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Establishing the Economic and Monetary Union of the European Union: When the Idea of Europe Mattered

"A united Europe is not a modern expedient, be it political or economic, but an ideal which has been accepted since thousands of years by the best spirits of Europe, namely those who can see into the future. Already Homer described Zeus as 'europos' – an adjective meaning 'one who see very far'" (Rougemont, 1961)

Introduction

The Economic and Monetary Union (EMU) represents one of the highest levels of interstate economic integration ever witnessed in world history. However, it did not arrive without thorny difficulties. Strictly speaking, it took three decades, many sub-agreements, and countless hours of negotiations and complex and active work for the EMU to be fully realized.

The first ideas of, and practical efforts toward, the establishment of the EMU were outlined in 1960s within the European Community. The Werner Committee officially presented a 3-stage plan on October 8, 1970 for achieving the union. But the plan ran into a series of deep crises throughout the 1970s that resulted in its de facto suspension. The early 1990s saw a revision of the plan by the Delors Committee, and its eventual successful implementation. There is much academic literature analyzing these events. However, scholars differ in their interpretation of the facts, and therefore it still remains unclear why it was impossible to effectively implement the project in the 1970s and why it became achievable in the 1990s. In other words, *why did the EMU fail in the 1970s and why did it succeed in the 1990s?* This essay seeks to answer this important question.

Literature review

The „idea of Europe" is defined here as "the consciousness of Europe that existed at some particular point in history. This consciousness has strong idealistic overtones and it is clear that the European idea cannot be fully realized by a dictator or in an oppressive Europe" (Swedberg, 1994, p. 381). The Economic and Monetary Union is an institutional manifestation of this idea, and an example of what Durkheim (1974) called "collective representation". Since much has been written about it, let us briefly illustrate how the "idea of Europe" was understood and how it evolved over the centuries. This will help us to find similarities and differences between discourses of "ideas of Europe" during the establishment phase of EMU, versus earlier periods.

Many scholars argue that the European Union originated as an idea much earlier than the post-World War II or the interwar periods. Rougemont's quote above is a clear demonstration of this point. But if the impact of ideas, ideals and cultural symbols are primarily taken into consideration in analyzing the manifestation of the modern EU, rather than economic and political forces, then Swedberg's (1994) argument seems logical: "the idea of a European community goes as far back as the Middle Ages – and sometimes even to Antiquity" (p. 378). Indeed, we should not consider only politicians and leaders of interest groups, who see the project as a political task, as the founders of the European Community. We should also consider writers who "argue that the most important thing is to develop *a European consciousness* and to anchor this in appropriate institutions – something which necessitates a vision of what such a European community may look like so that people can be energized into action" (p. 381)

Thus, special attention should be paid to Chabod (1947), who analyses the idea of Europe from Antiquity World War I and highlights the age of "European Republics of Letters" and thinkers of the period such as Montesquieu, Machiavelli and Voltaire; to Gollwitzer (1951), who, in his *Europabild und Europagedanke,* studies

18^{th}-19^{th} century Germany and highlights the "perceptions of Europe as a family of nations, a cultural unity and a political community of fate… [Specimen] of European consciousness as a community as well as proposals for organizing this continent" (p. 8); to Hay (1957), who understands the notion of Europe through lenses of "historical semantics"; to Curcio (1958), who idealizes Europe and believes that in order to better understand the European idea, one should investigate "the thoughts and colors with which it has been formulated" (p. 5); to Brugmans (1970), who explains the European idea as "the grand stages of the European consciousness, its hopes and its deceptions, its advances as well as its dramatic setbacks" (p. 11); to Duroselle (1965), who explores "Europe" as viewed by political actors across centuries; to Lipgens (1982; 1985-1986), who emphasizes the 1940-1950 period as essentially important in appreciating the efforts to unite Europe after the devastating extreme nationalism; and to Duroselle's (1990) book *Europe: A History of Its Peoples*. Swedberg argue that (1994) "the author's attempt to integrate an account of the discourse on the European idea with a more conventional approach to the history of Europe" was successful (p. 3). The book was funded by banker Frederic Delouche; morally and ideologically he received support from Jean Monnet and Jacques Delors in their prefaces to Delouche's book of 1965 and Rougemont's 1990 edition.

Let us briefly describe the different meanings of "Europe" since Antiquity, employing the frameworks of these scholars (See also Dorpalen, 1948; Pagden, 2002; Thompson, 1994). From the "beginning", Europe was understood as a geographic concept, with Asia and Africa (previously called Libya) consisting of the external world. Europe later obtained a mythological connotation. Since the middle ages, especially the late 17^{th} century, Europe started to emerge as Christendom. The earliest incarnation of a united Europe is deemed to be Charlemagne's Empire, as he is often called *Rex pater Europae*. This is the time when Europe achieved its highest degree of unity. In the 17^{th}-18^{th} centuries, revolutions and chaotic religious and territorial wars were widespread on the continent and little effort was dedicated to the idea of Europe. The Reformation and counter-Reformation movements left little space for the ideas of Henry IV, Abbé de Saint-Pierre, Kant, Rousseau, Montesquieu, Penn and others to be fully realized. The writers of the Enlightment Age, including Voltaire, appeared to have less influence as Europe was firmly on the road to fragmentation. This culminated in the 1648 Treaties of Münster and Osnabrück, ending the 30-years' War and establishing the Peace of Westphalia and the classical balance of power system among principal European entities. Although some scholars argue that it "endeavored to evolve a community of states within which the individual members could live in peaceful cooperation" (Dorpalen, 1948, p. 714), the treaties were based on the sovereignty of its parties, keeping decision-making mechanisms firmly in the hands of the signatories, rather than in continental or regional hands.

After Charlemagne, Napoleon had the most far-reaching ideas of "Europe" while conquering nearly the whole continent. According to Metternich, Napoleon sought to create an empire like that of Charlemagne. Under the Napoleonic threat, it is no surprise that "some of the statesmen, who met in the Congress of Vienna in 1814-1815 were positive to some kind of united Europe, such as Castlereigh who spoke of the need to create a European Commonwealth" (Swedberg, 1994, p. 382), or Metternich and Talleyrand, who believed that only close cooperation (including with France as a full-fledged member) and the strengthening of the European idea would maintain peace and stability on the continent and make a European order workable again (Dorpalen, 1948, p. 721). One such idea was outlined by Saint-Simon & Augustin Thierry in their *"The reorganization of European society, or the need and the means to unite the peoples of Europe in a single political body while still preserving their individual nationalities"*. D'appollonia (2002) argues, they "fully grasped the importance of the industrial revolution and the impact it would eventually have upon the nations of the Old World… [and] praised a collaboration between the member states on a number of specific projects such as railways, central European banks, and an increase in the commerce of free exchange" (p. 180). This is especially important point as it fully previews the 1950 Schuman Declaration and the establishment of the Economic and Monetary Union.

Napoleon's Era was effectively replaced by a newly-fragmented Europe based on the Congress of Vienna and a restored balance of powers. Since there was no more a Napoleonic threat, "the European system, once more, gradually disintegrated". This was mostly realized in the form of economic interdependence, caused by industrialization and external economic threats from newly emerging world powers. D'appollonia (2002) states that "the project of the United States of Europe was a response more to the conscious desire to adapt the European states to the demands of a new international environment than to an innate desire to unify them. This is why the free-economists of the time supported the idea" (p. 176). However illogical it may seem, this high degree of European fragmentation coexisted with a relatively improved European economic unity.

Nationalism started to emerge since the second half of the 19^{th} century, posing both threats to and opportunities for Europe. D'appollonia (2002) explains that "[a] process of antagonistic identification allowed European nations to define themselves against each other… Here was the embryo of the coming conflicts between aggressive nationalisms that have divided Europe since the nineteenth century" (pp. 173-174). The interwar period was especially difficult for European ideals, when dangerous nationalism solidly grounded itself, especially in Germany where Hitler believed that European birth equated with European blood and belonging. As a result, as Dorpalen (1948) puts it, "the European polity broke down completely" (p. 732).

The nationalistic mood also made Eurofederalists fall short of their ambitions after World War II. Indeed, the efforts of European activists in the Hague Congress lost momentum and missed a window of opportunity. But in turn, nationalism simultaneously produced Europeanism, a European movement towards greater economic and political integration. Or as D'appollonia (2002) puts it, besides threats, "[here] also was the beginning of the grand strategies for a unified Europe based on closer, more enduring cosmopolitan projects" (p. 174). Apart from the fact that "the nostalgic memory of a lost cultural unity" played a role, Europeanism was further strengthened by other factors, including "awareness of a common peril" under security threats from the Soviets, "the reaction of millions of Europeans against the destructive nationalism of the Age of Fascism", "American pressure for European unity" and "the economic forces for the creation of a West European common market" (Seton-Watson, 1985, pp. 42-43; D'appollonia, 2002, pp. 177-178). It was with these mindsets that the European nationalism defined itself containing "historical memory-building, a common identity and culture for all of the entities grouped within the bounds of a given territory, and *political and economic objectives destined to ensure general prosperity and to defend the global interests of its participants*" [emphasis added by the author] (D'appollonia, 2002, p. 178). It is as a result of this enthusiasm and diligence that the European idea culminated in the creation of various communities in the 1950s. Although De Gaulle and staunch nationalists made an offensive against Community structures and decision-making in the 1960s, resulting in Eurosclerosis and setbacks to further integration, the European Union has nevertheless continued to advance and to transform into one of the highest expressions of the modern united Europe – the Economic and Monetary Union.

But it is still unclear whether the idea of Europe played a determining or supportive role in the processes of the establishment of the EMU. This can be answered only by identifying the rationale behind its establishment and the factors that contributed to the failure of the project in the 1970s, and its success in the 1990s. This will be discussed in the following sections.

Reasons for the failure and the success of the EMU

> *"The concepts and ideas upon which the European project was founded and in the name of which its policies have sought legitimacy and political force are in flux. They have been recreated, reformulated, discarded and rediscovered in conformity with changing scientific paradigms, political winds, social moods and moral temperaments" (Burgess & Stråth, 2001, p. 125)*

One of the most convincing reasons for having the EMU is that further integration in monetary policy is a common European response to external economic and political threats (Verdun, 2000). In particular, the idea of the EMU was a European response to global threats and American "cowboy-like" behavior in the international arena. Several other problems were relevant too: a) The Arab-Israeli wars and the resulting quadrupling of oil prices made it clear that Europe needed closer coordination of fiscal and monetary policies; b) The 1967 Sterling's devaluation, 1968 Dollar, Gold and French Franc crises, and two financial crises in the early 1970s caused

Germany to pursue unilateral activities, and put pressure on French, Italian and other European currencies. France was especially concerned about the Bundesbank's unilateralism and wanted to tightly bind Germany into closer monetary cooperation in order to provide more stability and to reduce losses (Dedman, 2010, p. 108); c) An increasing risks and number of speculative attacks on European currencies further added to the necessity for closer monetary cooperation; d) Finally, almost all European countries criticized the USA for its approach to the crises. They believed that the creation of the EMU would enable them to have more control over the relevant financial instruments and to show external actors high levels of responsibility and unity. These became necessary in the wake of the Cold War, the Suez and Cuban crises, and especially with the collapse of the Bretton Woods system and "the snake" (Szász, 1999, pp. 15-45). As Burgess & Stråth (2001) smartly put it, it should be understood

"in the framework of Europe's external personality, as a means to emphasize the 'individuality' of the European Community within the international monetary system, 'without ceasing to belong and to contribute actively to that system'… The growing homogenization of global finance created in their eyes the need to underscore the particularity of European reality and to develop a specific European response to and responsibility for this emerging problem" (pp. 138-139).

Germany supported integration for several reasons. Integration in western institutions has firmly been its policy since World War II. Germany also had to demonstrate its dedication to Europe more openly than other member states. As Burgess & Stråth, (2001) explain, the

"French-German axis has been the motor of the European integration from the very beginning. However, it has not been an axis between two equals. The German government has always had to demonstrate its European credibility whereas the French government has always had the pretension of representing Europe, to speak on behalf of Europe. Germany has had to be European, while France has been Europe and told Germany what being European meant" (pp. 159-160) (Rehman, 1997, pp. 408-427; Szász, 1999, pp. 98-109).

In short, in the words of Sadeh & Verdun (2009), "the establishment of EMU… could be explained as a collective continental attempt to minimize the destabilizing effect of US economic and foreign policies… Likewise, [the] EMU could be seen as an attempt to regain some hegemonic power, or at least pool sovereignty and thus increase the influence of 'Europe' in the international context" (p. 293).

This can be compared to the era of industrialization, when external economic competition provided a strong stimulus, and pushed for further European integration. It was also a clear reflection of Saint-Simon's thoughts. D'appollonia (2002) neatly puts it, that "[he] was one of the first, after the collapse of the Napoleonic empire, to understand that it was only through unity [in the state of a large economic and commercial space] that the various states of Europe could prevent Europe from losing its global supremacy" (pp. 179-180).

Another explanation is that Europe made more sense for politicians and for the general population in the 1990s compared to the 1970s. The "idea of Europe" or rather ideas of "more Europe" was supported by majority. With this background of public opinion, it was easier and beneficial for politicians to finally launch another massive European project – the Economic and Monetary Union.

Some researchers argue on the basis of Germany as the key decision-maker for EMU establishment that it was the idea of Europe, or "good Europeanist", or "German Europeanness" that motivated German political elites in supporting the EMU. For example, Risse & Engelmann-Martin (2002) believe that the EMU was not economically and politically beneficial enough internally and externally and thus should not be understood as following from geopolitical lenses. In turn, they think that "German acceptance of 'self-binding' results from a particular collective construction of historical memory, a peculiar perception of Germany's place in Europe, and, last but not least, visions of European order" (pp. 306-307). Chancellor Helmut Kohl obtained unanimous support from his political establishment, who shared his belief that "only deeper political and economic union – symbolized by a single currency – could anchor Germany firmly in the West and strengthen European institutions to ensure peace in the years ahead" (Risse & Engelmann-Martin, 2002, p. 308). Germany's enthusiasm was further reinforced by a consensus that the German Mark's hegemonic role in the European Monetary System would be accepted, and that in turn, the European Central Bank would be modeled after the German Bundesbank. Eurobarometer surveys (1999, p. 25; 1990, p. 5-33; 1979, p. 43-45) demonstrate that that citizens became more aware of the idea of Europe, and they gained more trust in European institutions in the 1979-1999 period.

Additional causal factors can be found in the plans of Werner and Delors. The Werner Plan envisaged a merger of monetary and fiscal policies. At a time of international economic and political hardship in the 1970s, this provision met severe opposition from even the most ardent EMU supporter EC Member States. The Delors Report was "'half copy' of the Werner Plan" in a way that it didn't envisage a full merger of monetary and fiscal policies (Burgess & Stråth, 2001, p. 130). As a consequence, it gained support from more member states because they got more leverages over their fiscal policies.

Both the Werner Plan and the Delors Report envisaged strengthening of the European Commission and the European Parliament by the 'Europeanization' of monetary policy. However, these institutions (especially the EP) were not ready in the 1970s to address such novelties efficiently (Burgess & Stråth, 2001, pp. 136-137). The situation differed in the 1990s. Due to several institutional reforms, the Commission and the EP were capable of controlling and supervising economic and monetary issues more successfully.

The Delors Report was a more feasible plan for achieving the EMU than the Werner Report which intended to establish economic and monetary union in 3-stages over a 10-year period between 1971-1980, by achieving the irreversible convertibility of the EC Member States' currencies, providing free movements of capital and the errevocable pegging of exchange rates, and potentially replacing the national currencies by a single European currency. The ideas about the economic and monetary union were cultivated and gathered up by the Werner Committee (Werner was Finance Minister of Luxembourg), mandated by the European leaders in 1969. The Committee recommended the creation of a "centre of decision for economic policy" with political responsibility before the European Parliament (elected by universal suffrage), and a "Community system for the central banks" (Danescu, 2013, p. 2; Dedman, 2010; Rehman, 1997, pp. 4-67; Szász, 1999, pp. 110-119).

Although its practical implementation was a failure, the report marked a clear U-turn in the position of member state,s and thus became a turning point in the process of European integration. As Ansiaux & Dessaert (1975) explain,

"[up] until the time of the report, which is inextricably associated with the Hague Conference, the Member States still had a vision of an economic union, or at any rate a common market, which they thought could be achieved merely by resorting, where monetary affairs were concerned, to the coordination of their policies; from the time of the Hague Conference and the Werner Report onwards, they admitted that economic union could not be brought about unless monetary union were progressively established" (p. 1).

Danescu (2013) clarifies that "[after] it had been shelved because of the worsening international situation, the Werner Plan continued to be a source of inspiration for further thinking on the question of monetary integration in Europe and a stimulus to many political and scholarly initiatives which later came into being, particularly the Delors Report" (p. 2).

Werner (1990) himself further makes clear that

"[there] is no fundamental difference between the Delors and Werner Reports as regards doctrine and method… The Delors Report more often quotes the Werner Report as regards the prerequisites for a complete union, that is to say the full and irreversible convertibility of the currencies, the abolition of the margins of fluctuation between currencies, the irrevocable fixing of exchange rates and the complete liberalization of capital movements" (pp. 175-178).

Delors (1999) added that "the overall philosophy behind what we proposed and even the structure of the Delors Report were very heavily influenced by the Werner Report". He later (2004) correctly mentioned that

"[in the report by the Delors Committee]… we agreed on the three stages taken over from the Werner Report: stage one, devoted to enhancing coordination, from 1 July 1990; stage two, a transition stage on the way to the final stage, preparing the ground for what were ultimately to be the institutions for Economic and Monetary Union; and the last stage, at which the exchange rates between the currencies themselves and between them and the single currency would be laid down irrevocably" (p. 338).

In short, the differences between the Werner Plan and the Delors Report can be understood as Keynesianism VS monetarism dichotomy. In particular, some scholars argue that there was an important value and conceptual paradigm shift between the 1970s and the 1990s. Namely, the European leaders turned their backs on Keynesianism and opened their minds to monetarism (Siles-Brügge, 2014, p. 61). Burgess & Stråth (2001) explain that "the conceptual foundations of European construction underwent a significant transformation associated with a transformation in the concept of money" (pp. 126-127), and cleared the way for the successful establishment of the EMU.

The EMU needed a single market to be fully realized. In the 1970s this was impossible because there was only a customs union, with too many nonfrictional barriers and none of the 4 freedoms. In the 1990s there was already a functioning single market thanks to the Single European Act and the Commission's white book. Moreover, the close international coordination of social and labor market policies was essential to EMU realization (Posner, 2007). Absence of single market in the years of the 'Eurosclerosis' made the European project unachievable.

Finally, the failure of the EMU in the 1970s and its success in the 1990s should be analyzed as a product of the absence or presence of leadership. Nationalist leaders like De Gaulle opposed further European integration, making EMU plans in the 1970s unsuccessful (Dinan, 2004; Burgess & Stråth, 2001; Kaiser, 2007). At the same time, however, De Gaulle's extreme criticism of the USA was positive for the emergence of the idea of EMU in the 1960s. However, Burgess & Stråth (2001) consider that "[key] elements of what De Gaulle had stood for could be politically canalized" only after his political departure (p. 140). While De Gaulle left his ideological successor in the name of Margaret Thatcher, she, unlike De Gaulle, "had much less authority to speak on behalf of Europe", especially after her severe obstructionism during the 1979-1984 British budgetary battles. This [Thatcher's 'weakness'] was a window of opportunity for new Commission President Jacque Delors. Supported by most socialist leaders, including the president of his native country, Delors seized this chance of action, and thus "infused new political energy in the European project" and led "Commission in a historical conjuncture full of contingences in the wake of the collapse of the Bretton Woods order, the emergence of mass unemployment with the erosion of full employment as the basis of the welfare, the erosion of old solidarity patterns, and the emerging quasi-hegemonic neo-liberal prescription for healing suggested by the economists" (Burgess & Stråth, 2001, pp. 140-146).

We can summarize the factors in the following table and analyze the events that were absent and present in the 1970s and the 1990s. Needless to say, all of these factors are tightly interconnected and cannot be understood separately. For simplicity, 0 here has negative meaning while 1 represents positive answer:

N	Factors	1960s-1970s	1980s-1990s
1	Unity on the EMU idea	0	1
2	Common Franco-German interest/position	0	1
3	Feasibility of the 2 EMU plans	0	1
4	Absence of strong leaders against the EMU	0	1
5	Socio-economic instability	1	1
6	Geopolitical instability	1	1
7	Strong European Commission President	0	1

We can conclude from the table that both the 1970s and the 1990s were characterized as geopolitically and socio-economically unstable, creating momentum for further integration. However, this was not enough for a successful push. Thus, we should search for further explanations. In particular, first, in the 1970s everybody had a different understanding of the idea of the EMU, and of Europe in general, and the support was not strong enough to push the Werner Plan to a successful end. The situation differed in the 1990s, as was demonstrated above. Second, the unstable economic and political situation made France and Germany consider a common European monetary project. But different ideologies of monetary and fiscal regulation, also reflected in the Werner Plan, made the plan infeasible and those interests and positions diverged throughout the decade. The 1990s witnessed a different process in this regard. Third, the context in the 1970s was further defined by skeptical EC leaders and weak Presidents of the European Commission. However, in the absence of leaders unwilling to compromise in the 1990s, the highest political establishments of France and Germany, and enthusiastic Commission President Delors, energetically and successfully pushed the Delors Plan.

Theoretical understanding

Hegemonic Stability theorists argue that "since the hegemonic power at the global level [USA] was unable to provide monetary stability, the EU member states decided to provide this public good on a regional basis" (Sadeh & Verdun, 2009, p. 279). This is how we can explain French decision makers' positions on European monetary integration since the late 1960s (Howarth, 2001), as well as Germany's push for the EMU in the 1990s (Story & Cecco, 1993), the backdrop for the establishment of the European Monetary System in 1978-1981 (Ludlow, 1982; Story, 1988), the 1985-1987 events leading to the Basel-Nyborg accord, the 1990-1992 negotiations on EMU, etc.

A global-level explanation of the EMU clarifies that the collapse of the Soviet Union changed the global balance of power in Europe, leaving Germany a stronger player. With this background, the

"EMU may have been designed to strengthen the binds of the newly united Germany to the western nations… High defection costs would ensure cooperation even when national interests changed… [In turn,] Germany agreed to EMU in return for international legitimacy for its unification and to prepare the then European Community to its eventual enlargement to the [East]" (Sadeh & Verdun, 2009, p. 280).

Moreover, Germany could have reduced the costs of unification by sharing it with other EU member states through the EMU, as many state-centric scholars argue (Garrett, 1993; Sandholtz, 1993). However, others proposed less realist explanation in the context of a globalizing world, suggesting that the "EMU offered a policy instrument that could be used to influence monetary policy that many had accepted as no longer under the control of national governments" (Sadeh & Verdun, 2009, p. 280).

Constructivists believe that

"the 1970s oil shocks challenged the shared knowledge structure on macro-economic issues and prompted decision makers to look for new knowledge to structure, inform and legitimize their discourse and action. This enabled transnational experts and epistemic communities, such as central banks, to influence policy makers and to diffuse 'sound money' ideas since the late 1970s" (Sadeh & Verdun, 2009, p. 281; Marcussen, 2000).

Scholars of Neofunctionalism highlight the importance of "spillover" for monetary integration. They deem that "[since] full capital mobility, national monetary autonomy and exchange rate stability form an incompatible triangle, the liberalization of capital flows as part of the internal market meant that exchange rate stability could only come at the expense of national autonomy. Thus a currency union was a natural extension to the internal market project" (Sadeh & Verdun, 2009, p. 283; Padoa-Schioppa, 2000).

Other explanations are offered by Institutionalists who take a more deterministic view of the EMU and highlight the historical determination of the course of monetary integration (Pierson, 1996; Verdun, 2007); by

Transnationalism, emphasizing the roles of transnational actors, epistemic communities and collective identities (Cameron, 1995; Verdun, 1999; Risse *et al*., 1999); and by Europeanization, considering "the euro zone not only as a set of institutions that political actors manipulate, but also the arena within which the actors and their strategies are constructed" (Sadeh & Verdun, 2009, p. 285; Quaglia, 2006).

Conclusion

"A day will come when you France, you Russia, you Italy, you England, you Germany, all you nations of the Continent, without losing your distinctive qualities and your glorious individuality, will be blended into a superior unity and constitute a European fraternity exactly the same as Normandy, Brittany, Lorraine, Alsace, and all of our provinces were blended into a united France" (Hugo, 1849, pp. 300-301)

We can now answer the research question *why the EMU failed in the 1970s and why it succeeded in the 1990s*. It is clear that geopolitical and socio-economic instability provided a stimulus for the Economic and Monetary Union both in the 1970s and the 1990s. However, this was transformed into successful implementation only in the 1990s because of popular and elite unity on the idea of Europe, the feasibility of the Delors' Plan, the presence of strong President of the European Commission, convergence in Franco-German positions and interests, and the absence of 'extremist' European leaders.

There were many reasons for EMU success in the 1990s, but it would not be exaggerated to assume that it was a time, like almost all previous historical periods mentioned in the first half of this paper, when the idea of Europe mattered in the 'construction of Europe'.

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