

## Transcription of the interview with Élisabeth Guigou (Paris, 7 February 2013)

**Caption:** Transcription of the interview with Élisabeth Guigou — Secretary-General of the Interministerial Committee for Questions on European Economic Cooperation from 1985 to 1990 and Special Adviser to French President François Mitterrand from 1988 to 1990, Chairman of the Foreign Affairs Committee in the French National Assembly since 2012 and a member of the Board of the ‘Notre Europe’ think tank — carried out by the Centre Virtuel de la Connaissance sur l’Europe (CVCE) on 7 February 2013 in Paris. The interview was conducted by François Klein, a Scientific Collaborator at the CVCE, and particularly focuses on the following aspects of Tommaso Padoa-Schioppa’s life: his contribution to the activities of the ‘Guigou Group’, which was set up to carry out additional work following the submission in 1989 of the Delors Report on the establishment of Economic and Monetary Union (EMU), his work during the negotiations on the Maastricht Treaty and his role as Chairman of the ‘Notre Europe’ think tank (2005–2010).

**Source:** Interview d’Élisabeth Guigou / ÉLISABETH GUIGOU, François Klein, prise de vue: Alexandre Germain.- Paris: CVCE [Prod.], 07.02.2013. CVCE, Sanem. - VIDEO (00:16:43, Couleur, Son original).

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### I. Tommaso Padoa-Schioppa's work in the 'Guigou Group'

[François Klein] Hello, Madame Guigou.

[Élisabeth Guigou] Hello.

[François Klein] Thank you for agreeing to see us today at the Foreign Affairs Committee of the National Assembly in Paris for this interview on the file we are putting together with Notre Europe and the Institute of Political Sciences in Paris on the personality and achievements of the Italian politician and economist Tommaso Padoa-Schioppa. First question: how and when did you first meet Tommaso Padoa-Schioppa?

[Élisabeth Guigou] At the time, when I was in working in the private office of the President of the Republic, François Mitterrand, I was in charge of European affairs, so of course I had read Tommaso's reports and I used to see him now and again at meetings, in think tanks. Then, when President Mitterrand decided during his presidency, his second presidency of the European Union — it was in the second half of 1989 — when he really decided that the decision to convene an intergovernmental conference on Economic and Monetary Union had to be taken under his presidency — it was a project which he and Jacques Delors, of course, had been trying to push forward since as far back as 1985, when the Single Act was signed, and we heard the first mention of what used to be called the ECU at the time, which was the first name given to the euro — so President Mitterrand decided it would be the main objective, with the adoption of a social charter, the Social Charter, but Economic and Monetary Union. It was from then on that I really got to know Tommaso Padoa-Schioppa. He had, you see, been the rapporteur of the Delors Committee, which was set up at the request ... at the Hanover European Council in June 1989 — in June 1988, sorry — at the request of Chancellor Kohl, and it was that Delors Committee, consisting of the governors of the central banks, which finally said what the stages to be gone through were, and Tommaso was its rapporteur. So as far back as that I had been in touch with him, though not very often, and it was after that, when we, on our side, thought the Delors Report was a good enough basis on which to take the political decision to set up Economic and Monetary Union. It was mainly because the German Chancellor said: 'But we really do need to do a bit more work.' To our way of thinking, it wasn't necessary; the Delors Report had said everything that needed to be said on the stages of Economic and Monetary Union — it was a report by a committee consisting of the governors of the central banks, chaired by Jacques Delors, President of the Commission, so we thought it was more than enough, but it is true that the Chancellor, who was under pressure from a great many people surrounding him, asked for there to be some more work done. The President of the French Republic said: 'Well, never mind, we'll do it for a few months under my presidency!' and that was how we set up the Guigou group, which brought together — after the governors of the central banks had been brought together by the Delors Committee — which brought together the directors of ... the directors of the Treasury from all the countries in the European Union at the time and the directors for European affairs for the ministers from the Foreign Ministries. The President of the Republic, at the suggestion of the two French ministers concerned, asked me to chair the group, and we met for three months. And I asked

Tommaso Padoa-Schioppa to be the vice-chairman of the group, and indeed its rapporteur. So it was then that I forged much closer working relations with Tommaso, and relations of friendship too. He was absolutely marvellous in that group, you see, firstly because of the knowledge he had of all the proposals he had put together himself, in fact a long time before the Delors Report, because of course he knew all the people involved in the group extremely well, he knew their sticking points, their ... and of course because he couldn't be faulted on the technicalities, that was absolutely impossible; at the same time, he had a vision of Europe, and he had the ability to ... really on the human level, to get round all the objections which were bound to come up, which was an absolutely wonderful thing. There you are.

So he was a man who was both ... he was a thinker, he had technical skills which not many people in that field possessed, and at the same time he had human qualities which made it very difficult for people to stand up to his arguments. I remember very well ... because we worked our fingers to the bone at several meetings in succession for three months — you know, there honestly wasn't much to add to what the Delors Report had already said. What we did add that was extra, perhaps, was the definition which went into Article 2 of the Treaty on Economic and Monetary Union: 'What are the objectives of Economic and Monetary Union?' That and a discussion which wasn't easy, on how to tie together the requirement for stability, the battle against inflation, etc., budgets, sound budgeting and the need, already, to develop growth to create jobs and social cohesion. Drafting that article was what took us weeks, because underlying it all ... and the same discussion comes up nowadays, and Tommaso never stopped saying it in everything he wrote, especially his latest writings, how absolutely crucial that balance between stability, growth and solidarity was for the success of Economic and Monetary Union. So discussing that was what mainly kept us busy, and I must say that Tommaso's sense of humour was a great boon because he had the art of saying things, going straight to the nub and in a way which people accepted, of highlighting the contradictions of this or that side.

I remember an incident one day involving our British friends. There was John Kerr who was already in that delegation, because Mrs Thatcher didn't want her diplomats to be involved in the group to begin with. François Mitterrand went to see her at the beginning of September 1989 to say to her: 'Well, we're going to set up a group with the directors of the Treasury, the directors for European affairs, and of course all the countries are invited to join it.' At the time, she said: 'I won't be sending anyone, because I'm against the single currency.' To which François Mitterrand replied: 'Well, that's fine, it's up to you, but the group is going to meet anyway!' And three days later, our British friends were there. I remember that towards the end Tommaso said to John Kerr specifically: 'Right, so you're against it, that's clear enough, you're expressing the views of your government, that's your job, but at the end of the day you can't deny that two and two still make four.' In other words, to create the single currency, a number of steps had to be taken in order, and there was no way round it. So he said: 'Your decision ... your decision is whether to join it or not. That's your affair, but you can't deny that the conditions to be met, which are the ones in the Delors Report and the ones we want to define, on the balance between stability and growth, are vital.' That was how the group finished its work, and how in the end, mainly on the basis of the Delors Report, and to a lesser degree on the supplementary report which we brought out, the two Councils of Foreign Ministers, Finance Ministers first, then Foreign Ministers, adopted the report without a British veto, and how François Mitterrand was able to ask for and get — albeit with some difficulty — a date for the meeting on Economic and Monetary Union. That's how the machinery was set in motion. So Tommaso played a pivotal role. I had a great deal of support from him, of course. He was the memory of the group, and, once again, the one who knew how to mark off the objections and at the same time tie things together. Since then, because I never stopped working with him, and then again within Notre Europe — I've been on its board since the beginning — I rediscovered his extraordinary qualities, which were those of someone who was not just a man of vision but also someone with an extremely down-to-earth way of thinking who knew how to move things forward by acting with pragmatism.

**[François Klein]** Indeed, you have described the work that went into producing the Guigou report

and you told us that you stayed in touch after that, not least when he was working at the European Central Bank and later when he came to Notre Europe.

**[Élisabeth Guigou]** The whole time, in fact. Through all the different posts he held successively, I was always in touch with him, had discussions with him ... because with all the ups and downs of my political life, I have always, whatever happened, kept up my interest in European questions, and because, you know, the people who worked on the single currency at that time established ties with each other which have lasted to this day. I mean the ties I have with Jean-Claude Trichet, Jacques de Larosière, to mention the French, for example, Pierre de Boissieu, who was the Foreign Ministry man on the group, with John Kerr who is still on the go in various settings, with Carlos Bastarreche, who is now the Spanish Ambassador in Paris. Only the other day, we ... And Tommaso was one of the six members of that group too. We still see each other, we still exchange points of view in different settings. That is why for us his passing was also a terrible loss.

## II. Tommaso Padoa-Schioppa as Chairman of the ‘Notre Europe’ think tank

**[François Klein]** Like him, you have also had a career as a European activist. You are on the board of the Notre Europe association which he chaired for several years. How would you assess the work he did at that level?

**[Élisabeth Guigou]** I think that, to start with, it was greatly to Tommaso’s credit that with Notre Europe he gave a visible form to that thinking which was always very firmly grounded in very solid evidence. He was a first-rate economist, Tommaso was. And before that, in particular, there was ... he was skilled at setting out very clearly, in several reports for Notre Europe, what needed to be done to rectify the initial shortcomings of Economic and Monetary Union. It was a very good thing that we were very clear-headed, all of us who worked at the outset on what Economic and Monetary Union lacked. Jacques Delors said it from the start: a federal currency, an economic union hopping on one leg, a very inadequate economic union. So we were very clear about that and Tommaso deserved well for saying, at the basic level, very quickly, very soon, what needed to be ... the shortfalls which needed rectifying. I remember, particularly in 2010, the year before he died, he published some reports and gave several interviews in which he said what had to be done and what we are now doing, that is to say a budgetary union, a union which one day will have to be a fiscal union, and he said very clearly that of course discipline and stability were essential, but what was absolutely vital was growth and solidarity, and those are exactly the issues on which we are working. He was also, in fact, one of the first, while deploring how slowly things were going at the time when we thought the euro zone was in danger of imploding, because the crisis in May 2009 was dreadful, but he also stressed that the first decisions taken were advantageous: the establishment of the financial stability fund, for a stability which had to become a permanent feature.

So I think he possessed the art of emphasising the shortcomings and, at the same time, of giving grounds for hope. He was one of the first to say why. To support growth, there had to be a European budget with sufficient funds and borrowing capacity — that was a proposal Jacques Delors had already made at the beginning of the 1990s — the European Union had to have its own borrowing capacity, based on euro bonds. So already back in 2009–2010, those subjects that we are discussing now were in the air. If we had listened to him earlier, of course, we wouldn’t be where we are now!

And I still remember — as does Jacques Delors, as he told us again before the Foreign Affairs Committee, not long ago — that he had basically been in the right when he said: ‘In the situation we are in, after the crisis which started in the United States and was unfortunately imported in to Europe, in the situation we are in, a firm hand inevitably has to be taken with the Member States’ budgets, because we have to correct excessive deficits which have led to levels of debt which are themselves unsustainable, but when that happens the revival will have to come from the budget of the European

Union.’ Well, that’s where we are today ... the Member States are holding talks in Brussels on that very question, the question of the financial perspectives for 2014–2020. A fundamental issue is at stake here. There it is, Tommaso Padoa-Schioppa was a trailblazer to the future, while at the same time managing to keep his feet firmly on the ground. Basically, he possessed those two qualities at the same time, ones which Jacques Delors also displayed when he led the Commission.

**[François Klein]** Well, Madame Guigou, thank you for giving us this interview.

**[Élisabeth Guigou]** Thank you, it was a pleasure.

**[François Klein]** Thank you very much.