetary chapter of the 1984 Spinelli Draft Treaty and the work of the intergroup European Currency during the period 1984 to 1989. In terms of topics, the European Parliament paid special attention to the democratic dimension of EMU, as well as to the social and regional cohesion of EMU and the issue of prudential supervision in a monetary union.

⁵ K. Dyson and I. Maes (eds), *Architects of the Euro. Intellectuals in the Making of European Monetary Union*, Oxford: Oxford University Press, 2016.

⁶ I. Maes and I. Pasotti, *Robert Triffin: A Life*, Oxford: Oxford University Press, 2021.

⁷ S. Collignon and D. Schwarzer, *Private Sector Involvement in the Euro: The Power of Ideas*, London: Routledge, 2003.

⁸ M. Roos, *The Parliamentary Roots of European Social Policy. Turning Talk into Power*, Cham: Palgrave Macmillan, 2021.

2. From the Rome Treaties to the Delors Report

2.1. The Rome Treaties

Following the Schuman Declaration of May 1950, the European Coal and Steel Community (ECSC) started operating in July 1952 with six countries: Germany, France, Italy, Belgium, the Netherlands and Luxembourg. Building on the success of the ECSC project, the French government launched a new initiative with a plan for a European Defence Community (EDC). However, it was rejected by the French Assembly in August 1954 by an alliance of the Gaullists and the communists (it was a too sensitive transfer of national sovereignty). After this failure, Belgium, the Netherlands and Luxembourg revived the integration process with the Benelux Memorandum of May 1955, putting forward the common market project. As the rejection of the EDC plan was a clear setback to political integration, the economic element was pushed to the forefront. On 25 March 1957, the Treaties of Rome were signed, setting up the European Economic Community (EEC) and the European Atomic Energy Community (EAEC). The focus of the EEC was very much on the free movement of goods, as well as accompanying policies, especially agricultural and transport.

The Rome Treaties reflected the priorities and sensitivities of the Member States. During the EEC negotiations, the German government was deeply concerned about the new European economic system that would be created. One of the main German aims was that the European common market should have the same economic order as the Federal Republic, based on the principles of a free-market economy and a liberal trade policy. Germany feared that interactions with more statist and planned economies, through the common market, could imperil the consistency of its own economic system.⁹

France favoured a greater role for the state in economic life. In a policy memorandum, the French government proposed the idea of planning on a European scale: 'A policy of expansion... implies investment which, in the basic industries, in the chemicals industry, in many of the processing industries, rests on a precise conception of the targets to be assigned to production over a period of several years. Convergence of the different national economic policies can therefore be ensured only by reconciling and harmonising national production objectives'.¹⁰

The EEC Treaty was, de facto, of a constitutional order and would transform economic and legal rules in the Member States of the Community¹¹. Looking at the Rome Treaties from an economic thought perspective, the European Atomic Energy Community bears a French (planning) imprint, with its sectoral approach, while the EEC, with the abolition of barriers to the free movement of goods, services, labour and capital in the common market and strong emphasis on competition policy, shows a stronger German influence. The focus was very much on the customs union, with the abolition of the barriers to the free movement of goods and the establishment of a common commercial policy. Free movement of capital was more limited, in response to French pressure. France also obtained the extension of the common market to agriculture and the association of the overseas territories.

⁹ H. von der Groeben, '[The Role of European Integration in the West German Economic Order](#)', *Zeitschrift für die gesamte Staatswissenschaft*, Vol. 135(3), 1979, pp. 493–509.

¹⁰ R. Marjolin, *Architect of European Union: Memoirs 1911–1986*, London: Weidenfeld and Nicolson, 1986, p. 287.

¹¹ T. Padoa-Schioppa, *Che cosa ci ha insegnato l'avventura Europea*, Roma: Edizione dell'Elefante, 1998, p. 9.

The most extensive discussion of macroeconomic and monetary issues can be found in the chapter 'Balance of Payments'. It illustrates that macroeconomic and monetary issues were tackled from a common market perspective, as balance of payments disequilibria could threaten the creation and functioning of the common market. Also in this area, the German and French negotiators followed different approaches, partly due to differences in the economic situation in their countries.

Article 104 states that each Member State should pursue an economic policy 'to ensure the equilibrium of its overall balance of payments and to maintain confidence in its currency, while taking care to ensure a high level of employment and a stable level of prices'. Otmar Emminger, who would later become a President of the Deutsche Bundesbank, considered this a 'fundamental' article as it implied the commitment of every Member State to adopt economic policies which would ensure balance of payments equilibrium.¹² Article 105 continues that, in order to attain the objectives of Article 104, 'Member States shall co-ordinate their economic policies'.

Article 108 discusses the situation where a Member State has serious balance of payments difficulties which could threaten the functioning of the common market (this was the case of France during these years. France was going through the last years of the Fourth Republic with the war in Algeria, political instability and economic chaos, with high inflation and deep balance of payments deficits). The article stipulated that the European Commission should investigate the situation and that the Commission could recommend measures for the Member State to take. Moreover, the article provides for the possibility of granting 'mutual assistance'. Article 109 contains the famous safeguard clauses, which France insisted on, whereby, in the case of a sudden balance of payments crisis, a Member State can take the 'necessary protective measures'.

The Treaty, in Article 105.2, also provided for the establishment of the Monetary committee. It was based on a French memorandum.¹³ The memorandum noted that in the monetary area, which remained a matter of national sovereignty, efficient cooperation was necessary for the functioning of the common market. The proposed missions of the Monetary committee were to provide reciprocal information for the various authorities and to formulate opinions on 'all aspects of monetary policy concerning the functioning of the common market'. The memorandum explicitly mentioned the mutual assistance procedure.

During the negotiations, the exchange rate issue was a topic of hard discussions. According to Van Tichelen, one of the Belgian negotiators, one of the main points of disagreement was whether it should be a national or a Community competence. The Belgian delegation, inspired by a Commonwealth formula, proposed that 'Each Member State shall treat its policy with regard to rates of exchange as a matter of common concern' (Article 107.1). It was an ambiguous formula, but it succeeded in placing the exchange rate in the area of competence of the Community.

Figure 1: Signing of the Euratom and the European Common Market agreements - Treaty of Rome - in the city hall of Rome, Italy, March 25, 1957.



Source: Communautés européennes 1957.

¹² O. Emminger, 'Les Aspects Monétaires du Marché Commun', *Bulletin d'Information et de Documentation*, Banque nationale de Belgique, No 2, 1958, p. 93.

¹³ National Bank of Belgium Archives (NBBA), B 436/4.

Compared then with areas as commercial policy or competition policy, the responsibilities of the Community were rather limited with respect to macroeconomic and, especially, monetary issues. The Treaty left macroeconomic policy-making mainly at the level of the Member States. The responsibilities of the Commission concerned the orientation and co-ordination of the national macroeconomic policies. Of special concern thereby were balance of payments disequilibria, as they could threaten the common market.

Robert Triffin, one of the main architects of the European Payments Union in 1950 and the monetary expert of Jean Monnet's Action committee for the United States of Europe, described the limited monetary dimension of the EEC Treaty as 'a Hamlet in which the role of the Prince of Denmark is almost totally ignored'.¹⁴ Already in the early 1950s, Triffin had advocated the establishment of a European Reserve Fund or European Monetary Fund, an idea which would come back often in the discussions on European monetary integration. Such a fund could be constituted by pooling a part of the international reserves of the central banks of the Member States. By providing financing in the event of balance of payments difficulties, this fund would avoid countries having to resort to policies such as exchange rate adjustments or exchange restrictions. Moreover, it would strengthen the Community's influence on Member States' policies. The accounts of this Fund would be expressed in a European unit of account. Triffin further advocated the use of this unit of account in intra-European loans and investments. In his view, this European unit of account would also support the emergence of a single European currency.

2.2. The 1962 Van Campen Report

In 1962, the European Parliament became more assertive. While it was characterised in the Treaties as an Assembly, it decided to call itself the European Parliament.¹⁵ Moreover, the Economic and Monetary Commission of the European Parliament became very much interested in the monetary dimension of the EEC. In April 1962, the Economic and monetary commission produced a report on the coordination of monetary policies in the EEC.¹⁶ It became known as the Van Campen Report according to the name of the rapporteur, Philippus C. M. van Campen, a Dutch Christian democrat. According to Horst Ungerer, a former official of the Deutsche Bundesbank and the International Monetary Fund, it was the 'first comprehensive report on the coordination of monetary policies in the EEC'.¹⁷

Figure 2: MEP
Philippus C. M. van
Campen.



Source: Communautés européennes - EP 1962.

¹⁴ R. Triffin, 'La monnaie et le Marché Commun: Politiques nationales et intégration régionale', *Cahiers de l'Institut de Sciences Économiques Appliquées*, No 74, 1958, p. 1.

¹⁵ W. Kaiser, *Federalism in the European Parliament. From Ventotene to the Spinelli Group*, EPoS, European Parliament History Service, 2024.

¹⁶ P. C. M. van Campen (7 April 1962), Documents de séance, *Rapport sur la coordination des politiques monétaires dans le cadre de la C.E.E., commission économique et financière*, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE0.AP.ECON.1961.RP//A0-0017/62/0010.

¹⁷ H. Ungerer, *A Concise History of European Monetary Integration*, Westport: Quorum Books, 1997.

The Van Campen Report argued that, given the growing economic interdependence among the EEC Member States, a stronger coordination of monetary policies was necessary. An absence of coordination risked even to imperil the realisation of the customs union and the common market.¹⁸ The report went into several elements of the coordination process: mutual information and statistics; the instruments of monetary policy; and the mechanism of mutual assistance (as established in the Rome Treaty). The report further argued that the cooperation between the national central banks should be organised in a 'common mechanism', which could be inspired by federal central banking systems, like the US Federal Reserve System or the Bundesbank.¹⁹ Echoing an idea of Robert Triffin, the report argued that one could consider transferring a part of the international reserves of the central banks to this institution and, in a later phase, this 'common mechanism' could become the central bank of the Community. The executive board of this common institution should be independent and should contribute to maintain 'monetary discipline' and price stability (a very German idea). However, the report also argued for a close cooperation with the competent authorities for economic policy (admitting that this could be tricky, as one should also assure the independence of the 'common mechanism'). The report further discussed the introduction of a common unit of account for the transactions of the institutions of the EEC.

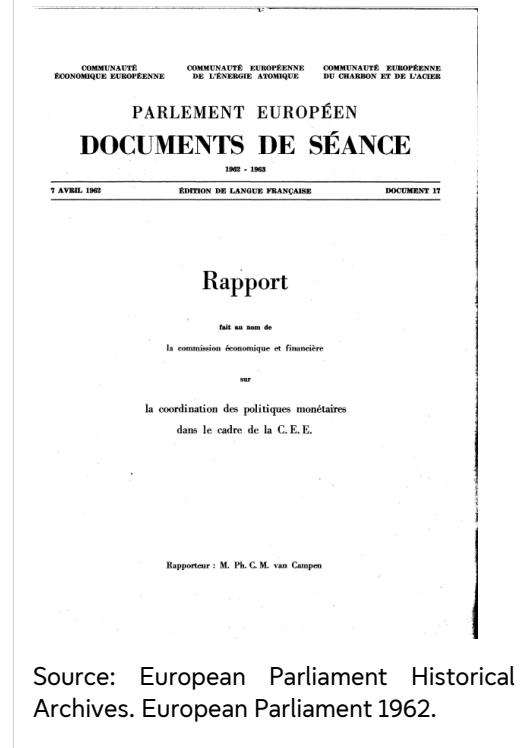
The Van Campen Report concluded that a common monetary policy was the final outcome of the coordination of monetary policies and that it was an indispensable condition for the economic and political unity of Europe. However, the Van Campen Report also argued that the EEC should not separate itself from the 'free world' and avoid any form of monetary protectionism.

In May 1962 the Economic and monetary commission of the European Parliament also produced a report on the coordination of budgetary and financial policy, with Jean-Éric Bousch, a French liberal, as rapporteur.²⁰ The Bousch Report argued for a concertation on budgetary policy, drawing on a 'European economic budget' (an idea of Valéry Giscard d'Estaing).²¹ Moreover, it raised the issue of tax harmonisation.

2.3. The Werner Report

In December 1969, at the summit in The Hague, an ambitious programme to relaunch European integration was established, comprising both a widening of the Community (enlargement with the

Figure 3: First page of the Van Campen Report, April 1962.



Source: European Parliament Historical Archives. European Parliament 1962.

¹⁸ P. C. M. van Campen (7 April 1962), [Rapport sur la coordination des politiques monétaires dans le cadre de la C.E.E., commission économique et financière](#), p. 5.

¹⁹ P. C. M. van Campen (7 April 1962), [Rapport sur la coordination des politiques monétaires dans le cadre de la C.E.E., commission économique et financière](#), p. 15.

²⁰ J.-E. Bousch (7 Mai 1962), [Documents de séance, Rapport sur la coordination des politiques budgétaires et financières, commission économiques et financières](#), Historical Archives of the European Parliament (HAEP), EU.HAEU/PE0.AP.ECON.1961.RP//A0-0019/62/0010.

²¹ J.-E. Bousch (7 Mai 1962), [Rapport sur la coordination des politiques budgétaires et financières, commission économiques et financières](#), p. 8.

United Kingdom, Ireland and Denmark) and a deepening (economic and monetary union). Several factors contributed to the change in atmosphere that made economic and monetary union one of the Community's official objectives. During the 1960s the customs union project, with the abolition of tariffs and quotas, was realised. Moreover, the unease with the Bretton Woods system was growing. De Gaulle had always been critical of the central position of the United States dollar in the Bretton Woods system. During the second half of the 1960s, French officials, in order to attain a more equilibrated international monetary system, developed ideas about a European monetary identity. A key element was a type of exchange rate mechanism, to keep European currencies closer together. At the end of the 1960s, doubts about the future of the fixed exchange rate system became widespread, especially with the devaluation of the French franc in 1969 and the vulnerable position of the United States dollar. The Member States of the Community feared that further exchange rate instability would lead to the disintegration of the customs union and the demise of the common agricultural policy.

Moreover, new political leaders had come to power. In 1969 de Gaulle resigned. His successor, Georges Pompidou, was more open to new European initiatives. In Germany, a new government was formed by the social democrats and the Free Democrats with Willy Brandt as chancellor, a convinced pro-European. The Brandt government proposed the EMU project. Foreign policy motives were crucial. Germany wanted to demonstrate its European credentials, also to counterbalance its new Ostpolitik (with the recognition of the German Democratic Republic as a key element). One can observe here an important similarity with the late 1980s, when the Kohl government favoured both German unification and advances towards European integration with the Maastricht Treaty.

After the Hague Summit, a committee was set up, under the chairmanship of the Luxembourg Prime Minister (and Finance Minister) Pierre Werner, to elaborate a plan for the creation of an economic and monetary union. The Werner committee submitted its final report in October 1970.²² This report contained a programme for the establishment of an economic and monetary union by 1980. The European Parliament was very attentive to the work of the Werner committee.

In the background of the Werner Report loomed a basic ambiguity concerning the crumbling Bretton Woods system. On the one hand, the unease with the Bretton Woods system was one of the driving forces for European monetary integration. On the other hand, the European attempt to narrow exchange rate fluctuations took the framework of the fixed exchange rate system of Bretton Woods for granted.

The Werner Report first presented a very general picture of economic and monetary union: 'Economic and monetary union will make it possible to realise an area within which goods and services, people and capital will circulate freely and without competitive distortions, without thereby giving rise to structural or regional disequilibrium'.²³ To assure the cohesion of economic and monetary union two elements

Figure 4: Negotiations at the Hague summit (1-2 December 1969).



Source: Communautés européennes 1960-1969 - EP.

²² Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), Supplement to Bulletin II-1970 of the European Communities, 1970.

²³ Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), 1970, p. 9.

were necessary: transfers of responsibility from the national to the Community level and a harmonisation of the instruments of economic policy in various sectors. On the institutional plane, this implied the establishment of two new, supranational, Community institutions: a centre of decision for economic policy and a Community system for the central banks (very much like the Federal Reserve System in the United States). The Werner Report did not mention the notion of central bank independence. Discussing the relations between the different institutions, it mentions 'safeguarding the responsibilities proper to each' (Werner Report, 13). According to Hans Tietmeyer, who was the German alternate member of the committee, this implied the independence of the central bank (Interview Tietmeyer).²⁴ The Werner Report had then a symmetric vision of EMU, with both a strong monetary and a strong economic pillar. The centre of decision for economic policy would exercise 'a decisive influence over the general economic policies of the Community'.²⁵ A key responsibility concerned budgetary policy. While the Werner Report admitted that the role of the Community budget would remain limited, it emphasised that the centre of decision for economic policy should have a key role in steering national budgetary policies, 'the essential features of the whole of public budgets, and in particular variations in their volume, the size of the balances and the methods of financing or utilizing them, will be decided at the Community level'.

Given these important transfers of sovereignty to the Community level, the report argued that there should also be a corresponding transfer of parliamentary responsibility from the national to the Community level. The centre of decision of economic policy would be responsible to the European Parliament. This implied a fundamental reform of the European Parliament, 'not only from the point of view of the extent of its powers, but also having regard to the method of election of its Members'.²⁶ However, the report did not elaborate very much on these new institutional structures (it did 'not consider that it will have to formulate detailed institutional proposals as to the institutional form to be given to the different Community organs').²⁷ The Werner Report underlined the fundamental political significance of transfers of responsibility to the Community level and came out in favour of a political union, 'Economic and monetary union thus appears as a leaven for the development of political union, which in the long run it cannot do without'.

To attain economic and monetary union, the Werner Report proposed a plan in three stages. This gradualist approach towards economic and monetary union was laid down by the Heads of State and Government at the Hague Summit and was typical for the process of European integration. The report did not lay down a precise timetable for the whole of the plan. Rather it wanted to maintain a measure of flexibility, while concentrating on the first phase. It proposed that the first stage would start on 1 January 1971 and cover a period of three years. The main elements were: (a) a reinforcement of procedures for consultation and policy coordination; (b) a further liberalisation of intra-Community capital movements and steps towards an integrated European capital market; (c) a narrowing of exchange rate fluctuations between Community currencies (compared to the Bretton Woods framework). The report also proposed to establish a European Fund for Monetary Cooperation.

Of fundamental importance in the Werner Report was the concept of 'parallel progress'. This notion formed a compromise between the so-called 'monetarists' (emphasising greater exchange rate

²⁴ Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), 1970, p. 13.

²⁵ Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), 1970, p. 12.

²⁶ Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), 1970, p. 13

²⁷ Council-Commission of the European Communities, [*Report to the Council and the Commission on the Realisation by Stages of Economic and Monetary Union in the Community: Werner Report*](#), 1970, p. 12.

stability and European exchange rate support mechanisms, with France as an important advocate) and the 'economists' (emphasising the coordination of economic policies and economic convergence, led by Germany). This notion enabled the Werner group to present a unanimous report.²⁸

The European Parliament paid considerable attention to the work of the Werner committee. The Economic Affairs committee, the Political Affairs committee and the Committee for Finance and Budgets discussed on several occasions the work of the Werner committee. Moreover, the Werner Report was discussed during two plenary sessions of the Parliament, on 18 November and 3 December 1970.²⁹ In its resolution the European Parliament emphasised that economic and monetary union would be the logical and necessary outcome of the Rome Treaty project. Moreover, a European currency would reinforce the voice of the Community in the worldwide economic debate.³⁰

Europe's monetary union project quickly ran into significant difficulties. The proposal for supranational European institutions was not well received in France. Immediately after its publication, Pompidou got angry at reading the Werner Report, while the French Minister of Foreign Affairs Maurice Schumann remarked: 'Il ne faut pas compromettre l'union économique et monétaire des Six par un fatras institutionnel prématûr' (one should not jeopardise the economic and monetary union of the Six with a premature institutional jumble).³¹ However, the removal of these institutions in subsequent Commission proposals was not well received in Germany. Moreover, the new European exchange rate system (also known as the snake) quickly turned into a de facto German mark zone. The 1975 Marjolin Report, commissioned by the Commission, described the situation as a 'failure'. It summarised the overall development between 1969 and 1975 as: 'if there has been any movement it has been backward'.³² An important factor behind these difficulties was that the international environment had become very hostile with the collapse of the Bretton Woods system and the first oil shock. The breakdown of the Bretton Woods fixed exchange rate system implied that economic policies, especially monetary policy, did not have to be geared any more in function of the exchange rate against the dollar. This implied that policy makers had to find a new nominal anchor for their policies. As observed by a former Managing Director of the International Monetary Fund, Jacques de Larosière, it marked a fundamental break in the economic policy framework, contributing to a growing indebtedness in the world economy, as there were fewer constraints on economic policies.³³ Moreover, as France and Germany followed different policies after the 1973 oil shock, inflation differences increased and a stable mark franc exchange rate became completely illusory.

²⁸ L. Tsoukalis, *The Politics and Economics of European Monetary Integration*, London: Allen & Unwin, 1977, p. 101.

²⁹ E. Danescu., *Pierre Werner and Europe: The Family Archives Behind the Werner Report*, Cham: Palgrave Macmillan, 2018, pp. 205–225.

³⁰ [Résolution sur la réalisation par étapes de l'union économique et monétaire de la communauté](#), *Journal officiel des Communautés européennes* (JOCE) (C 151/23, 29 décembre 1970).

³¹ P. Werner, *Itinéraires Luxembourgeois et Européens*, Luxembourg: Éditions Saint-Paul, 1991, p. 132.

³² Commission of the European Communities, [Report of the Study Group 'Economic and Monetary Union, 1980': Marjolin Report](#), EU Commission Working document, 1975.

³³ J. de Larosière, *50 Years of Financial Crises*, Paris: Odile Jacob, 2018.

2.4. The 1979 relaunching of the European project: The European Monetary System and direct elections for the European Parliament

The year 1979 would mark a relaunching of the process of European integration. Of crucial importance were the first direct elections for the European Parliament in June and the establishment of the European Monetary System (EMS) in March.

In the mid-1970s, European monetary integration languished after the unravelling of Europe's monetary snake, while discussions about the place of the United Kingdom dominated the European scene. In 1978, the French President Valéry Giscard d'Estaing and the German Chancellor Helmut Schmidt played a crucial role in the relaunching of the monetary integration process with the creation of the EMS.³⁴ The EMS was agreed upon by the Heads of State or Government at the Brussels summit of December 1978. It was very much an intergovernmental agreement, with intergovernmental institutions as the Economic and Financial Affairs Council, the Monetary committee and the Committee of Central Bank Governors in the lead. It was clearly a more modest project, when compared with the ambitions of the Werner plan (it is noteworthy that the free movement of capital was absent). In first instance, the European Parliament reacted rather coolly on the EMS initiative, and noted the lack of central Community institutions, 'under the control of the European Parliament'.³⁵ Later, when the EMS contributed to progress in European integration, the Parliament became more enthusiastic.

The EMS was composed of three main elements: the exchange rate mechanism, credit mechanisms and the European Currency Unit (ECU). At the core of the EMS was the exchange rate mechanism. It consisted of currencies which were linked to one another by fixed but adjustable exchange rates. The EMS was also based on a new European Currency Unit, the ECU. It was a basket currency comprising all the currencies of the Community. The name ECU was not only the abbreviation for European Currency Unit, but also the name of an old French coin. The EMS agreement further specified the creation of a European Monetary Fund within two years of the start of the EMS. However, the functions of this fund were never really agreed upon, and the plans were shelved in December 1980.

The EMS started in March 1979. The first years of the EMS were very difficult: there was a lack of convergence of economic policies and performances, especially inflation, and there were several realignments.³⁶ The EMS was one of the main preoccupations of economic policymakers at the Community and the Parliament passed several resolutions on the EMS. Tensions in the EMS were exacerbated from May 1981 onwards, when Mitterrand, the new French President, followed an expansionary (and isolated) policy strategy, based on the common programme of his socialist party with the communist party. This led to a loss of competitiveness of the French economy, capital outflows and speculative pressures against the French franc, leading to several realignments. After the March 1983 realignment and the change towards more orthodox economic policies in France, the EMS came into more stable waters.

³⁴ P. Ludlow, *The Making of the European Monetary System*, London: Butterworth, 1982.

³⁵ F. Piodi, [*The Long Road to the Euro*](#), Archive and Documentation Centre (CARDOC), European Parliament, Cardoc Journals, No 8, 2012, p. 38.

³⁶ E. Mourlon-Druol, *A Europe Made of Money: The Emergence of the European Monetary System*, Ithaca (NY): Cornell University Press, 2012.

2.5. The 1984 Spinelli Draft Treaty on European Union

The first direct elections for the European Parliament took place in 1979. The decision was taken at the December 1974 Paris summit. It is noteworthy that, at the same summit, it was also decided to formalise the summit meetings, creating the European Council. An unlikely couple, Valéry Giscard d'Estaing and Jean Monnet, was very influential in these decisions.³⁷

In the firstly directly elected European Parliament, Altiero Spinelli, would play a leading role. Spinelli was one of Europe's foremost federalists. During the fascist regime, he spent ten years in jail and was interned on the island of Ventotene. There, together with fellow Italians Ernesto Rossi and Eugenio Colorni, he wrote the so-called Ventotene Manifesto (For a free and united Europe). After the war he became one of the leading figures of the European federalist movement. In 1979, he was elected as an independent on the list of the Italian communist party. While, in general, Spinelli agreed with the line of the Italian communist party, he disagreed with it on certain European issues (Interview Dastoli, President of the European Movement Italy, former personal assistant to Spinelli.). One of these was the EMS, of which Spinelli was in favour, while the communist party had voted against Italy's participation in it. He was a strong partisan of a constitution for Europe. In 1982, the Institutional Affairs committee of the European Parliament instructed Spinelli, as coordinating rapporteur, to oversee the production of six working documents to prepare the Draft Treaty establishing the European Union (DTEU).³⁸

The document on economic union was preprepared by Jacques P. Moreau, a French socialist and a close friend of Delors. Like Delors, he was a catholic, active in the trade union movement and very much in favour of European integration. Later, like Delors, he also joined the French socialist party. In 1981, when Delors became French Finance Minister, he succeeded Delors as the chair of the Economic and Monetary committee of the Parliament.

To involve the European population, Spinelli organised consultations of the Draft Treaty. Some of these took place at the European University Institute in Fiesole and were organised by Padoa-Schioppa (Interview Dastoli). At that time, Padoa-Schioppa was Director-General at the Commission, responsible for DG II (Economic and Financial Affairs).³⁹ Padoa-Schioppa became a good friend of Robert Triffin, with whom he shared many ideas on European monetary integration. During his years in Brussels, from 1979 to 1983, he also got to know Delors, who was then chair of the Economic and Monetary committee of the European Parliament. After his stay in Brussels, Padoa-Schioppa returned to the Banca d'Italia, but he remained in close contact with Delors, especially for EMU matters (see below). But Padoa-Schioppa also knew Altiero Spinelli (later, he formed a couple with Barbara Spinelli, the daughter of Altiero). He was also involved in Spinelli's Action committee and the work for the DTEU.⁴⁰

³⁷ L. van Middelaar, 'The Commission and the European Council', in V. Dujardin (ed.) et al., *The European Commission 1986–2000: History and memories of an institution*, Luxembourg: Publications Office of the European Union, 2019, p. 183.

³⁸ D. Preda, 'Spinelli's Initiative and the European Parliament Union Project', in M. Gehler and W. Loth (eds), *Reshaping Europe: Towards a Political, Economic and Monetary Union, 1984–1989*, Baden-Baden: Nomos, 2020, pp. 99–118.

³⁹ I. Maes, 'Tommaso Padoa-Schioppa: Macroeconomic and Monetary Thought, and Policy-Making at the European Commission', *History of Economic Thought and Policy*. 2, 2013, pp. 21–43.

F. Masini, 'Tommaso Padoa-Schioppa: EMU as the Anchor Stone for Building a Federal Europe', in K. Dyson and I. Maes (eds), *Architects of the Euro: Intellectuals in the Making of European Monetary Union*, Oxford: Oxford University Press, 2016, pp. 193–211.

⁴⁰ Spinelli Project, Historical Archives of the European Union (HAEU), TPS 348.

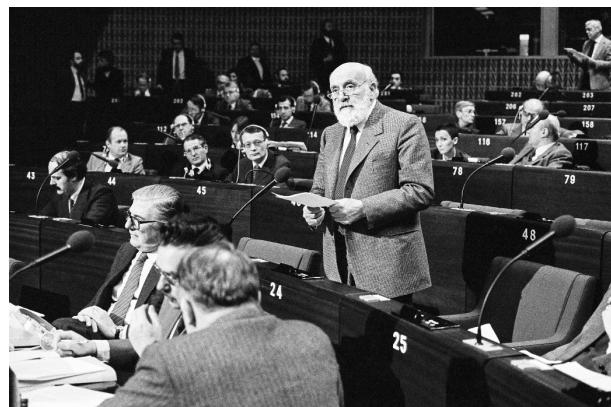
Padoa-Schioppa also sent a note (of 14 pages) to Spinelli with his reflections on the activities of the Institutional commission, regarding economic matters.⁴¹ He argued for a short Treaty, with in the first chapter the main aims of the European Union and the principle of subsidiarity. In the area of monetary and financial policy, also described as 'unification monétaire' (monetary unification), he argued for building it on two axes: the EMS and financial integration (comprising banking legislation and the principles of the supervision of financial markets and institutions, including insurance).

The draft working document on EMU was heavily criticized, especially by the members of the EPP and by German MEPs across the party spectrum.⁴² The main criticism concerned Moreau's emphasis on future monetary integration and the lack of attention to economic policy coordination and the achievement of economic convergence. Moreover, Moreau's proposal for the establishment of a European Monetary Fund in the near future and the transfer of a substantial part of the foreign currency reserves of the central banks of the Member States to this fund aroused heavy controversies.⁴³

On 14 February 1984, the European Parliament adopted a 'Draft Treaty establishing the European Union'. The Draft Treaty had an important monetary dimension, even if this was not the crucial concern of Spinelli. Already in the first paragraph of the Preamble, the EMS, together with the European Communities and European Political Cooperation, was mentioned as a 'first achievement' of the 'democratic unification of Europe'. Among the organs of the Community, the Draft Treaty foresaw a European Monetary Fund (as also foreseen in the EMS agreement), which would have the 'autonomy required to guarantee monetary stability'.

The part of the Draft Treaty on the policies of the Union comprised several sections regarding economic and monetary union. For credit policy (Article 51), the Draft Treaty foresaw a 'concurrent competence' for the Union with respect to European monetary and credit policies. The DTEU also foresaw the creation of a European capital market committee as well as a European bank supervisory committee, with the aim of 'coordinating the use of capital market resources'. In article 52 the EMS was discussed. A concurrent competence of the Union was 'the progressive achievement of full monetary union'. It is noteworthy, that, in contrast to the earlier Van Campen Report or the Maastricht Treaty later, price stability as an objective of monetary policy and the independence of the monetary authority, were not mentioned explicitly in the DTEU. There was a much vaguer formulation regarding 'the duties and obligations of the central banks in the determination of their objectives regarding money' (article 52.4). The DTEU asked also that all Member States would participate in

Figure 5: The MEP Altiero Spinelli during a session in Strasbourg in February 1984.



Source: Communautés européennes - EP 1984.

⁴¹ T. Padoa-Schioppa, *Réflexions sur les travaux de la commission institutionnelle en matière économique*, Historical Archives of the European Union (HAEU), PVD-3.

⁴² W. Kaiser, EPRS, European Parliament, *Shaping European Union: The European Parliament and Institutional Reform, 1979-1989*, EPDS, European Parliament History Service, 2018, p. 30.

⁴³ Commission des Communautés européennes (13 Avril 1983) *Préparation de la rencontre avec la Commission institutionnelle du Parlement européen*, Historical Archives of the European Commission (HAEC), SP (83) 1543, 1983/0011, 3.

the EMS and that they would transfer part of their reserves to the European Monetary Fund. Moreover, it asked for the progressive conversion of the ECU into a reserve currency and a means of payment.

The Draft Treaty shows very well how the European Parliament played a pioneering and agenda setting role in the establishment of European monetary union, with several measures for progress in monetary integration. One can detect several ideas which were advocated by Robert Triffin, who might be considered as the arch-monetarist in the debates on European monetary integration.⁴⁴ This is even more noteworthy, given the heated debates in the European Parliament. Francis Jacobs, a Principal Administrator at the European Parliament, while characterising the monetary dimension of the DTEU as 'relatively modest', also observed that 'it was positively radical in comparison with the Single European Act'.⁴⁵ The economic pillar of an economic and monetary union was much less elaborated. In the area of conjunctural policy (Article 50), the concurrent competence was limited to the coordination of economic policies.

2.6. The intergroup European Currency of the European Parliament

After the 1984 elections for the European Parliament, an intergroup European Currency was formed, under the presidency of Otmar Franz, a German Christian democrat. The group held its first meeting on 11 September 1984, with Commissioner Karl-Heinz Narjes as main speaker.⁴⁶ The intergroup would hold more than fifty meetings and organise five international monetary conferences.⁴⁷ The group would invite monetary experts for conferences and debates. Among them were naturally MEPs, like Fernand Herman, as well as other politicians like Pierre Werner and Otto Graf Lambsdorff, the German Economics Minister. There were also renowned academics, like Robert Triffin, and financial market participants as Helmut Geiger, the President of the, very influential, Deutscher Sparkassen- und Giroverband, and Ernst-Günther Bröder, the President of the European Investment Bank. There were important policy-makers, especially central bank presidents, like Karl-Otto Pöhl of the Bundesbank, José Alberto Tavares Mareira of the Bank of Portugal and Mariano Rubio of the Bank of Spain. There were also speakers from outside the European Union, like Hermod Skåneland, the governor of the Norwegian central bank or Yusuke Kashiwagi, the chair of the Bank of Tokyo and a former Japanese deputy Finance Minister for international affairs. A selection of the contributions was published in a book in 1989, *European Currency in the Making*, edited by Otmar Franz. Important themes were the functioning and significance of the EMS; the role of the ECU, both in the EMS and in the financial markets; and the conditions necessary for the creation of a European currency as well as the path towards it.

2.7. The Single European Act

Mid 1984, Jacques Delors was appointed as the new President of the Commission. Delors knew the European Parliament well as he had been a Member and President of the Economic and Monetary Commission from 1979 to 1981, where after he became Finance Minister in the new French

⁴⁴ I. Maes, and E. Bussière, '[Robert Triffin: The Arch Monetarist in the European Monetary Integration Debates?](#)', in Dyson, K. and Maes, I. (eds), *Architects of the Euro: Intellectuals in the Making of European Monetary Union*, Oxford: Oxford University Press, 2016, pp. 30–50.

⁴⁵ F. B. Jacobs, '[The European Parliament and Economic and Monetary Union](#)', *Common Market Law Review*, 28(2), 1991, p. 365.

⁴⁶ Letter from Otmar Franz to the European Parliament President (7 November 1984) Historical Archives of the European Parliament (HAEU), EU.HAEU/PE2.OD.BURE.BUEL//BUEL-19850110/0046.

⁴⁷ O. Franz, 'Preface', in O. Franz (ed.) in *European Currency in the Making*, Sindelfingen: Libertas, 1989.

government after Mitterrand's election victory. Before taking office as President of the Commission, in January 1985, he toured the national capitals, proposing different projects which could relaunch the integration process. These were monetary union, defence cooperation, institutional reform, and an internal market. The only project that had the support of all the Member States was the internal market. As Lord Cockfield, the member of the Commission responsible for the Internal Market, observed, 'in Jacques Delors' order of priorities it ranked well behind his plans for Economic and Monetary Union'.⁴⁸ Delors himself repeatedly observed, rather ambiguously, 'you cannot fall in love with the single market'.⁴⁹

Jacques Delors saw very well the importance of the European Parliament for the democratic legitimacy of the Commission. In January 1985, he gave an, unofficial, investiture speech before the European Parliament and he would also announce his major projects before the European Parliament. These initiatives of Delors were well appreciated by the MEPs.⁵⁰

In his maiden speech for the European Parliament in January 1985, Delors also discussed the monetary dimension of the European project. He stressed the benefits of the EMS as 'an area of relative calm in a sea agitated by the wide and sudden fluctuations of currencies'.⁵¹ However, he stressed that 'a real community currency will not be one of the objectives of my four-year term'. Delors said he was very well aware of the fundamental problems, 'particularly among the central banks', as well as the technical complexities of monetary issues. He defended the traditional Commission ideas of strengthening monetary cooperation and extending the role of the ECU: 'No thoughtless promises! On the other hand, I do believe that a substantial strengthening of the rôles of the official and private ECU are both possible'. It was a strategy which could count on considerable support in the European Parliament, even if Rudi Arndt, who spoke for the socialist group in the investiture debate, observed that a minority of the socialists had doubts about the EMS and stressed that the socialist wanted a 'Europe of solidarity'.⁵²

A renewed campaign for a European internal market became then the main action point of the new Commission. It fitted in with the general tendency towards deregulation and a single European financial market was a key element of it.⁵³ The single market programme became a Treaty obligation with the adoption of the Single European Act (SEA) in 1986, the first major revision of the founding Treaties of the Community. The Act extended greatly the scope of the Community and simplified the decision-making process (with qualified majority voting for most of the internal market measures instead of unanimity). The Act constituted an early and crucial triumph for the single market project and it further contributed to the renewed momentum of the Community.

The negotiations on the monetary dimension of the SEA were very difficult. At the end of November 1985, the Commission submitted a draft chapter on economic and monetary union. This codified the practice of the EMS and contained a provision that would allow governments to agree unanimously on the creation of an autonomous 'European Monetary Fund', as also foreseen in Draft Treaty of the European Parliament. This ran into heavy resistance, especially from the United Kingdom, but also from other countries as Germany and the Netherlands. For the Commission, as well as countries like France and Belgium, it was crucial that the Treaties should mention the 'acquis communautaire' in

⁴⁸ Lord Cockfield, *The European Union: creating the single market*, London: Wiley, 1994, p. 53.

⁴⁹ J. Delors, Intervention, [Presentation of the new Commission and statement by President](#), Debates of the European Parliament, *Official Journal of the European Communities (OJEC)* (No 2-373/67, 17 January 1989).

⁵⁰ P. Berès (31 January 2024) Hommage en l'honneur de Jacques Delors, Pervenche Berès Archives (PBA).

⁵¹ J. Delors (14 January 1985), Statement, [The thrust of Commission policy](#), *Bulletin of the European Communities, Supplement 1/85*, 8.

⁵² R. Arndt (15 January 1985), Intervention, [Introduction of the new Commission](#), Debates of the European Parliament, Archives of the European Parliament (HAEV), EU.HAEU/PE2.AP.DE.1984//DE19850115-02/0010, 2-321/17.

⁵³ I. Maes, *Half a Century of European Financial Integration: from the Rome Treaty to the 21st Century*, Brussels: Mercatorfonds, 2007.

monetary matters (EMU as an aim of the Community, the EMS and the ECU). The result was a, limited, chapter on a 'Monetary capacity' in the SEA. Later, this would become a crucial steppingstone for further progress on EMU.

The internal market programme would bring a new dynamic to the Community, leading to an engrenage, from one market to one money. An important element was the liberalisation of capital movements, for which also Delors had been pushing, to the great surprise of senior Commission officials, for whom this was a complete change of direction (Interview Mingasson, a close collaborator to Delors in the Commission). This was having consequences in the monetary field, as the liberalisation of capital movements was a crucial German condition for progress on monetary cooperation. Moreover, with stable exchange rates in the EMS, there was no longer much room for an autonomous monetary policy, except in the anchor country. The Community therefore had to live with the disadvantages of monetary union, while enjoying few of its advantages. So, the internal market project created pressure for increased monetary integration in the Community, a typical example of 'spill-over' effects.

The Single European Act not only marked a significant advance in European integration, it also gave the European Parliament a greater degree of influence over the Community's legislative process. This all contributed to a positive relationship between the European Parliament and the Delors Commission. Piers Ludlow, in the official history of the Commission, described it even as a 'love affair'.⁵⁴

Early 1986, Delors requested a report by a study group, chaired by Tommaso Padoa-Schioppa, on the implications of the internal market for the future of the Community. It was published with the title *Efficiency, Stability, Equity*.⁵⁵ It would play an important role in the debates on Europe's future, also in the European Parliament. The title of the report, *Efficiency, Stability, Equity*, referred to the classic work of Richard and Peggy Musgrave on public finance, which distinguished between three main tasks of fiscal policy: improving the allocation of resources, contributing to greater (macroeconomic) stability, and improving the income (and wealth) distribution.⁵⁶ The Padoa-Schioppa Report contained a warning that the single market (with not only the free movement of goods, but also the liberation of capital movements), was inconsistent with the prevalent combination of exchange rate stability and national autonomy of monetary policy.

2.8. The 1989 Delors Report

In June 1988, at the summit meeting of Hanover, economic and monetary union was brought back on the agenda. The Council confirmed the objective of economic and monetary union. This was very much under the influence of Helmut Kohl, and notwithstanding scepticism of many German economic policy-makers. Kohl was part of the generation which was marked by World War Two and he emphasized in his speeches the importance of a 'United States of Europe' (Interview Köhler, former President of the European Bank for Reconstruction and Development, Managing Director of the International Monetary Fund, and President of Germany).

But Europe's leaders, and certainly Kohl and Delors, knew that monetary expertise was indispensable. The Hanover summit decided then to entrust to a committee the task of studying and proposing 'concrete stages leading towards this union' (a very shrewd limitation of the mandate of

⁵⁴ P. Ludlow, 'From love affair to stand-off: relations with the European Parliament', in V. Dujardin (ed.) et al., *The European Commission 1986-2000. History and memories of an institution*, Luxembourg: Publications Office of the European Union, 2019, p. 198.

⁵⁵ T. Padoa-Schioppa, *Efficiency, Stability, Equity*, Oxford: Oxford University Press, 1987.

⁵⁶ R. Musgrave and P. Musgrave, *Public finance in theory and practice*, New York: McGraw-Hill, 1973.

the committee, as it was not asked to analyse whether EMU was desirable or not). According to Delors, Kohl asked him to chair the committee.⁵⁷ Indeed, Delors had the confidence of Kohl and Mitterrand, and, as a former Finance Minister, the technical expertise. The governors of the central banks – in a personal capacity – were also on the committee. Delors wanted them to be members, both because of their expertise and because this would bind them to the monetary union project. In a first reaction, Karl-Otto Pöhl, the President of the Bundesbank, even considered refusing to serve on the committee. The European Parliament prepared a report to specify its position, with Otmar Franz as rapporteur.

The Delors Report would assume a crucial role as a reference and anchor point in further discussions.⁵⁸ It was a crucial phase on the road to the Maastricht Treaty which provided the constitutional framework for Europe's economic and monetary union.⁵⁹ Like the Werner Report, the Delors Report basically revolved around two issues: first, which economic arrangements are necessary for a monetary union to be successful; and, second, which gradual path should be designed to reach economic and monetary union.

Initially, the relation between Delors and Pöhl, the President of the Bundesbank, was rather tense. However, the crucial aim of Delors was to get a unanimous report.⁶⁰ So, Delors took a low profile and focused on seeking out a consensus in the committee. Delors asked Pöhl to sketch out his vision for a future EMU, something which Pöhl could not refuse. As observed by Alexandre Lamfalussy, then the General Manager of the Bank for International Settlements and a member of the committee, with that manoeuvre, Delors had rendered Pöhl and the Bundesbank 'captive'.⁶¹

In his contribution, Pöhl took a 'fundamentalist' position and emphasised the new monetary order which had to be created: 'Above all agreement must exist that stability of the value of money is the indispensable prerequisite for the achievement of other goals. Particular importance will therefore attach to the principles on which a European monetary order should be based'.⁶² He argued for price stability as the prime objective of monetary policy, which had to be conducted by an independent central bank. Pöhl further emphasised the 'indivisibility of monetary policy', that decisions should be taken either at the national level or by a common central bank. Pöhl further stressed that a monetary union presupposed a considerable shift in the responsibility for economic policy, 'and hence a far-reaching reshaping of the Community in political and institutional terms in the direction of a broader union'.⁶³ While this did not imply a 'complete political union', it necessitated 'extremely close and irrevocable political integration' including a substantial transfer of authority in the area of fiscal policy.

Pöhl's fundamentalist approach was deeply influential in the Delors Report and inspired a number of principles that also figured prominently in the Maastricht Treaty.⁶⁴ The Delors committee took great

⁵⁷ J. Delors, *Mémoires*, Paris: Plon, 2004, p. 232.

⁵⁸ Committee for the Study of Economic and Monetary Union, [Report on Economic and Monetary Union in the European Community: Delors Report](#), EU Commission, Working document, 1989.

⁵⁹ K. Dyson and K. Featherstone, [The Road to Maastricht: Negotiating Economic and Monetary Union](#), Oxford: Oxford University Press, 1999.

⁶⁰ I. Maes and S. Péters, ['Niels Thygesen: An Academic in the Making of European Monetary Union'](#), *History of Economic Thought and Policy*, No. 1, 2020, pp. 97-129.

⁶¹ C. Lamfalussy, I. Maes and S. Péters, *Alexandre Lamfalussy: The Wise Man of the Euro*, Leuven: Lannoo Campus, 2013, p.136.

⁶² K.-O. Pöhl, [The Further Development of the European Monetary System](#), *Report on economic and monetary union in the European Community, Collection of Papers submitted to the committee for the Study of Economic and Monetary Union*, Luxembourg: Publications Office, 1988, p. 132.

⁶³ Pöhl, [The Further Development of the European Monetary System](#), p. 136.

⁶⁴ T. Padoa-Schioppa, *The Road to Monetary Union in Europe*, Oxford: Clarendon Press, 1994, p. 9.

care to work out first its view on the final stage of EMU, especially the monetary pillar. The Delors Report proposed, at the institutional level, the creation of an independent 'European System of Central Banks', to be responsible for the single monetary policy, with price stability as the ultimate aim. In the discussions on the independence of the central bank, Pöhl received valuable support from Jacques de Larosière, for whom the Delors committee presented an opportunity to increase the independence of the Banque de France.⁶⁵

The economic pillar of EMU was also the topic of intense debates in the Delors committee.⁶⁶ In a background paper on the coordination of fiscal policies, Lamfalussy concluded that fiscal policy coordination was a 'vital component for a European EMU'.⁶⁷ The two aims of the coordination should be a European fiscal policy stance which was appropriate for the European and international environment and avoiding tensions from excessive differences between national fiscal policies. Finally, the report argued for 'both binding rules and procedures' for budgetary policy.⁶⁸ The absence of a strong economic pillar of EMU would remain a difficult issue. It would become a key criticism by the European Parliament of the official EMU proposals.

Figure 6: Meeting of the Association for the Monetary Union of Europe at the European Parliament in Strasbourg - 10th anniversary of the ECU, January 1989.



Source: Communautés européennes - EP 1989.

(as was also discussed in the Spinelli Draft Treaty on European Union).⁶⁹ However, they did not really pursue this issue and the report only mentioned that the new System 'would participate in the coordination of banking supervision policies'.⁷⁰ In a later interview, Jacques de Larosière observed that the differences in how supervision was organized at the national level (at the central bank, the finance ministry or at an independent institution) constituted an important hurdle to give the European Central bank a significant responsibility in the area of banking supervision.⁷¹

⁶⁵ I. Maes and S. Péters '[Interview of Jacques de Larosière: In search of a better world financial order](#)', *History of Economic Thought and Policy*, No. 2, 2021, pp. 91-132.

⁶⁶ H. James, *Making the European Monetary Union: The Role of the Committee of Central Bank Governors and the Origins of the European Central Bank*, Cambridge MA: Belknap Press of Harvard University Press, 2012, p. 249.

⁶⁷ A. Lamfalussy (1988) [Macro-coordination of Fiscal Policies in an Economic and Monetary Union in Europe](#), *Report on economic and monetary union in the European Community, Collection of Papers submitted to the committee for the Study of Economic and Monetary Union*, Luxembourg: Publications Office, 1988, p. 93.

⁶⁸ Committee for the Study of Economic and Monetary Union (17 April 1989) [Report on Economic and Monetary Union in the European Community: Delors Report](#), p. 28.

⁶⁹ [Minutes of the fourth meeting of the Delors Committee on 13 December 1988](#), Delors Committee Archives (DCA), DelC2.4.

⁷⁰ Committee for the Study of Economic and Monetary Union (17 April 1989) [Report on Economic and Monetary Union in the European Community: Delors Report](#), p. 26.

⁷¹ Maes and Péters, Interview of Jacques de Larosière, *History of Economic Thought and Policy*, No 2, 91-132.

To attain economic and monetary union the Delors committee proposed three stages. These stages implied, from an institutional and legal point of view: the preparation of a new Treaty (first stage), the creation of a new monetary institution (European System of Central Banks, second stage), and the transfer of responsibilities to this new institution (third stage). From an economic and monetary point of view, these stages implied an increased convergence and a closer coordination of economic policy. However, the committee underlined the indivisibility of the whole process: 'the decision to enter upon the first stage should be a decision to embark on the entire process'.⁷²

The Delors committee also clearly rejected a parallel currency strategy (with which the Commission and the European Parliament were flirting) as a means of accelerating the pace of the monetary union process.⁷³ Two arguments were advanced: an additional source of money creation without a precise linkage to economic activity could jeopardize price stability; the addition of a new currency, with its own monetary implications, would further complicate the already difficult endeavour of coordinating different national monetary policies. Herewith Delors accepted the abandonment of a key element of the traditional Commission strategy of the first half of the 1980s. The European Parliament would continue to push for a greater role of the ECU in the transition.

In a note for Finance Minister Philippe Maystadt, Edgard Van De Pontseele, the Director of the Belgian Treasury, went into the significance of the Delors Report. In his view this was not in the intellectual contribution of the report nor in its proposal for the path towards EMU. For him the main novelty was the unanimity with which the central bank governors had accepted the report.⁷⁴ He emphasised two elements: it would be the governors who would lose their powers with the establishment of a European Central Bank; and the argument that the project was technically not sound had become invalidated.

In the United Kingdom, Margaret Thatcher was not happy with the Delors Report, which she admitted as confirming her worst fears. She was especially critical that, by embarking on the first stage, there was an irrevocable commitment to realise EMU, as well about the requirement for treaty reform and the social and regional dimension of EMU. She characterised the report as 'costly, Delorsian socialism on a continental scale'.⁷⁵ This contrasted with the view in the European Parliament, where there would be significant criticism of the Delors Report that it was neglecting the social and regional dimension of EMU.

The Delors Report was discussed at the informal Economic and Financial Affairs Council of S'Agaro of 20 and 21 May 1989. Philippe Maystadt, the Belgian Finance Minister, was very positive regarding the report, but he concluded his intervention with a section 'La peur de créer un monstre bureaucratique' (The fear of creating a bureaucratic monster).⁷⁶ He emphasised the necessity of an appropriate democratic control and concluded that one might envisage to increase the role of the European Parliament. This would remain a key objective of the Belgian negotiators during the negotiations of the Maastricht Treaty.

The Community followed the path indicated in the Delors Report. The first stage started in July 1990 and the IGC on economic and monetary union, along with another one on political union, opened in Rome in December 1990. Meanwhile, the broader European scene was changing dramatically with the breakdown of the iron curtain and German unification. The German government's policy line

⁷² Committee for the Study of Economic and Monetary Union (17 April 1989) [Report on Economic and Monetary Union in the European Community: Delors Report](#), p. 31.

⁷³ Committee for the Study of Economic and Monetary Union (17 April 1989) [Report on Economic and Monetary Union in the European Community: Delors Report](#), p. 33.

⁷⁴ Verslag over de economische en monetaire eenheid in de Europese Gemeenschap, Bernard Snoy Archives (BSA).

⁷⁵ M. Thatcher, *The Downing Street Years*, New York: Harper Collins, 1993, p. 708.

⁷⁶ Réaction de M. Philippe Maystadt au Rapport du Comité Delors, Bernard Snoy Archives (BSA), 7.

could almost be summarised in Thomas Mann's dictum: 'Wir wollen ein europäisches Deutschland und kein deutsches Europa' (We want a European Germany and not a German Europe).

3. The intergovernmental conference on economic and monetary union and the Maastricht Treaty

3.1. Preparing the intergovernmental conference: The Herman Report

Against the background of the breakdown of the iron curtain and the dramatic changes in Central and Eastern Europe, the process of economic and monetary union accelerated. The fall of the Berlin Wall, on 9 November 1989, opened the way for German unification. A few weeks later, on 28 November, Helmut Kohl put forward a ten-point plan to restore German unity. This caused irritation by several European leaders, like Thatcher, Mitterrand and Andreotti (Interview Vattani, Italian diplomat). The Strasbourg European Council of December 1989 was of crucial importance. During the discussions, Kohl was very emotional, and, in the end, he succeeded in getting the support of the Council in his efforts at German unification. Moreover, the Council decided to go ahead with a deepening of European integration and that the IGC on economic and monetary union would start before the end of 1990 (Interview Eyskens, Belgian politician, Minister of Foreign Affairs). There came also demands to enlarge the agenda of the IGC to topics like foreign and security policy. Delors feared that the focus of the IGC on economic and monetary union might wane. As he argued in a discussion with Tommaso Padoa-Schioppa, 'The challenge is to open up a second front without detracting from the EMU front'.⁷⁷

Delors chose the forum of the European Parliament, in a speech in January 1990, to suggest having two IGCs, one on EMU and one on constitutional reform. In April 1990, French President Mitterrand and German Chancellor Kohl proposed to convene an IGC on political union.

The role of the European Parliament in the IGCs was a topic of discussions and negotiations.⁷⁸ The European Parliament requested to be represented on equal terms at the IGC (which was not accepted). It also requested an interinstitutional preparatory conference in the beginning of 1990, with an equal representation of the Commission, the Council and the Parliament. This demand was accepted. The first of these pre-conferences was in May 1990.

To prepare the IGC on EMU, the Committee on Economic and Monetary Affairs and Industrial Policy requested to submit a report on EMU. Fernand Herman, a Belgian Christian democrat and a former Belgian Economics Minister, was appointed as rapporteur. Wilfried Martens, then Belgian Prime

Figure 7: MEPs Fernand H.J. Herman and Maria Luisa Cassanmagnago Cerretti at the Intergovernmental conference, May 1991.



Source: Communautés européennes - EP 1991.

⁷⁷ President's Meeting with T. Padoa-Schioppa (28 February 1990) Relance institutionnelle, Historical Archives of the European Union (HAEU), PLA 426.

⁷⁸ Secrétariat-Général du Conseil (13 February 1990) Rôle du Parlement Européen dans la perspective de la conférence intergouvernementale, Historical Archives of the European Union (HAEU), PLA 426.

Minister and later the chair of the EPP Group in the European Parliament, described Herman in his *Mémoires* as one of the most brilliant and active of the EPP MEPs.⁷⁹

The Committee on Economic and Monetary Affairs and Industrial Policy presented an interim report (a resolution) in April 1990. In its resolution, the European Parliament argued for an EMU with a strong economic pillar. It emphasized the need for a greater coordination and convergence between the economic policies of the Member States, 'with a view to promoting the social and economic cohesion of the Member States'.⁸⁰ This implied a strengthening of the Community budget. Regarding the monetary pillar, the resolution argued for a European Central Banking System, 'that decides autonomously how to implement the monetary policy agreed by the Council and approved by the European Parliament, while ensuring price stability and supporting the objectives of the general economic policy formulated by the Council and the European Parliament',⁸¹ a notion which was quite different from the concept of central bank independence of the Delors Report. It further emphasized that the European Central Banking System should be accountable to the European Parliament.

The Herman Report was [debated in a plenary session on 15 May 1990](#). This was just before the first pre-conference of the Parliament with the Council and the Commission. It gave the European Parliament the opportunity to present its position. However, the debate in the Parliament also showed the diversity of opinions in the Parliament.

Fernand Herman opened the debate with the presentation of his report. He observed that, since the first direct elections in 1979, the European Parliament had devoted eight reports and at least thirty resolutions to the issue of monetary union in the Community. It demonstrated that economic and monetary union was a key point of attention for the European Parliament. Herman argued that monetary union was not only necessary for the achievement of the single market, but that it was also a crucial stepping-stone towards political union. He stressed that this report was crucial to establish the Parliament's position for the IGC on EMU:

'If you vote for it, this interim report, which is confined to the essential principles, will enable the European Parliament delegation to the pre-conference starting on Thursday morning to put the viewpoint of the citizens we represent to the 12 governments together. The opinion poll results recently published on the necessity or usefulness of a common currency make it quite clear that it is Parliament, not the Council that best reflects the views of the majority of citizens'.⁸²

Figure 8: EPP MEP Fernand H.J. Herman.



Source: Communautés européennes – EP 1998.

⁷⁹ W. Martens, *De Memoires*, Tielt: Lannoo, 2006, p. 652.

⁸⁰ F. Herman (1990), [Report drawn up on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on economic and Monetary Union: Herman Report](#), Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.ECON.1989.RP//A3-0099/90/0001, 7.

⁸¹ Herman Report, p. 8.

⁸² F. Herman (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0010, 3-390/59,

Herman argued that the Parliament agreed broadly with the analysis and the proposals in the Delors Report (but it was in even closer agreement with the position of the Commission, which was 'less influenced by the bank governors'). The main distinguishing feature in Parliament's position was the emphasis of the Parliament on the necessity and urgency of achieving total monetary integration as soon as possible. The reason was that the costs would be felt mainly in the transition period, while the benefits of the single currency would mostly accrue in the final phase. Herman further elaborated on the advantages of EMU.

Thereafter intervened Alman Metten, a Dutch socialist. Metten emphasized that the Parliament's report deviated from the proposals of the Delors committee and the Commission on three important points: the nature of EMU, the aims of monetary policy and central bank independence. He credited the socialist group for this difference:

'On the proposal of the Socialist Group, Parliament posits in contrast the necessity of a true economic union, of a monetary policy that is partly geared to broader social and economic objectives, such as employment and growth, and of a central bank that is autonomous in its implementation of monetary policy within objectives laid down by the Council and Parliament'.⁸³

Metten continued that the proposals of the Commission implied that European macroeconomic policy would be mainly monetary policy. 'That may be an attractive prospect for Milton Friedman; my group finds it catastrophic. It would mean that the Community had instruments for putting a brake on economic growth but not for stimulating that growth'.

Metten further talked about the battles in the Committee on Economic and Monetary Affairs and Industrial Policy regarding the preparation of the Herman Report, at which Herman at one moment abstained regarding his own report. Metten argued that: 'When I see how my group, in good cooperation with the other groups on the Left, has drastically amended Mr Herman's report, to such an extent in fact that Mr Herman had himself to abstain from voting in the Economic Affairs committee, yet that, after a few changes, he will be voting for this report together with an even larger majority, I cannot but think that this report proves that this Parliament is a progressive parliament that is capable of fighting for powers that only recently were deemed unattainable'.⁸⁴ He concluded that his group was satisfied with the Herman Report and would vote for it.

Metten was followed by Bouke Beumer, a Dutch Christian democrat and the chair of the Committee on Economic and Monetary Affairs and Industrial Policy. In his view, EMU constituted a fundamental change for the Community and would have important implications, also for the role of the European Parliament and the function and size of the budget of the Community. He argued that further consultation was needed with the Commission and the Council on three issues: the relationship between monetary and economic policy, the mandate of the European Central Bank, and budgetary discipline.

Figure 9: SOC MEP Alman Metten.



Source: Communautés européennes - EP 1992.

⁸³ A. Metten (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0020, 3-390/60.

⁸⁴ A. Metten (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0020, here 3-390/61.

Beumer also commented on the discussions in the Committee on Economic and Monetary Affairs and Industrial Policy regarding the relationship between monetary and economic policy. 'The question is, for instance: must monetary policy produce above all else a good monetary product in the narrower sense, namely, healthy, stable currency as the best contribution to other policy, or must it be made more directly serviceable to economic or social policy? Dilemma!' He admitted that, because of the intensive discussions, the resolution 'deserves no prizes for elegance of wording, yet even so, on balance, a clear course is indicated'. He emphasized that not only Herman made concessions, but also the Socialists. As the concessions remained within the limits set by his group, the European People's Party would support the Herman Report.

François-Xavier de Donnea, a francophone Belgian liberal, spoke for the Liberal and Democratic Reformist Group. For him, EMU was an important milestone on the road to political union, without political union, 'monetary union could not last; it would be bound to disintegrate'.⁸⁵ He was in broad agreement with the overall objectives and final architecture of economic and monetary union, as described in the Herman interim report. He further argued to 'lose no time' in eliminating the obstacles to the free circulation of the ECU and asked for a clearer position on the attitude regarding the monetary financing of public deficits, 'It would be unacceptable for the budgetary policy pursued by one State to compromise monetary stability throughout the Community'. In his conclusion he emphasized that it was crucial to reach a consensus with which all twelve Member States of the Community could agree, 'With the developments taking place in Germany and Eastern Europe it is more important than ever for the European Community to have a solid Atlantic front, with all of its components remaining fully within our European Community'.⁸⁶

Brigitte Ernst de la Graete, a francophone Belgian, speaking for the Green Group, was very critical of the EMU project and the Herman Report. She feared that EMU would 'merely lend further momentum to the establishment of a Europe designed purely for commerce, which is manifestly the priority objective in the Herman Report'.⁸⁷ She continued that the economic and monetary union project would make for less fiscal justice, would exacerbate economic competition, and would be at the expense of the environment. The Greens would be abstaining and some, the 'most pessimistic among us', might even vote against the report, 'It makes sense in our view to decline to take a position on the use of an instrument — monetary union — until we know more about the content of the policy that it is intended to serve'. It shows how, in the 1980s, the Greens were very much an anti-establishment group which aimed at challenging the existing structures. Moreover, they had good relations with Eurosceptic groups in the European Parliament (Interview Schwalba-Hoth, founding

Figure 10: Green Group MEP Brigitte Ernst de la Graete.



Source: Communautés européennes - EP 1992.

⁸⁵ F.-X. de Donnea (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0040, 3-390/62.

⁸⁶ F.-X. de Donnea (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), here 3-390/63.

⁸⁷ B. Ernst de la Graete (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0060, 3-390/64.

member of the German Greens, and former MEP). The green parties which were represented in the European Parliament had formed the 'Green Alternative European Link' (GRAEL). GRAEL was part of a larger coalition of parties in the European Parliament which was called the 'Rainbow Group', an 'association of parties united in in their opposition to the European Community as it exists today and with its present priorities'.⁸⁸

Pierre Lataillade, a French Gaullist, speaking for the Group of the European Democratic Alliance, referred to the principle of subsidiarity and argued that it was too early to create a single currency, 'The time is not ripe. To attempt it would be a mistake'.⁸⁹

Karel Dillen, a Flemish nationalist (from Belgium), intervened for the Technical Group of the European Right. He highlighted the danger of a technocratic Europe, 'a Europe of eurocrats who have no eyes, even less interest and no respect or care at all for a living Europe as a mosaic of nations with a diversity of language, civilizations and cultures'.⁹⁰ He feared a European political union, 'we must be watchful to ensure that this political integration does not become a deadly victory over the diversity of the nations of Europe'.

Figure 12: Jacques Delors during a plenary session at the European Parliament.



Source: Communautés européennes – EP 1990.

Philippe Herzog, a French communist, speaking for the Left Unity Group, noted the concerns of various groups, notably the Greens and the Socialists, and argued that the Herman Report needed to be changed drastically. He advocated a selective credit policy, in favour of employment and production. He was also in favour of an increase in the structural funds, but advocated a new way of managing them, 'not by increasing the Commission's centralized power. On the contrary, what is needed for these funds is increased decentralized social and national control, exercised by the trade unions and national parliaments'.⁹¹

Jacques Delors, in his reply, observed that several of the points raised, like the powers of the European Parliament and the social dimension, would also be discussed in the other IGC on political union. Regarding economic and monetary union, he focused mainly on the balance between economic union and monetary union and the independence of the monetary decision-making centre.

Delors frankly admitted that there was an imbalance between monetary union and economic union. However, he defended the creation of a single monetary decision-making centre. He recalled

⁸⁸ Rainbow Politics, 1988, Frank Schwalba-Hoth Archives (FSHA), GRAEL, Brussels: European Parliament, 58., here: 5.

⁸⁹ P. Lataillade (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0080, 3-390/66

⁹⁰ K. Dillen (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0100, 3-390-66.

⁹¹ P. Herzog (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0110, 3-390/67.

the earlier discussions on the directive on liberalisation of capital movements, when several MEPs argued that the creation of a common financial area necessitated a common monetary policy: 'The very people who are now talking about an imbalance were then calling for a single monetary policy to control capital movements and deal with imbalances originating either within or outside the Community. Remember'.⁹² Delors further observed that, in his view, economic union not only concerned budgetary policy, but also incomes and social policy, the dialogue between the social partners as well as structural measures on the supply side and regional development. He advocated further an increase of the Community budget.

Delors then went into the issue of the independence of the central bank, a key issue of disagreement between the Parliament, on the one hand, and the Commission and the Council, on the other hand. Delors argued that central bank independence had enabled many countries not only to achieve price stability but also to maintain harmonious growth and create jobs and prosperity. Moreover, he argued, independence did not mean unaccountability. 'The monetary institution must constantly explain its actions, be transparent in its decision-making and persuade public opinion; in the event of serious disagreement, there has to be machinery allowing the national parliament, or in our case the European Parliament, to express its disapproval'.⁹³ He further argued that central bank independence was necessary to achieve a consensus among the Member States, 'since those countries whose experience is based on the independence of the monetary decision-making centre are not going to be prepared to take a retrograde step'.

In October followed a second Herman Report with concrete Treaty amendments.⁹⁴ One of the key demands was co-decision for the European Parliament in certain areas. As observed in a note of the Belgian Permanent Representation, the Herman Report wanted to obtain the double legitimacy of the Community: Council and Parliament, as also advanced in the Martin Report of the Committee of Institutional Affairs of the European Parliament.⁹⁵

3.2. The Maastricht Treaty

At the June 1990 European Council in Dublin, the opening date for the two IGCs was fixed for 13 and 14 December. To prepare for the IGCs, the Italian Presidency convened a meeting of the Council on 27 and 28 October 1990 in Rome. On the agenda were not only the preparations for the two IGCs, but also the international situation, comprising a large-scale program to support the Soviet economy. At the start of the meeting the President of the European Parliament, Barón Crespo, gave a short presentation, with at its core the role of the European Parliament in the two IGCs. Barón Crespo said that the European Parliament was following the preparations for the two IGCs 'with the closest attention and some anxiety'.⁹⁶ He argued that the interinstitutional conferences had been very useful and pointed out that the European Parliament wanted a more substantial participation in the two IGCs than in the negotiations for the Single European Act. He formally requested:

⁹² J. Delors (15 May 1990), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1990//DE19900515-12/0140, 3-390/69.

⁹³ J. Delors (15 May 1990), Intervention, [Economic and monetary union](#), here 3-390/69.

⁹⁴ F. Herman (25 September 1990), [Report of the Committee on Economic and Monetary Affairs and Industrial Policy on Economic and Monetary Union](#), Historical Archives of the European Parliament (HAEU), Session Documents, Series A, Document A 3-223/90, PE 140.147/fin/A.

⁹⁵ Note pour Monsieur l'Ambassadeur (5 October 1990), Belgian Permanent Representation, Bernard Snoy Archives (BSA).

⁹⁶ Speech by the President of the European Parliament to the European Council (27 October 1990 Rome), Historical Archives of the European Union (HAEU), EU.HAEU/PE3.P1.200/PRES.220/RELA.221/RICS//0CON-1989-030/0070, 4.

- '(1) that the texts drawn up by Parliament should be considered as working documents of the conferences and should have the same status on the debating table as Commission proposals;*
- (2) that Parliament participate in the conferences through the presence of its President at ministerial level meetings;*
- (3) that the conclusions of the conferences should be submitted in the first place to Parliament with a view to achieving a global agreement, before they are submitted to the Member States for ratification'⁹⁷*

After his intervention, Giulio Andreotti, the Italian Prime Minister, thanked Barón Crespo for his presentation (the minutes of the meeting observed that Barón Crespo 'did not finish his coffee').⁹⁸

Thereafter, during the meeting of the Council, there was a heated controversy on the role of the European Parliament in the new constitutional architecture of the European Union. Some Members, like Martens and Kohl, were strongly in favour of increasing the role of the European Parliament. Kohl argued that economic and monetary union and political union were indissolubly linked: 'Our cooperation in EMU is based on the assumption of the move to Political Union'. The main issue for him was reinforcing the rights of the European Parliament: 'We cannot go into the 1994 elections without more rights for European Parliament'. Other members of the Council were more sceptical and reluctant. Felipe González argued that one should not exaggerate the democratic deficit: 'I am just as democratically elected as the Members of the European Parliament'. Mitterrand argued that the Council was the most democratic element of all the European institutions: 'We are here because the people put us here', and he continued: 'I do not need to be double checked by Barón Crespo!'

During the Rome European Council, the Italian government, sensing a window of opportunity with the dramatic changes which were occurring in Europe's geopolitical scene, manoeuvred to have a clear mandate for the IGC on economic and monetary union, comprising the ECU as the single currency of the Community (Interview Vattani). The IGCs started in December 1990 and reached their climax at the Maastricht Summit of Heads of State and Government in December 1991. The Maastricht Treaty marked a step forward for the Community in the same way that the Treaty of Rome had done. It created a so-called European Union, based on three pillars.

The first pillar had at its core the old Community but carrying greatly extended responsibilities with it, especially economic and monetary union. The second pillar was for foreign and security policy. The third one concerned cooperation on such topics as immigration, asylum and police. These last two pillars were intergovernmental bodies in which the Commission, Parliament and Court had a more restricted say. The European Parliament, in its resolution on the results of the IGCs, gave this pillar structure the top place in its list of major shortcomings of the Maastricht Treaty.⁹⁹ The new Treaty also extended the powers of the European Parliament and comprised a social chapter (two key issues for the European Parliament).

Economic and monetary union has a kind of asymmetrical structure. Monetary policy is centralised. It is the responsibility of the European System of Central Banks (ESCB), composed of the European Central Bank (ECB) and the national central banks, which are all independent. The primary objective of monetary policy is price stability. Without prejudice to the objective of price stability, the ESCB will support the general economic policies in the Community. This part of the Treaty went quite smoothly through the IGC. An exception was banking supervision, which was the topic of intense

⁹⁷ Speech by the President of the European Parliament to the European Council (27 October 1990 Rome), p. 6.

⁹⁸ European Council (1990) Meetings, European Council in Rome (27 October 1990), Historical Archives of the European Union (HAEU), TPS-236.

⁹⁹ European Parliament [Resolution on the results of the Intergovernmental conferences](#), *Official Journal of the European Communities (OJEC)* (No C125/81-C125/87, 7 April 1992), 35.

debates, finally resulting in the 'enabling clause' that would become the basis for the later supervisory role of the ECB.¹⁰⁰

The responsibility for economic policy, like budgetary policy and incomes policy, remained basically decentralised, resting with the national authorities. However, Member States have to regard their economic policies as a matter of common concern and coordinate them accordingly. The coordination process of budgetary policy had been the topic of some of the tensest discussions during the IGC. France had proposed a *gouvernement économique* (economic government), whereby the Council would provide for broad orientations for economic policy, including monetary policy. This provoked a strong clash with Germany, for whom the independence of the European Central Bank was '*a conditio sine qua non*'. However, German policy-makers were also convinced of the necessity of a coordination of other economic policies, especially budgetary policy, as they determined the environment in which monetary policy had to function. Important elements in this coordination process are the Broad Economic Guidelines, the multilateral surveillance process and the excessive deficit procedure. Later they were supplemented with the Growth and Stability Pact and the Eurogroup.

The Maastricht Treaty also specified the path to EMU, another very difficult issue during the IGC. The second stage started in January 1994. The main elements of this second phase were the creation of the European Monetary Institute, the precursor to the European Central Bank, and the abolition of the monetary financing of public authorities.

For Stage Three, EMU itself, the Treaty stipulated two dates: 1997, if a majority of Member States could fulfil the criteria, and 1999 as an ultimate date. To participate, the Member States had to fulfil certain conditions, especially central bank independence and the achievement of a high degree of sustainable convergence. Of special importance in these assessments were four 'convergence' criteria regarding price stability, the sustainability of public finance, currency stability, and interest rates.

The conditions for the start of monetary union, namely a fixed date and the satisfaction of the convergence criteria, were again the outcome of significant discussions. During the negotiations, Germany insisted on economic criteria so that only countries which were fit could participate in the monetary union and succeeded not to incorporate a fixed date in the draft treaty. However, at the Maastricht summit Kohl agreed with a fixed date for the start of EMU.

The Maastricht Treaty then resembled the Delors Report very much. A reason for this, as Delors observed during a debate in the European Parliament, was that the Delors Report remained 'the broad basis of discussion, despite the difficulties of finding compromises; every attempt to depart from it has met with failure to find a solution'.¹⁰¹ As Fernand Herman observed, Delors preferred a 'compromis boiteux à un blocage sterile' (a shaky compromise to a sterile blockage).¹⁰²

3.3. The adoption of the Maastricht Treaty

The European Parliament had no official role in the ratification of the Maastricht Treaty. However, two national parliaments (the Belgian and the Italian) took the position that they would only ratify the Treaty if also the European Parliament approved it. The European Parliament debated the Maastricht Treaty in April 1992 and urged the national parliaments to approve the Maastricht Treaty.

¹⁰⁰ N. Véron, *Europe's Banking Union at Ten: Unfinished yet Transformative*, Brussels: Bruegel, 2024, pp. 16–20.

¹⁰¹ J. Delors (12 June 1991), Intervention, *Economic and monetary union*, Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1991//DE19910612-02/0030, 133.

¹⁰² F. Herman, *Europe Mon Pays*, Éditions Espaces, 1989, p. 70.

As part of the European Parliament's way of working, the Committee on Institutional Affairs set out to prepare a report on the IGC. The rapporteur was David Martin, a British socialist. Following a proposal by the President of the European Parliament, the committee decided to incorporate the conclusions of the opinion of the Committee on Economic and Monetary Affairs and Industrial Policy into its resolution, 'in view of the special responsibility of that committee and its rapporteur, Mr Herman, for the intergovernmental conference on Economic and Monetary Union'.¹⁰³ The Martin-Herman Report formed the basis for the debates in the European Parliament on 7 April 1992 and for the resolution which it adopted.

The report and the resolution presented a mixed picture, saluting the progress towards European Union, but also emphasising the shortcomings of the Maastricht Treaty. Among the positive elements of the Treaty, 'requested before the IGCs by the EP [European Parliament]', the resolution mentioned, in the first place, 'the commitment to establish economic and monetary union with a single currency and a central bank'.¹⁰⁴ The resolution regretted the special provisions for the United Kingdom regarding monetary union but expected that 'the opt-out clause regarding EMU will, in practice, never be used'.¹⁰⁵ The resolution further regretted that EMU appeared to 'be exclusively geared to stability' and deplored that the scope for parliamentary influence would suffer, 'since national parliaments will lose their ability to discipline national governments because the Council will act by a qualified majority, while the European Parliament will only be notified after the event'.¹⁰⁶

During the debate, Fernand Herman argued that the European Parliament should be delighted that the goal of monetary union, for which the Parliament had always had a pioneering role was finally attained:

*'Parliament has various reasons for taking satisfaction at the number of its ideas carried over into the Delors plan to start with and into the Maastricht text eventually. The European System of Central Banks, the constitution of the bank, its objects, its autonomy, the role of the ECU and so on, as they are now set out in the Treaty, bear a strange resemblance to Parliament's report, whose antecedence cannot be disputed'.*¹⁰⁷

Herman then summarised his criticism of the Maastricht Treaty: the transitional period was too long; the European Parliament had not been given its rightful role (the Parliament had no say in the appointment of the ECB's top management, even if they were accountable to the Parliament); the

Figure 13: SOC MEP David Martin.



Source: Communautés européennes - EP 1991.

¹⁰³ European Parliament (26 March 1992), [Report of the Committee on Institutional Affairs on the results of the intergovernmental conferences](#), Historical Archives of the European Parliament (HAEP), Session documents, A3-0123/92/PART I, 3.

¹⁰⁴ European Parliament (7 April 1992), [Resolution on the results of the Intergovernmental conferences](#), Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.INST.1989.RP//A3-0123/92/0001, C-125/83.

¹⁰⁵ European Parliament (7 April 1992), [Resolution on the results of the Intergovernmental conferences](#), here 84.

¹⁰⁶ European Parliament (7 April 1992), [Resolution on the results of the Intergovernmental conferences](#), here 85.

¹⁰⁷ F. Herman (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0020, 3-417/71.

balance between the economic and monetary pillar was not right (economic policy relied too much on cooperation); and insufficient progress had been made towards political union.

During the debate, most of the groups in the European Parliament endorsed the Maastricht Treaty and the Martin-Herman Report, with varying degrees of enthusiasm and disappointment. Leo Tindemans, speaking for the EPP, noted that the decisions on economic and monetary union were 'proof of Europe's courage'.¹⁰⁸ Klaus Hänsch, speaking for the Socialist Group, remarked that the motion for a resolution reflected their 'approval and criticism in every respect'.¹⁰⁹ Yves Galand, speaking for the Liberal, Democratic and Reformist Group, said that his group took 'a favourable view of the main thrust of the decisions taken in Maastricht', and would approve the Martin-Herman Report.¹¹⁰ Luigi Colajanni, an Italian communist, speaking for the Group for the United Left, told that also his group would be voting in favour of the Martin-Herman Report. He observed that this was significant, as all the parties of his group were, in their own countries, in the opposition. Adelaide Aglietta, speaking for the Green Group, proposed an amendment to the Martin-Herman resolution, to bring forward to 1994 the new IGC which was foreseen to remedy 'all shortcomings of the current Treaty'.¹¹¹ As this amendment was rejected, the Green Group voted against the resolution. Jaak Vandemeulebroucke, a Flemish nationalist, speaking for the Group of the European Radical Alliance, argued that his group was disillusioned with the treaty and that his group would abstain. Yvan Blot, speaking for the Technical Group of the European Right, considered the Maastricht Treaty as 'the latest in the series of institutional mistakes that have been made in the post-war period'.¹¹² The resolution was accepted by a large majority of the European Parliament: 226 for, 63 against and 31 abstentions.¹¹³

¹⁰⁸ L. Tindemans (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0090, 3-417/75.

¹⁰⁹ K. Hänsch (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0160, 3-417/81.

¹¹⁰ Y. Galand (7 April 1992), Intervention, European Union, Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), 3-417/83.

¹¹¹ A. Aglietta (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0210, 3-417/86.

¹¹² Y. Blot (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0240, 3-417/87.

¹¹³ European Parliament (7 April 1992), [Minutes of proceedings](#), Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.SEANCE.1992//SEAN-19920406/0020, 14.

4. European Parliament strategies for promoting economic and monetary union

The influence of the European Parliament on Europe's EMU project is not always easy to trace. In the academic literature, the European Parliament's influence has been described as 'elusive and difficult to measure'.¹¹⁴ During IGCs, an intergovernmental logic will dominate. As the final negotiations are between national governments, to have an influence on the outcome of the IGC, one should then have an influence on national positions (Interviews Cloos, a member of the Permanent Representation of Luxembourg to the EU, among other positions, and Eyskens). However, an IGC does not start from nothing. The European Parliament has played an important role in shaping the terrain for the IGCs which led to the Maastricht Treaty. This is even more relevant for the EMU project, where the IGC was the end game of a very long game. Already with the 1962 Van Campen Report, the European Parliament put EMU on the agenda of the European Communities. Over time, the European Parliament has been pursuing different approaches to move forward the EMU. The focus will be on four strategies which the European Parliament has been following: entrepreneurial leadership, interinstitutional strategies in the community multilateral governance system, cooperating with other actors, and working with the media.

4.1. Entrepreneurial leadership

In the debates on economic and monetary union, the European Parliament, played a pace-setting role. In the academic literature, different criteria of an agenda-setting strategy have been distinguished, especially putting forward persuasive ideas, making compelling demands, and credibility and consistency in the demands.¹¹⁵ Throughout time, in its approach to EMU, the European Parliament put forward innovative ideas on monetary integration and played so a leading and pioneering role in the EMU debates. The European Parliament has been compelling in its demand as it kept EMU on the agenda, also in difficult times. Moreover, the European Parliament has been remarkably consistent and credible in its demands for economic and monetary union. This demand for economic and monetary union fitted in with the strongly federalist approach of the European Parliament during the period under consideration, even if there were significant differences on the nature of EMU among the MEPs.

Already in 1962, with the Van Campen Report on the coordination of monetary policies in the European Economic Community, the European Parliament raised the issue of monetary union. Other important initiatives were the monetary chapter of the 1984 Spinelli Draft Treaty and the work of the intergroup European Currency of the European Parliament during the period 1984 to 1989. To prepare for the IGC on EMU, the European Parliament prepared a report with Fernand Herman as rapporteur.

As mentioned, there were also divergencies in the European Parliament. The EMU project was very much advocated by the Christian democrats and the liberal groups, as well as the socialist group. During the period covered by this study, these groups had a comfortable majority in the European Parliament. Other groups, like the Greens, the communists, the Gaullists, or more nationalist groups were more sceptical of the EMU project (and a federal Europe).

As for the nature of EMU, there was a broad consensus in the European Parliament to aim for an EMU with both a strong monetary and a strong economic pillar (a consensus which, moreover, held

¹¹⁴ K. M. Johansson, '[Another Road to Maastricht: The Christian Democrat Coalition and the Quest for European Union](#)', *Journal of Common Market Studies*, Vol. 40(5), 2002, p. 876.

¹¹⁵ I. Maes and A. Verdun, '[Small States and the Creation of EMU: Belgium and the Netherlands, Pacesetters and Gatekeepers](#)', *Journal of Common Market Studies*, Vol. 43(2), 2005, p. 327.

well up over time). Moreover, the European Parliament was critical of a technocratic economic and monetary union and argued for a democratic dimension in which the European Central Bank would have to render account to the European Parliament. With EMU, the hearings of the President and the members of the Board of the ECB have come to play a crucial role in the accountability process, very much like the testimonies of the chair of the Federal Reserve System for the US congress. Furthermore, the European Parliament was concerned about the social and regional imbalances which EMU might cause. It also paid attention to the issue of prudential supervision in a monetary union. However, several demands of the European Parliament went against the limits of the transfer of national sovereignty which Member States were willing to concede at the time of the Maastricht Treaty negotiations.

4.2. Interinstitutional strategies in the community multilateral governance system

Already during the Rome Treaty negotiations, the Common Assembly of the European Coal and Steel Community (ECSC) created a working party to follow the IGC.¹¹⁶ During these meetings the Members of the ECSC Common Assembly could question the negotiators of the IGC, and they also raised the issue of a common monetary policy. Paul-Henri Spaak, the President of the IGC, replied that one should approach the monetary issue with 'infiniment de prudence' (infinite caution).¹¹⁷ In his view, given the French negotiation position, the negotiations would fail if money would have to be included.

When the negotiations leading to the Maastricht Treaty started, an interinstitutional dialogue was established, on the demand of the European Parliament. It would take place just before the meetings of the IGCs. This interinstitutional dialogue comprised meetings between the Parliament, the Commission and the Council. However, the European Parliament was not always happy with how the interinstitutional dialogue was proceeding. During the debates of the Parliament on 12 June 1991, Fernand Herman and George Patterson, a British conservative, discussed 'the great mystery', related to the meeting of the interinstitutional dialogue on 11 June. As argued by Patterson, 'every single minister present said that they supported a greater role for the European Parliament. Yet, when we looked at the non-paper from the Luxembourg presidency, Parliament was completely absent from economic policy. The President-in-Office says that the non-paper reflects the proposals of the various participants. He also went on to say that the position of different governments was "nuanced". I must say the word I would use is "duplicitous". I would like to know what is the real position of the intergovernmental conference'.¹¹⁸

While the different institutions in the community governance system have clearly different functions, it is also important to keep in mind that there is a quite significant mobility between the institutions. During their career, several politicians move between the institutions, making for important networks between the institutions and making also for shared understandings. A key example is Jacques Delors, who had been a MEP and chair of its Economic and Monetary commission. Becoming President of the European Commission he knew then very well the European Parliament and used it as a forum. He started with an unofficial investiture debate in the beginning of his presidency of the Commission and used the European Parliament for important announcements. Many important politicians went, especially at the end of their career, to the

¹¹⁶ Piodi, *The Long Road to the Euro*, p. 17.

¹¹⁷ Communauté européenne du charbon et de l'acier (8 Décembre 1956), Groupe de travail, [Compte-rendu](#), Historical Archives of the European Parliament (HAEP), EU.HAEU/AC.AP.GRTR.1955.PV//GRTR-19561208/0010, 23.

¹¹⁸ G. Patterson (12 June 1991), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1991//DE19910612-02/0070, 3-406/140.

European Parliament. For instance, several Belgian prime ministers, like Leo Tindemans, Wilfried Martens, Jean-Luc Dehaene and Guy Verhofstadt, had important functions in the European Parliament after their Belgian political career. This all makes for a labyrinth of networks in which ideas and strategies are discussed. But this makes it sometimes difficult to really understand the influence of different actors.

While the European Parliament has used its networks to weigh on the decision-making process, one must admit that the Council takes the crucial role in the EU governance framework. As observed by Delors in the European Parliament on Europe's EMU process, 'none of the important decisions would have been taken if the Council had not given the necessary lead'.¹¹⁹ Delors was very well aware that the Council, with the Heads of State and Government was also important for the democratic legitimacy of the European project. Moreover, as President of the Commission he was a member of the Council and he was skilful in manoeuvring the Council, especially through his knowledge of dossiers and good relationship with Kohl.¹²⁰

4.3. Cooperating with other actors

Cooperation with other actors was a crucial strategy for MEPs. They were naturally members of their national party and were also active in their European party. All the parties would hold regular meetings and conferences (and there were also many informal contacts). A special place was taken by the party summits before a European Council meeting, which would bring an opportunity to 'tune the violins' before crucial Council negotiations (Interview Teasdale, former Head of policy strategy and legislative planning for the EPP Group in the European Parliament, founding Director-General of the European Parliamentary Research Service). Of special importance were the Christian democrats, as they accounted for six of the twelve heads of government during the IGCs leading to the Maastricht Treaty. Among them was Helmut Kohl, the German Chancellor, the crucial player in the EMU dossier. As later observed by Wilfried Martens, there was 'nobody who had ever invested more in the EPP'.¹²¹ Moreover, Christian democratic prime ministers held the rotating presidency during the IGCs: Giulio Andreotti of Italy, Jacques Santer of Luxembourg and Ruud Lubbers of the Netherlands. Furthermore, Wilfried Martens, the Belgian Prime Minister during the Maastricht Treaty negotiations, had become the President of the EPP in 1990. He was a convinced European federalist. During the EPP summits, also Egon Klepsch, the EPP Group chair in the European Parliament participated.¹²² Martens remembered very well the EPP summit in the Chancellery in Bonn on 30 May 1988 (before the Hanover summit which would establish the Delors committee), observing that Kohl was a great advocate of economic and monetary union as well as of the extension of the powers of the European Parliament.¹²³ At the October 1990 Christian democratic summit, a consensus was reached to set 1 January 1994 as the date for the beginning of the second stage of EMU, one of the absolute priorities of the EPP.¹²⁴ This went through in the ensuing Rome European Council meeting. Thatcher was not amused that she had been outmanoeuvred by the European Christian Democrats.¹²⁵

¹¹⁹ J. Delors (12 June 1991), Intervention, [Economic and monetary union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEP), EU.HAEU/PE3.AP.DE.1991//DE19910612-02/0030, 3-406/134.

¹²⁰ E. Mourlon-Druol, '[Steering Europe: Explaining the Rise of the European Council, 1975-1986](#)', *Contemporary European History*, Vol. 25(3), 2016, p. 424.

¹²¹ Martens (2006), *De Memoires*, here 585.

¹²² Johansson, *Another Road to Maastricht*, p. 879.

¹²³ Martens, *De Memoires*, here 609.

¹²⁴ E. Klepsch (1 July 1991) Note on the absolute priorities of the EPP, Bernard Snoy Archives (BSA).

¹²⁵ Thatcher, *The Downing Street Years*, p. 765.

One of the staunchest defenders of the European Parliament was Belgium: it was one of the founding nations of the Community with a strong federalist conviction and close contacts with the European Parliament (which is partly based in Belgium). Philippe de Schoutheete, the Belgian permanent representative at the European Communities, in a note for Finance Minister Maystadt, observed that the European Parliament could not defend itself as it did not participate in the IGC. The Belgian Government had therefore concluded that Belgium had to develop the role of the Parliament.¹²⁶ The role of the European Parliament was then a constant concern and point of attention for the Belgian negotiators. A significant threat was a French initiative that aimed at incorporating EMU in a 'fourth pillar', with no role for the European Parliament and Commission (Interview de Schoutheete).

In Belgium, an important informal forum were the meetings on the IGCs organized by the Institute of European studies of the Université Libre de Bruxelles and the Groupe d'études politiques européennes. The President of the Institute of European studies of the Université Libre de Bruxelles was Jean-Victor Louis, who was also the Head of the Legal Service of the National Bank of Belgium. The main presentations at the conferences were by the Belgian negotiators at the IGCs: Philippe de Schoutheete, as well as Bernard Snoy and Grégoire Brouhns, the chefs de cabinet and personal representatives of Finance Minister Philippe Maystadt at the EMU IGC. The meetings were attended by officials of several Belgian institutions (like Jean-Jacques Rey, a Member of the Board of the National Bank of Belgium) as well as academics and officials of the European institutions: the Council, Commission (Karel Van Miert, then the member of the Commission from Belgium), Court and Parliament. Several MEPs took part. Among them were Raymonde Dury, Richard Corbett, Fernand Herman and Leo Tindemans (then the President of the EPP Group in the European Parliament).

In his introductory essay for the conference of 25 June 1991, Bernard Snoy, the chef de cabinet and personal representatives of Finance Minister Philippe Maystadt, stressed that the new geopolitical situation, with the upheaval in Eastern Europe, made it necessary to accelerate the project of economic and monetary union, 'Il y a donc une chance historique qu'il faut absolument saisir' (There is thus a historical chance which one should absolutely take).¹²⁷ In discussing the interinstitutional equilibrium, Snoy observed that Belgium wanted to increase the role of the European Parliament.

At the conference of 8 November, Grégoire Brouhns, who had replaced Snoy as the chef de cabinet and personal representative of Finance Minister Philippe Maystadt at the EMU IGC, noted that the Dutch treaty project foresaw for fifteen interventions of the European Parliament in the decision-making process (information, consultation, cooperation and assent). In contrast, Belgium was more ambitious, as it proposed 29 cases of European Parliament intervention.¹²⁸ Fernand Herman argued that the first preoccupation of the European Parliament was the 'unicité institutionnelle' (institutional unity) of EMU. He further observed that, according to the European Parliament, the convergence criteria were too rigid.¹²⁹ Leo Tindemans was positive on the economic and monetary dimension of the Maastricht Treaty ('un travail extraordinaire', an extraordinary work)¹³⁰ and observed that the European Central Bank would be accountable to the European Parliament. He was more critical of

¹²⁶ De Schoutheete (1 June 1991) Aspects institutionnels du projet de traité UEM, Bernard Snoy Archives (BSA), 3.

¹²⁷ B. Snoy, Exposé introductif, *Les conférences intergouvernementales au terme de la présidence luxembourgeoise*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1991, p. 12.

¹²⁸ G. Brouhns, Exposé introductif, *Les conférences intergouvernementales avant le conseil européen de Maastricht*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1991, pp. 39–64.

¹²⁹ F. Herman, Commentaires, *Les conférences intergouvernementales avant le conseil européen de Maastricht*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1991, pp. 65–66.

¹³⁰ L. Tindemans. Communication, *L'union européenne après Maastricht*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1992, p. 48.

the political union dimension of the Maastricht Treaty and argued for a Constitution for the European Union before enlarging the Union.

At the conference of 21 February 1992, Grégoire Brouhns noted with satisfaction that the Maastricht Treaty foresaw for 22 interventions of the European Parliament in the decision-making process (compared to 15 in the Dutch draft treaty).¹³¹ These concerned information (seven cases), consultation (nine cases), cooperation (four cases) and assent (two cases). Fernand Herman was more critical of the Maastricht Treaty. He concluded that the cleavage between the declared objectives and the capacity to realise them was flagrant. If this was not remedied, the future enlargements would lead to a weakening of the Community.¹³²

4.4. Working with the media

Notwithstanding worthwhile efforts, the European Parliament was not at the centre of media attention in Europe's EMU process. Like most MEPs, Fernand Herman was very well aware of the role of the media and gave regular interviews, especially to francophone Belgian newspapers. He had a special relationship with *Le Courrier de la Bourse et de la Banque*, the Belgian francophone equivalent of the *Financial Times*, in which he would regularly publish an Op-Ed (the Op-Eds, covering the period from December 1990 to June 2004, were published in a book).¹³³ During the debate on the Maastricht Treaty in the European Parliament, Herman was proud that the Maastricht Treaty's chapter on monetary union contained many ideas which were earlier formulated in the European Parliament. However, he was somewhat frustrated that this was 'largely ignored by the media'.¹³⁴

The media, not unnaturally, focused very much on the moments were the important decisions about economic and monetary union were taken and the actors which were responsible for the crucial decisions. In its article on the run up to the Maastricht Treaty, the British weekly *The Economist* focused strongly on the Heads of State or Government of the big Member States (Helmut Kohl, François Mitterrand and Margaret Thatcher), as well as Jacques Delors. The European Parliament is mentioned, together with Mark Eyskens (then Belgium's Minister of Foreign Affairs), as 'Believers in a federal Europe', who argued to balance EMU with political reforms.¹³⁵

Commission President Jacques Delors, as a former MEP, used the European Parliament, very consciously, as a tribune for his views and policy proposals. In the beginning of his first mandate, he presented his program to the European Parliament for a type of investiture debate, even if this was not officially required. At important moments, he presented key policy proposals in the European Parliament.¹³⁶ An example was the idea to have two IGCs (one on EMU and one on political union), which Delors presented in January 1990 at the European Parliament. It was explicitly mentioned in *The Economist* in its article on the run-up to the Maastricht Treaty.¹³⁷

¹³¹ G. Brouhns, *Exposé introductif, L'Union européenne après Maastricht*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1992, p. 92.

¹³² F. Herman, *Commentaires, L'union européenne après Maastricht*, Institut d'études européennes, Université Libre de Bruxelles, Groupe d'études politiques européennes, 1992, p. 106.

¹³³ F. Herman, *Europa Patria Mea: Chronique de 15 Années de Vie Politique, Économique et Sociale Européenne*, Bruxelles: Didier Devillez, 2006.

¹³⁴ F. Herman (7 April 1992), Intervention, [European Union](#), Debates of the European Parliament, Historical Archives of the European Parliament (HAEU), EU.HAEU/PE3.AP.DE.1992//DE19920407-03/0020, 3-417/71.

¹³⁵ The history of the Maastricht summit, *The Economist*, 30 November 1991, p. 29.

¹³⁶ É. Bussière, *L'Europe de Jacques Delors*, Paris: Sorbonne Université Presses, 2024.

¹³⁷ The history of the Maastricht summit, *The Economist*, 30 November 1991, p. 30.

As Delors observed in his *Mémoires*, the European Parliament was for him a 'tribune' to influence not only ministers, but also more specialized groups and even public opinion.¹³⁸ During the sessions of the Parliament, Delors went to Strasbourg for two, three or four days. He not only went to the plenary session, but also to committee sessions, the Bureau or political groups and had also plenty of informal contacts 'de façon à resserrer les liens, écouter et expliquer' (to strengthen connections, listen and explain).¹³⁹ And he concluded, 'le Parlement européen, c'est passionnant, mais c'est aussi un grand investissement en temps' (the European Parliament is exciting, but it is also an important investment of time).

The Maastricht Treaty led to a stronger presence of the European Parliament in the media in the area of economic and monetary policy. This is especially so for the hearings with the President and members of the Board of the European Central Bank, which are giving the European Parliament significant attention in the media.

¹³⁸ Delors, *Mémoires*, here: 305–6.

¹³⁹ Delors, *Mémoires*, here: 250.

5. Conclusion

Europe's EMU process has been an important topic of research and has led to a large literature, with perspectives from economists, political scientists, lawyers and historians. Most of the historical literature has focused on the 'high politics' (decisions taken at the level of the Heads of State and Government) or the technical actors involved, especially the central banks (who played a critical role in the shaping and implementation of the EMU project). In this paper the focus is on the role of the European Parliament. It is argued that the European Parliament had a leading and agenda setting role in the process of European monetary integration. It has been preparing and shaping the terrain in which significant decisions on economic and monetary union have been taken. Important initiatives were the 1962 Van Campen Report on the coordination of monetary policies, the monetary chapter of the 1984 Spinelli Draft Treaty, the work of the intergroup European Currency during the period 1984 to 1989, and the 1990 Herman Report to prepare the European Parliament's position for the IGC on economic and monetary union.

The European Parliament started as a consultative assembly for the European Coal and Steel Community and has been steadily trying to increase its powers and influence in the institutional power structure of the European Communities. It has been very successful in this. As a prominent scholar in European studies observed, 'In less than 40 years, the European Parliament evolved from being a Cinderella institution to an influential voice in the Union's policy process'.¹⁴⁰ The rise of the European Parliament in the European decision-making process happened in a time when significant progress was made in the process of European integration.

With the 1988 Hanover summit and the 1989 Delors Report, EMU took the central place on the official agenda of the European Union. The fall of the Berlin wall and the ensuing process of German unification dramatically changed the geopolitical outlook. It also put the enlargement of the European Union with the countries of Central and Eastern Europe on the agenda. Discussions followed about what should have priority: a deepening or a widening of the European Union. With the Maastricht Treaty and the EMU project, priority was given to a deepening of the European Union, before the widening.¹⁴¹ In the ensuing years, monetary integration would be followed by plans for strengthening financial integration, like the Financial Services Action Plan, the reform of the decision-making process for financial legislation (Lamfalussy procedure), and the Markets in Financial Instruments Directive.¹⁴²

With the Maastricht Treaty, the European Central Bank became explicitly accountable to the European Parliament. In the European Parliament, EMU matters were upgraded from a subcommittee of the Committee of Economic and Monetary Affairs and Industrial Policy to a full-fledged Committee on Economic and Monetary Affairs (ECON) committee. The monetary dialogue, a structured dialogue between the European Parliament and the ECB, became one of the important activities of the ECON committee. It is important for the transparency and democratic accountability of the ECB. As observed by Pervenche Berès, a former chair of the ECON committee, the monetary dialogue is 'no longer perceived as a risk for the independence of the institution but rather as a tool to justify and explain the ECB's monetary policy to the European Parliament and, through it, to the public, to the European citizen'.¹⁴³ In line with a growing professionalisation of its activities, the ECON committee, from the outset, set up expert panels composed of academics. The aim was to help correct the asymmetry in information that MEPs face in relation to the ECB. In the ensuing years, in

¹⁴⁰ B. Laffan, '[The European Parliament in Turbulent Political Times: Concluding Reflections](#)', *Journal of European Integration*, Vol. 41(3), 2019, p. 406.

¹⁴¹ Delors, *Mémoires*, p. 362.

¹⁴² Maes, *Half a Century of European Financial Integration*.

¹⁴³ P. Berès, '[The European Central Bank: What Accountability to the European Parliament, Corollary of its Independence in order to Assure its Credibility and its Legitimacy?](#)', *Revue d'Economie Financière*, 2021, No 144, p. 208.

line with the greater emphasis on financial integration and important legislative initiatives in this area, the ECON committee gave also more attention to financial matters (Interview Sörensen).

An important consequence of the introduction of the euro was further a differentiation between the Member States of the EU, between the ones which had adopted the euro and the ones which had not (yet) done so. This had also consequences for the issue of democratic legitimacy in the euro area. It created a problem for the European Parliament, as it did not have a committee consisting of only members of the euro area. Moreover, the European Parliament did not want to create such a type of committee as it could give the impression that the European Parliament was divided. However, this issue was also an argument for the Council not to give the European Parliament more powers in euro area matters (Interview Berès).

Regarding the nature of EMU, the European Parliament paid special attention to the democratic dimension of EMU, as well as to the social and regional cohesion of EMU and the responsibilities of the ECB in the area of prudential supervision. These elements were not really taken up in the Maastricht Treaty as they implied too important transfers of national sovereignty. The euro area debt crisis showed several of the deficiencies of Europe's economic and monetary union. It led also to important reforms of the economic governance of the European Union, especially a strengthening of the economic pillar of EMU and the establishment of the banking union, two old demands of the European Parliament.

Interviews

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Based on original archival research, interviews, media sources and wide ranging academic literature, this study focuses on the European Parliament's leading and agenda-setting role in the process of European monetary integration.

Important initiatives included the 1962 Van Campen Report on the coordination of monetary policies, the monetary chapter of the 1984 Spinelli Draft Treaty, the work of the intergroup on European Currency during the period 1984 to 1989, and the 1990 Herman Report to prepare the intergovernmental conference on economic and monetary union (EMU).

The first part of the study discusses the long history of European monetary integration, from the Rome Treaties to the Delors Report. The second part analyses the role of the European Parliament in the intergovernmental conference and the adoption by the European Parliament of the Maastricht Treaty. The third part investigates the influence of the European Parliament on the EMU process.

The European Parliament paid special attention to the democratic dimension of EMU, as well as to its social and regional cohesion and the issue of prudential supervision in a monetary union.

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