

ECSA97.DOC  
10,346

**JACQUES DELORS AND THE RE-LAUNCH OF ECONOMIC AND MONETARY  
UNION:**

**A study of strategic calculation, brokerage and cognitive  
leadership**

**Kenneth Dyson**

**Kevin Featherstone**

**University of Bradford, U.K.**

*Paper delivered to the Fifth Biennial International  
Conference of the European Community Studies Association  
(USA), May 29 to June 1, 1997; Seattle, Washington, USA.*

Paper not to be quoted without permission of the authors.

Department of European Studies  
University of Bradford  
Bradford BD7 1DP  
UK

Tel: (44)1274-383811  
Fax: (44)1274-385550  
E-mail: K.Featherstone@bradford.ac.uk

**Abstract:**

*The paper employs a contingency model, stressing the connection between strategic dynamics (bargaining games), cognitive dynamics (learning by interaction, policy entrepreneurship) and the specific institutional milieu, to help explain the nature of the role played by the European Commission and Jacques Delors in relation to the initiation and negotiation of the EMU project. It thus covers the period 1988-91, and the focus is more on agency than on the wider structural factors affecting EMU. It is based on the results of some 250 elite interviews with leading policy actors across Europe and on the contents of private papers concerning the IGC made available to the authors. The paper stems from research funded by the Economic and Social Research Council in the UK.*

## Introduction

The initiative to establish Economic and Monetary Union (EMU) was the next step taken to deepen the European integration process after the agreement reached on the single European market <sup>1</sup>. It pre-dates the discussion behind Political Union, and the enhancement of foreign policy cooperation in particular. The latter was a more direct response to the collapse of communism in Eastern Europe; EMU was already being established as a bridgehead for the European Community (EC) in the 1990s. The EC had agreed on an inter-governmental conference (IGC) for treaty reform to accommodate EMU, before it sanctioned a parallel IGC on European Political Union (EPU). Both dimensions were later tied together in the Treaty on European Union agreed at Maastricht in December 1991 <sup>2</sup>.

The EC Commission was central to the initiative behind EMU launched in 1988. The EMU objective had been on the EC's agenda since the Werner Report of 1970, and it had just about been kept alive by the Single European Act (SEA) of 1987. But its re-activation very much depended on the strategic calculation, cognitive lead, and inter-governmental brokerage of the Commission. Within the Commission, its president, Jacques Delors, was dominant. But Delors' calculations and lead depended on the external support available; in this respect, Delors' alliance with Chancellor Helmut Kohl of Germany and President Francois Mitterrand of France was crucial. Delors was not the only policy leader on EMU, but his role was central to the progress of the initiative.

This paper attempts to explain the nature of the role played by the Commission and Delors in relation to the initiation of the EMU project and through to the negotiations of the IGC. It thus covers the period of 1988-1991. The paper analyses the role of the Commission by reference to a general contingency model, rather than a causal model (see Dyson & Featherstone, forthcoming). This contingency model stresses the connection between strategic dynamics (bargaining games), cognitive dynamics (learning by interaction, policy entrepreneurship) and the specific institutional milieu of the EMU process. In relation to the particular role of the Commission, the model has been adapted here to set a number of questions. In the empirical application of some of concepts drawn

---

1. The research reported here arises from a project funded by the Economic and Social Research Council (ESRC) Grant R000234793, entitled, 'The Dynamics of European Monetary Integration'. It has involved over 250 elite interviews across the EU. The authors wished to express their gratitude to the interviewees. They also thank Dr. George Michalopoulos, formerly the research officer for the project.

2. For valuable general accounts, see Bini-Smaghi et al ,1994; Dyson, 1994; Sandholtz, 1993.

from these different approaches, there is some complementarity<sup>3</sup>. Thus, the paper integrates elements from the different approaches for the particular phases of the EMU process. The paper is structured around the following questions:

(i) In the *agenda-setting* phase: what role did Delors and the Commission play as *animateurs*, strategists and policy entrepreneurs on EMU? What evaluation was made of the different institutional venues in relation to advancing the EMU initiative?

(ii) What role did Delors and the Commission play in the *cognitive aspects* of the EMU debate: judged in terms of the policy frames advanced; the language employed; and the signals given?

(iii) How did Delors and the Commission play the politics of the *IGC bargaining process* - judged with reference to 'two-level games', 'nested games' - and with what effect?

The stress here is on *agency*, rather than *structure*. The structural factors affecting the EMU process have been analysed extensively by Dyson in his Elusive Union (1994). EMU negotiators were operating in a pre-structured world: of historical legacies; of institutional rules and policy styles; of the Deutschmark as the 'anchor' currency in the ERM; of global financial markets; and of the state of economic and monetary policy knowledge. The focus of this paper is on Delors and the Commission as agents in the EMU process: each of these structural factors shaped the context in which they and others operated. It is against this background that their preferences and actions can be judged.

Several distinctions must be made in analyzing the Commission's role in relation to EMU. Firstly, the case highlights the involvement of a core set of actors around Jacques Delors, and the relative exclusion of the rest of the institution. This parallels the operation of the 'core executive' in relation to EMU at the national level (Rhodes & Dunleavy, 1995). Secondly, EMU is a sector with exceptional characteristics: thus, the Commission's role was undoubtedly atypical in this domain. Finally, the role of Delors and the Commission

---

3. For example, between (i) the new institutional stress on institutional venues and the strategic choice of Delors as chair of the committee to study EMU, to give the appropriate political lead; (ii) the strategic planning of instigating legitimating specialist reports from outside observers and the attempt to establish one's own policy frame; (iii) the strategic attempt to impose one's own policy model and policy entrepreneurship; and (iv) policy entrepreneurship and bargaining brokerage on the 'automaticity' formula for Stage 3 of EMU.

varied significantly over the course of the EMU process from 1988 to 1991. Delors was much more prominent in the setting of the agenda than in the actual negotiations.

The agents in this case study - Delors as an individual and the Commission as an institution - need to be considered in relation to both their general role in EC politics and with respect to EC monetary politics. This forms the necessary background to the consideration of the set of analytical questions already outlined.

### **Delors and the Commission as policy actors**

In most instances it is misleading to conceive of the Commission as a cohesive, unitary actor in the E.U. policy process (Cram, 1994) 4. The traditional features of bureaucratic politics take on a distinct form at the E.U. level (Dyson, Featherstone & Michalopoulos 1995). As an institution it is known for its internal fragmentation; the impediments it places upon its own leadership; and its openness towards, and penetration by, outside interests (Peters, 1996; Christiansen, 1996; Drake, 1995; Cini, 1996). Further, its cohesiveness is undermined by its own multi-national and multi-cultural character: in endeavouring to take united action it is required to synthesise, or at least placate, distinct administrative traditions and policy styles (Richardson, 1982; Cassese and della Cananea, 1992). As Cini has commented, within the Commission itself "there is only a shadow of a cohesive...culture" (1996:223). Distinct national ties can sustain a separation from other, weaker countervailing forces (Egeberg, 1995). Moreover, across the various policy sectors in which it takes action, differing organizational cultures are engendered: policy often makes process, as Lowi (1964) noted long ago.

Thus, in relation to EMU, it is necessary to identify the key actors operating on behalf of the Commission. Pre-eminently, the focus is on Jacques Delors himself. Delors made the office of Commission President, which he held for an unprecedented period of ten years from 1985 onwards, the base for asserting a strength of leadership not seen in the EC since the years of Walter Hallstein (1958-1967), the first Commission President (cf. Nugent, 1995). Between Hallstein and Delors, only Roy Jenkins (1977-81) could lay claim to a high profile - though his achievements in office were much more modest than either

---

4. Cram (1994:214) makes this largely uncontested point very well: "Concentrating on the role of the Commission as a monolithic unit, or solely on the activities of any of its constituent parts, might lead us to very different views of the Commission's role in the integration process. Even within one institution, the policy process and the actors involved can be very different".

of the other two - whilst the rest faded into obscurity relatively quickly. The exceptions prove the rule: the office of Commission President gives an inadequate base for the exercise of leadership in the EC. The role needs interpreting: the office-holder needs a strategy and personal credibility; even then the external environment may prohibit significant progress. Moreover, a period of dynamic leadership may be too much for the system to sustain in the longer term: Delors was himself much more subdued after the problems of the Maastricht Treaty ratification process, and he was followed by Jacques Santer, a much weaker figure (Dinan, 1994:206) 5.

Delors' ability to reinterpret the role of the Commission presidency closely affected the nature of the EMU policy process. Admittedly, he had a general tendency to arrogate to himself responsibilities and to claim personal ownership of new initiatives (Cini, 1995:155). But, in large part, Delors was the Commission for much of the EMU gestation from 1988 onwards. Delors' credibility was both general and specific to EMU. In addition to the achievements of the SEA and the 1988 package, Delors' reputation was based on the following aspects:

- \* He had the support of Mitterrand and a good working relationship with Kohl (the latter was to improve yet further with the German EC presidency of

---

5. The Delors period as President needs to be differentiated to take account of changes in the prevailing conditions. Whilst recognizing the 'Delors effect', Ludlow (1991:117) claims that on entering office in 1985 Delors was able to cultivate success because he was going with a momentum for reform that had already been built up prior to his arrival. With the achievement of the Single European Act and also, equally significantly, the agreement in February 1988 of the Delors package of financial measures, the Delors regime became "more and more presidential" (1991:119). Yet, Ludlow argues, "It is vitally important... to stress that (Delors) has crafted his leadership around the built-in strengths of the institution and in doing so has vindicated the original design in a way in which most observers... believed was impossible from the early 1970s onwards" (1991:118). The "built-in strengths of the institution", however, are exaggerated here: they clearly vary over time and circumstance. Delors by 1988 was stronger because of the credibility he had accumulated with the Single Act and the budget package, and also because measures such as the Single Market (and specifically in relation to EMU, impending agreement on capital liberalization) had given the Commission the terms of reference on which Delors could assert himself. Without such definition, the Commission is rudder-less, as the two decades after 1965 showed in the main. Delors by 1988 was able to exploit a politics of 'spill-over': the future agenda was increasingly defined by the commitments of the recent past.

the first half of 1988 and German unification after 1989).

\* As a politician, Delors clearly had a future not only a past (Maris, 1993; Rollat, 1993) 6. Delors reportedly turned down the offer of returning to French politics as Prime Minister on two separate occasions; he was increasingly seen as a possible future President of the Republic. By contrast, most of Delors' predecessors had effectively finished their political careers in Brussels (Dinan, 1994:203).

\* Delors had begun his career in banking and had served as Minister of Finance (1981-83) and Minister for Economic and Financial Affairs and the Budget (1983-4), finishing with his reputation in tact. He was also familiar with the politics and fora of EC monetary policy. He had an expertise in this area to match, or overshadow, that of most national leaders in 1988-91. This would become important in his bilateral relations with Mitterrand and Kohl 7.

\* Delors was also an effective strategist. He had proved that he could engineer a set of circumstances which were conducive to strong agreements at the EC level. In doing so, he had also shown that he was master of his own Commission.

Delors' credentials as a strategist were multi-faceted. Drake has emphasized the priority Delors gave to strategy: "Delors frequently refers to himself as initiator and proposer of the task: he knows what has to be done to achieve given goals" (1995:151,153; also Cini,1996:181). Delors' entire approach as Commission President emphasized strategic planning. This was in keeping with the French administrative tradition, which values it highly (Grant, 1994: 105). Rather like the Commission itself, Delors had a bias in favour of policy drafting rather than policy implementation. The

---

6. Delors was seen as having a clear personal philosophy. Maris (1993: 294-7) outlines the basis of *Delorisme* as being egalitarianism (a belief in redistribution which he took with him to the Commission); frugality (a rejection of alienation, consumerism); and social liberalism (a mistrust of statism); but, above all, Maris sees Delorism as pragmatic, rejecting ideologies and dogmas. Delors' success as Commission President, and the fact that his personal philosophy dovetailed so well with new social democratic thinking, meant that he was soon seen as a potential champion of the Left to succeed Mitterrand as French President.

7. Delors had been a lecturer at the *Ecole nationale d'administration* (1963-65); his students included Pascal Lamy (later his *Chef de Cabinet* in Brussels) and Joachim Bitterlich (later Kohl's chief foreign policy adviser). See Grant (1994:36).

Commission has from the beginning interpreted its role to be that of an *animateur*, producing ideas, policy papers and programmes (Ludlow, 1991:97). In this, Delors could recognize the parallel with the French Commissariat du Plan, for which he himself worked (1962-69). Delors expanded the 'Forward Studies Unit' (*Cellule de Prospective*), instigated by Jenkins, to give him further strategic ballast (Ludlow, 1991:95).

Yet, Delors by 1988 was also master of his ship. Given the entrenched problems of fragmentation and poor coordination, Delors and his favoured staff sought to circumvent obstacles by an informal process of centralization. This offered a short-cut to organizational effectiveness (Cini, 1996:181). Delors pursued 'presidentialization' as his internal Commission strategy. With his *Chef de Cabinet*, Pascal Lamy (from 1985-May 1994), a strongly centralized and hierarchical power structure was established. As Grant (1994:105) noted,

Delors and Lamy have done much more than import the French tradition to Brussels. They have transformed a horizontal power structure into a vertical one, resembling a steep pyramid. The secretariat-general, the president's *cabinet* and Delors form the apex... The weaker commissioners languish at the bottom, excluded from decisions which matter.

Most observers agreed on the composition of this privileged informal network, on the strong control they were able to exert, and on the degree of exclusion maintained (e.g. Cini, 1996:182,187,190; Drake, 1995:145; Ludlow, 1991). Lamy became arguably the most powerful man in the Commission after Delors (Ross, 1993:26). The effect was that,

The power of the Delors network, run by his *cabinet*, turned the upper reaches of the Commission into an '*administration de mission*' as opposed to an '*administration de gestion*'. As such, it was able to ride above the concerns of the Commission services and, sometimes, of their Commissioners, adding a further layer to the separation between the politics of the College and the bureaucracy of the services (Edwards & Spence, 1994:14).

Those trusted to be included in the network were also typically highly talented and obliged to work very hard; for the rest, it was clear that "in many cases, Delors felt a certain disdain for those with whom he was forced to work" (Cini, 1996:189). On occasions, Delors, Lamy and the rest of the *cabinet* would act as surrogates for ineffective commissioners, effectively taking over portfolios (Cini, 1996:188).

A distinct Delors network certainly operated in relation to policy on EMU between 1988-91. EMU was a priority for



Delors: he retained a personal responsibility for EMU throughout 8. The network comprised:

\* Delors' cabinet (Lamy had a general input, whilst Joly Dixon had a specific responsibility for EMU throughout the relevant period, and Francois Lamoureux, Deputy *Chef de Cabinet* from 1989 to July 1991, had some input also, particularly on institutional matters, though he was more concerned with Political Union matters (Grant, 1994:209))9.

\* Leading personnel from DGII (Economic and Monetary Affairs), most notably Giovanni Ravasio as Director-General (he attended the IGC meetings on behalf of the Commission), supported by Jean-Pierre Mingasson (Director for Monetary Affairs until 1989) and his successor, Herve Carre.

\* The head of the Commission's Legal Services, Jean-Louis Dewost. He had been appointed in 1989 by Delors and was a known loyalist to the President, intervening in internal disputes on a range of EC matters to protect Delors (Grant, 1994:101).

\* From 1989 onwards, Henning Christopherson, the Commissioner for Economic and Financial Affairs, and his *Chef de Cabinet*, Jan Schmidt. Schmidt attended the IGC Personal Representatives' meetings; Christopherson participated in the IGC Ministerial meetings. Delors and Christopherson worked closely and amicably together.

\* David Williamson, Secretary-General of the Commission since 1987, who coordinated a group of senior staff during the period of the two IGCs of 1991, endeavouring to maintain coherence between both sets of negotiations. Williamson was regarded as a close ally to Delors in all matters, though his specific input on EMU was limited.

Participation in the network was thus limited to selected staff, able and trustworthy. The communication with staff in DGII was limited and controlled: this was an acute case of the common criticism of lack of coordination between civil servants and the College. The Delors Cabinet was clearly in control of the Commission process on EMU throughout. Dixon and Lamy were the key figures alongside Delors. With Lamoureux, they acted to

---

8. Delors held the EMU portfolio from 1985 until 1995; from 1989-93 Henning Christopherson (the Danish Commissioner) had responsibility for economic and financial affairs and thus had some overlapping responsibility; from 1993-5, Christopherson had additional responsibility for monetary matters in agreement with Delors.

9. Both Lamy and Lamoureux, at least, were by reputation fearsome figures in the Commission; see Grant, 1994:97, 99.

maintain presidential discipline (Grant, 1994:99). DGII was kept distant from the Delors Committee, but inclusion in the later stages also remained controlled (Interview, 12.12.95).

Moreover, Delors sought to carefully manage the College in relation to EMU. This was part of a pattern: during the 1985 IGC on the Single Act, Delors had not consulted colleagues about the various Commission submissions to the negotiations. Instead, Delors worked with the then Secretary-General, Emile Noel, and his aide Lamoureux to draft the texts (Grant, 1994:72). Similarly, the drafting of the Commission's submission to the IGC on EMU in December 1990 was limited to Dixon; Schmidt; Dewost; and Carre (Interview 12.12.95). Most notably, the draft was never submitted to the College of Commissioners for their approval (Interview 12.12.95; and Grant, 1994:105). Again, the earlier report of the Delors Committee on EMU in April 1989 was discussed by the College in the most limited manner. Delors and his network were in control throughout: few in the College sought to disturb their grip on matters. Delors had a strategic vision on EMU; in consequence, he sought a tight control of the Commission's planning on this matter and he was a hard task master to his staff in such areas of key concern to him.

There was also a crucial cognitive dimension to his attempt at leadership on EMU. Delors' policy preconceptions stemmed in large part from his French cultural background. Moreover, during the Delors Committee period, he had to work hard and learn quickly from the briefings given to him by his staff to keep up with the technical basis of the Committee's discussions. Both before and after the Delors Committee period, he established a network of outside experts to lend technical credibility to the move towards EMU. He also employed the technical expertise of the Commission itself to interpose alternative 'policy frames' between national leaders and their respective central banks and finance ministries.

This pattern of engagement by Delors and by the Commission was particular to the EMU process. In other policy sectors, however, the norm is of the Commission President facing a much more substantial challenge when seeking to exercise leadership. Even within the Commission, the policy arena is much more crowded, with different directorates-general (DGs) vying for position and influence on the basis of ill-defined and overlapping responsibilities for multidimensional policies. By contrast, EMU was placed in a different and isolated milieu: composed of central bankers (in the EC's Committee of Central Bank Governors); finance ministers and their officials (in ECOFIN); and finance ministry officials and their central bank equivalents (in the EC's Monetary Committee). The institutional venues were thus distinct and required careful strategic planning; the

ability of the Commission to provide a cognitive lead was also constrained by the high expertise, reputation and exclusivity of this monetary policy milieu.

### ***Animateurs*, strategists and entrepreneurs: Delors, the Commission and the EMU agenda**

Delors as an individual unquestionably sought to act as an *animateur* with respect to EMU 10. Equally, he developed a *strategic vision* for how an EMU agreement might be achieved. Both of these aspects were highly significant in setting the path for the EMU debate. Neither Delors nor the Commission were able to attain the same level of success, however, in acting as *policy entrepreneurs*, though their input remained an important contribution. This lesser role is to be explained in terms of the constraints, noted above, under which the Commission operates, in general, and in the particular conditions of the EMS:

Delors was the first of the three key *animateurs* on EMU - the others being Kohl and Mitterrand - to recognize the potential for progress and to take action to try to realize it. Delors had long harboured thoughts of realizing EMU. He was a minister of finance in France

---

10. It is helpful to clarify the use of these terms. An *animateur* is one who uses his/her personal authority to galvanize support for his/her position, to advance or oppose EMU. To mobilise opinion entails an ability to exert pressure, direct or indirect, and to structure debate. This in turn depends on the effectiveness of the actor's strategy. A strategist needs to be able to provide a vision; to have a technical mastery of the issues involved; and to be able to focus attention on and employ arguments at the decisive points in the negotiations. A strategist is faced with various options of how to affect the process of negotiations.

Following Kingdon (1995:179), an *entrepreneur* is an advocate who is "willing to invest (his/her) resources - time, energy, reputation, money - to promote a position in return for anticipated future gain in the form of material, purposive, or solidary benefits". With respect to the Commission and EMU, the purposive gain is likely to be the most relevant: the Commission's role is to promote the values, and even the 'ideology', of integration. An entrepreneur needs to be able to command a hearing; to be reputed for his/her negotiating skill; and to be persistent (Kingdon, 1995: 180-1). As Majone (1996:74) has noted, Commission officials often display these qualities more than their national counterparts. Entrepreneurs must identify 'windows of opportunity' through which to push their ideas, such windows open only infrequently when three separate process streams converge: problems; politics; and policy ideas (Kingdon, 1995).

who had been forced to devalue the currency three times in as many years. Yet, his reputation was as one who sought to maintain monetary discipline; his stance as minister foreshadowed the *franc fort* policy consistently pursued after 1984. Prior to taking-up his post as Commission President in 1985, he toured all the then ten national capitals to discuss the basis on which the EC might be 'relaunched'. Like Jenkins before him, he looked for the 'big idea'. Again, like Jenkins, he was attracted by the notion of pursuing monetary integration. Yet, the support for this was not forthcoming: Thatcher was adamantly opposed, whilst the Germans had serious reservations. Delors raised other alternatives - the single market; institutional reform; and defence policy - and he found immediate support for the first, and later, for the second also. In the IGC in 1985, Delors was only able to obtain a minimal reference to EMU in the Single Act. This served to integrate the objective into the EC treaties, but it provided little basis for any meaningful progress. Delors had worked with the French, the Belgians and the Italians to try to obtain a clearer path to EMU (Interviews of 16.1.96; 21.6.96). This presaged the form of later alliances on EMU in 1990-91, when Delors was again closest to the positions of these countries. But, in 1985 Britain and Germany had successfully colluded to thwart such ambitions: Germany wanted any future moves to be subject to formal treaty revision and it obtained precisely this 11.

By 1988, however, the situation had begun to change. The EC agenda was being cleared of other blocking issues, not least the controversies over the budget (and the UK's contributions) and the establishment of new financial measures (the so-called 'Delors package'). Moreover, reform of the existing EMS was being pressed by both the French and the Italians 12. A realignment crisis in the ERM one year earlier had been followed by the Basle-Nyborg Agreement in the September. This was a modest, if not ambiguous, declaration on how the EC partners would intervene to support each other's currencies, whilst also recognizing that stable currencies could be achieved by a more active use of interest-rate differentials (Dyson, 1994:121-3). It represented an uneasy compromise between two broad coalitions: the French, the Belgians and the Italians, on the one hand, and the Germans, the Dutch and the Danes, on the other. The outcome was regarded as unsatisfactory by the first group of states, which had a tradition of weaker currencies needing support. Yet,

---

11. Article 102 in the Single European Act refers to monetary cooperation progressing on the basis of Article 236a of the Treaty of Rome, rather than the more open clause of Article 235. Any future moves were to involve ECOFIN and the Monetary Committee. [CHECK]

12. See the separate papers circulated to their EC counterparts by Edouard Balladur, the French Finance Minister, in January 1988, and by the Italian Finance Minister, Giuliano Amato, in February 1988.

across the EC there had been a shift in policy philosophy to emphasise the advantages of monetary stability: all now craved what the Germans had long had.

To prepare the ground for precisely this kind of debate, the Commission had already instigated a report - the Padoa-Schioppa Report - which was designed to provide a coherent rationale for a new initiative in the monetary field in the wake of the single market (Dyson, 1994:118-9). In effect, the report stated that currency instability would be exacerbated by the realization of the free movement of capital, unless the EMS was reformed 13. The latter was an obligation laid out in Article 13 of the Single Act. It was also an objective being pressed strongly by the British and the Germans. The new government of Jacques Chirac in France was also sympathetic to such de-regulation.

Delors (and Kohl) had engineered the basis for a new EC bargain: with capital liberalization, the case for EMU had been greatly strengthened. The French and the Italians would support it even more strongly, and with the adoption of capital mobility, the Germans believed their partners had become more credible. Delors and the German EC presidency of early 1988 pressed for the adoption of the Directive on capital liberalization. This was achieved in June, shortly before the European Council was to meet in Hanover. To some degree, Delors had engaged in salami-slicing: moving ahead cautiously as the pieces fell into place.

Delors had been conscious of the 'spill-over' effects of a new agreement on capital liberalization (Interviews of 21.6.96; 24.6.96; 19.5.92). It was a fundamental part of his developing strategy during this period. It dovetailed with the increasing recognition of the structural weaknesses of the current EMS. The Padoa-Schioppa Report was an intellectual bonus to be utilized when a window of opportunity arose. It was part of his leadership style to prepare policy ideas and to push them when the conditions were right.

Yet, at the start of 1988 Delors was cautious, even sceptical, on the prospects for a new initiative on EMU. He feared that the Commission and himself were becoming too exposed, given the controversies over the budget and the new 'Delors package' (Interview 21.6.96). His instinct was to stick to the terms of the Basle-Nyborg

---

13. The report, submitted to the Commission on 10 April 1987, shied away from an advocacy of EMU, but instead it warned of a fundamental contradiction between the retention of independent monetary policies, on the one hand, and retention of stable exchange rates with the capital mobility foreseen in the single market, on the other. The metaphor employed was of an 'inconsistent triangle' and the key new development was the abolition of exchange controls.

agreement and the decisions of the European Council. The French and Italian protestations on the EMS were not sufficient to move him; the key turning point was the paper circulated by Hans-Dietrich Genscher, the West German Foreign Minister, on 26 February 1988, and the memorandum of Gerhard Stoltenberg (West German Finance Minister) on 15 March. The Stoltenberg memorandum referred explicitly to capital mobility and indicated that a deal could be done on EMU. Delors had been bruised by the German opposition to EMU in 1985 and had been doubtful that Germany would be prepared to discuss EMU now. But, in fact, the Germans were opening the way for Delors' brokerage and leadership. Their shift made Delors' moves viable; they were his key anchor. Delors had discussed EMU with Genscher before his paper was circulated, and he appears to have been taken aback by his boldness (Interview of 21.6.96).

The collaboration between Delors and the Kohl government on resolving the EC budget problem and in obtaining agreement on capital liberalization had given the Commission President a heightened credibility with the German Chancellor. This was sustained in the preparations made for the Hanover European Council in June 1988. It is the convention that such preparation is undertaken on the basis of joint meetings between the Commission President and the Council presidency. A meeting between Delors, Kohl, Lamy and Joachim Bitterlich (Kohl's foreign policy adviser) agreed that Hanover should establish a committee to study the technical design of EMU. More particularly, they agreed the composition of the new committee (the twelve central bank governors plus three independent figures) and that Delors should chair it. There are different interpretations as to whether Delors actively sought the chairmanship: some of those close to him report that he "lobbied hard for it", whilst others and Delors himself insist that it was Kohl's idea (Interviews of 6.6.96; 21.6.96; 24.6.96). Grant records that after Delors opened a discussion on EMU at Hanover, Kohl proposed in an apparently casual manner that he chair a committee to study it (1994:120). In reality, it had been a carefully crafted deal, kept secret from most, if not all, the rest. Thatcher was caught unaware; domestically, the Bundesbank President Karl-Otto Pohl was reportedly outraged. Some weeks beforehand, Genscher had proposed 'a committee of wise men', a formulation often adopted by the EC in such cases.

The agreement to establish what became known as the "Delors Committee" was audacious in its design. The inclusion of the central bank governors would tie them to the cause of EMU. Delors and Kohl had successfully pursued the strategic option of binding-in and neutralizing potential opposition to the project. In no sense does Delors appear to have been an 'honest broker' before or during the Hanover summit: he was not a neutral observer but an actor with pronounced interests.

Moreover, Delors and Kohl calculated, with good reason, that the chances of a decision to move ahead on EMU were much greater at the level of the heads of government than via deliberations in the various specialist monetary fora, in particular ECOFIN. The institutional path chosen was crucial; it was an important component of strategic behaviour (Baumgartner and Jones, 1991). Once established, Delors as chair of the Committee would provide a political lead from outside the insular world of EC monetary circles. Hanover thus set a path for EMU, and one in which Delors had the initial lead in setting the agenda.

The internal politics of the Delors Committee are discussed in Dyson & Featherstone (forthcoming); the focus here is wider. It can be noted, however, that Delors was quickly confronted by opposition from the central bank governors. Whilst Delors was successful in having Padoa-Schioppa (formerly the head of DGII, but by now back in the Banca d'Italia) appointed as a rapporteur for the Committee, his nomination of Jean-Pierre Mingasson from the Commission was blocked. Instead, Gunther Bahr of the BIS in Basle was placed, with Pohl's backing, alongside Padoa-Schioppa to limit the Commission's influence. The central bank governors also later rejected Delors' attempt to submit a sequence of Commission papers to the committee: Delors was forced to be much more circumspect in managing the Commission's input into the committee. The governors also stopped his bid to establish a working party to parallel their deliberations.

The above summary account of the 1988-89 period suggests the strategic options utilised by the Commission. Much of the normal thrust of diplomatic politics was not available to the Commission. Delors could not use threats of veto or opposition; and the scope and benefits of a 'divide-and-rule' strategy were such as to remove this as an option. Instead, Delors had to wait for the pieces of the jigsaw to fall into place before calculating that an initiative was feasible. Thereafter, Commission strategy had to rely on collusion with the Council Presidency to give the initial lead, and to establish a promising institutional route. Both Kohl (with the Bundesbank) and Delors (with ECOFIN and the EC Monetary Committee) sought to overcome potential opposition by incorporating the central bank governors. Potential veto points such as national finance ministries or the Bundesbank were simply out-manoeuvred. The Delors Committee agreed a model for EMU (in the final phase of a three-stage process) that provided the key foundation for subsequent discussions. A major bridgehead had been established. Delors' role had been based on his personal caution, his collusion with Kohl, their conspiracy against finance ministries, and their incorporation of the central bankers.

The ability of Delors and the Commission to sustain a policy leadership role in the EMU process weakened with the onset of the inter-governmental conference (IGC) of 1990-91. As a close observer of Delors commented:

The typical Delors method was to push and prepare ideas. But, when a matter is taken in hand by bureaucracies, an individual cannot master that any more. Delors' skill was in bringing ideas to bear, connecting people, and in creating a situation (Interview, 21.6.96).

Delors as an individual was to be somewhat distant from the IGC negotiations. Christopherson was more directly involved in the ministerial-level negotiations, and Giovanni Ravasio (head of DGII) was an active participant in the discussions held amongst the personal representatives. Delors did attend a number of the IGC meetings held at ministerial level throughout 1990-1 (about half of them), but he decided to focus his attention on the IGC on Political Union, where the agenda was still ill-defined and potentially threatening to the Commission's institutional position 14. Overall, the Commission's influence over the course of the EMU initiative was much weaker in 1991 than it had been two or three years earlier. Moreover, whilst, the Commission had provided much of the text that had finally gone into the Single European Act; its influence in the IGC on EMU was much weaker 15.

The Commission published a series of papers prior to the onset of the negotiations 16. By the last months of 1990, however, Delors was concerned that the Commission's position on EMU might be over-exposed and vulnerable to defeat (Interviews, 21.6.96; 24.6.96). At the encouragement of the Italian EC Presidency, Delors agreed that the Commission should submit a draft treaty on EMU prior to the opening of the IGC. The college of Commissioners agreed the principle of a draft being prepared, but it did not see the actual text. This was drafted very hurriedly; the final text being written in less than a week (Interview, 12.12.95). The Commission's Draft Treaty would become one of the texts guiding the

14. Delors, for example, strongly opposed the notion of a European Union based on three 'pillars' and he lobbied hard against it.

15. As one of those involved commented:

The Single Act had been practically prepared in Delors' office. But in 1991, the ministers of finance wanted full control over EMU. (Interview, 24.6.96).

16. See documents by Commission of the European Communities: "Economic and Monetary Union" (21 August 1990); "One market, One Money: An Evaluation of the Potential Benefits and Costs of Forming an Economic and Monetary Union" in *European Economy*, 44, October 1990; "Draft Treaty", presented at the inaugural session of the IGC, 10 December 1990.



negotiations; after the Luxembourgish presidency urged the national governments to bring forward alternative texts, France, Germany and the UK did so. The Luxembourgish had quite consciously wished to avoid having the Commission text as the sole, or even main, text for negotiation (Interview, 13.12.95). The Commission was thus placed as one standard-bearer amongst several others.

Delors was disappointed with the format of the IGC. The Italian EC Presidency had wanted to have a strong linkage between the two IGCs (EMU and EPU); but the ECOFIN ministers had scuppered this at the insistence of Theo Waigel (of Germany) prior to the Rome I European Council in October 1990. The Italians also tried to have Padoa-Schioppa as rapporteur for the IGC on EMU, following his earlier role on the Delors Committee and on the Guigou Committee 17. Delors agreed with the proposal: Padoa-Schioppa was very *communautaire* and close to him. Andreotti, as Italian PM, pressed the case, but Jacques Santer, his Luxembourgish counterpart, was able to block the proposal (Interview, 13.12.95). Santer feared that Padoa-Schioppa would create an imbalance in the negotiations and that he might undermine the prospects for a consensus emerging on EMU.

The scope for the Commission to display entrepreneurship in the IGC negotiations was limited by the structure of the coalitions in the bargaining process (see below). On some of the narrow technical items, the Commission's input was pre-eminent (e.g. the 'freezing' of the ECU in the transition to a single currency; the definition of the alternative convergence criteria). Other major technical designs became the prerogative of the Committee of Central Bank Governors (e.g. the draft statutes of the EMI and the ECB). The major political issues, however, were the subject of intense inter-governmental bargaining, in which the Commission was left to side with those advocating a *communautaire* approach. This exposure of the Commission's position was precisely what Delors had been anxious about before the IGC began.

Delors himself focussed on issues such as the transitional arrangements from one stage to another in the EMU process. In spring 1991 he defended the Rome I position of a fixed date for Stage 2 (1994) on the basis of limited, rather soft criteria. By the autumn, the focus switched to the conditions which would trigger the start of Stage 3. Delors joined those advocating a fixed date. In the last days before the Maastricht European Council, Delors appears to have been closely involved in the germination of the so-called 'automaticity' formula for Stage 3.

---

17. The Guigou Committee had been established by the informal ECOFIN meeting of September 1989 in Antibes to outline the main questions to be addressed by an IGC. It reported in October 1989.

His precise role in this crucial aspect remains unclear, however. Certainly, Delors was entrepreneurial in advocating a single country opt-out for Britain on EMU and on finding a solution on the problem of the UK and the Social Chapter (Interview, 11.12.95). But, there is a mystery surrounding the emergence of the automaticity formula. Padoa-Schioppa in Italy is credited with having sketched out the terms of the formula and having then passed it to Andreotti (Dyson & Featherstone, 1997). Andreotti and Mitterrand then apparently agreed it over dinner at Maastricht, after which the Italians introduced it into the summit and it was adopted. Delors himself denies any involvement in the matter, other than as a cheerleader from the side-lines. Yet, several of those close to Delors and of those directly involved in the Dutch presidency claim that he was very active on this matter (Interviews of 21.6.96; 29.2.96; 5.7.96). It is said that members of the Delors cabinet were collaborating with the French Premier, Edith Cresson and her *Chef de Cabinet*, Francois Lamoureux (formerly a Delors aide) on this issue, and that there was also close contact with Bonn over what Kohl would find acceptable. It does, indeed, seem incredible that such an assertive Commission President would not be very concerned to ensure that a firm commitment to EMU would be given. Delors and his cabinet had open lines to the two capitals that mattered most - Bonn and Paris - the notion that the initiative was left to Padoa-Schioppa in Italy (not someone directly engaged in the negotiations) seems implausible. The probability must be that Delors and his entourage were closely informed and involved in what happened on this matter in those last days before the Maastricht summit. If not actual authorship of the automaticity formula, then the Delors camp must have been very fully engaged in indirect pressure to secure it. If so, then this would be one of the most significant areas of policy entrepreneurship performed by the Commission in the entire EMU story.

#### **The Commission and the Cognitive Dimension: language, frames and signals on EMU**

The EMU initiative cannot be understood as a strategic process alone. Crucially, a cognitive dynamics was also at work. The latter involved the articulation and probing of policy beliefs, the elaboration and testing of policy arguments, the employment and effects of evidence, the practice of the arts of persuasion, and the endeavour to make sense of the problems and issues at stake (Dyson & Featherstone, forthcoming). The intense negotiations of the IGC had to be concerned with more than the political acceptability of EMU; they had to focus also on its technical viability. Negotiators had different background beliefs - both normative and causal - or

'frames' and were obliged to reflect on those of their partners (Schoen & Rein, 1994).

It is in the nature of the policy process that frames evolve and respond to new pressures and opportunities. Yet, in sum, the policy frame promoted by Delors and the Commission saw EMU in terms of:

- (a) The priority to be given to institutions, to lead integration and change patterns of behaviour;
- (b) The recognition that EMU was, ultimately, a *political* project - to advance the European cause - rather than merely a question of economics; it thus needed a firm political lead and commitment, preferably with a clearly defined timetable;
- (c) The establishment of EMU should complement the existing EC framework, maintaining its central institutional features, and respecting the traditional domain of the Commission.
- (d) A single currency could be 'sold' as being in the rational self-interest of firms and consumers operating in the new single market; it was a logical next step, rather than a revolutionary advance.
- (e) Recalcitrant states, like the UK, should not be allowed to block the progress of integration in this sector.

These precepts were very much part of the Community tradition of Monnet and Hallstein, which stressed the lead role of institutions, a stage-by-stage advance, and the appeal to rational self-interest (Featherstone, 1994).

As already noted, the Commission attempted to mould the policy frame of the EMU negotiations by instigating specialist background reports. The Padoa-Schioppa Report of 1987 gave an intellectual justification for reform of the ERM that went well beyond the Basle-Nyborg agreement. Similarly, the Commission sought to organize external expertise to legitimate its advocacy on EMU. In this endeavour, it was supported by the Association for the Monetary Union of Europe (AUME), lead by Giscard d'Estaing and Helmut Schmidt. The Commission also sustained close links with the pan-European network of the Centre for Economic Policy Research (CEPR), based in London. The "One Market, One Money" report of October 1990 produced for the Commission had prompted an 'epistemic community' of European economists serving to legitimate the Commission's policy frame on EMU, after the initial momentum had already been created (Dyson, 1994:255). The economists behind the report were strongly institution-focussed, accepting the utility of national authorities having their hands tied by common EC agreements, which was fully in-keeping with the *communautaire* tradition.

Yet, the 'frame reflection' of the later IGC came to rely little on direct inputs from academic economists; the technical task of the IGC went well beyond conventional economic approaches. Instead, DGII sought to provide background briefing papers on some of the difficult technical issues, and the national delegations submitted supporting documents on the technical basis of their proposals (e.g. the Spanish on their 'hard ecu' proposal). To some degree, the Commission served as a 'translator' between policy frames, so that differences could be more readily understood. It also endeavoured to build bridges by identifying the elements common to different frames. When difficulties occurred, the Commission sought external verification of technical designs (e.g. the specification of the role of the ECU in the transition). Moreover, the relatively closed world of the IGC engendered its own social interaction which supported a reflection on the foundations of one another's beliefs.

Delors was able to utilize his resources to enhance his own personal rapport with national leaders. His own career background gave him more experience of monetary policy than Andreotti, Kohl, Major, or Mitterrand, for example. Moreover, after 1988 Delors had the opportunity to learn more about EMU than had either Kohl or Mitterrand. Delors gained a privileged position: and both Mitterrand and Kohl listened to him. Indeed, at times Kohl was incensed by the antagonism and arrogance of the Bundesbank towards the Commission President: unlike the bank, Kohl had a high regard for Delors' technical competence. In addition, DGII and its associated network could provide Delors with his own source of technical advice. These factors enabled Delors to pose as an alternative source of expertise to Kohl and Mitterrand, the two key leaders. To some extent, their relationship with Delors helped them to lessen the dangers of capture by entrenched domestic interests such as the Bundesbank and the Tresor. Kohl wished to make an independent contribution on EMU - he was concerned not to be bound by the Bundesbank, Stoltenberg or Genscher - and Delors was a support for him to do so. Delors, at the very least, was an outside buttress to the cause of an EMU agreement.

Delors also carefully tailored his language and discourse. In the period prior to 1988, Delors referred to the 'reform of the ERM', when he actually had EMU very much in mind. He sought to avoid talking of the creation of a European central bank, for fear of provoking such hostility that the notion was defeated before it had chance to develop. He was fully aware of Thatcher's strong protestations against the creation of an ECB. The Hanover communique made no reference to an ECB, though it did set the goal as EMU - a contradiction that defied technical credibility.

Further, the creation of the Delors Committee was intended to emit key signals: that the inclusion of the central bank governors meant it was essentially a technical exercise (to placate political sensitivities) and that it would possess the appropriate credibility. Yet, in reality, the appointment of Delors as chair ensured a strong political lead in favour of further integration. The committee was thus carefully crafted to achieve the essential objective of Delors and Kohl.

In the deliberations of the Delors Committee, the Commission President came to accept the principle of central bank independence. It had not been part of his own policy design; this was no doubt influenced by his own career background in Paris (Interview, 6.6.96). Delors did not see monetary policy in neutral, technocratic terms, but rather as a political instrument. The discussions of the Delors Committee convinced him, however, that the principle of independence was a necessity in order to establish an agreement. Delors, like the others, went along with the German model. It is by no means clear whether Delors' advocacy of central bank independence was the result of strategic calculation or of 'frame reflection'.

Another part of Delors' French cultural frame was his advocacy of the notion of *gouvernement économique*. To Mitterrand and Beregovy, this entailed the establishment of a political pole of power (e.g. the Council) to counterbalance the responsibilities of the ECB. In this structure, the Council would give instructions to the Commission; not a feature that appealed to Delors. To Delors, the concept appears to have had a different focus: that is, that policy coordination should stretch across the fiscal and structural fields (Interviews of 6.6.96, 15.12.95). Christopherson shared the Delors view, though others in the Commission like Frans Andriessen did not. To them, the concept involved the notion of incorporating measures in convergence programmes to promote structural adjustment (to create more flexible labour markets; reduce state aid; change tax legislation etc.). Structural adjustment had been a key point of focus for Delors in the earlier reform of the EC structural funds. Again, his approach here appears to be a legacy of his French experience: specifically, his period in the Commissariat du Plan. In the EMU negotiations, any notion of *gouvernement économique* was scuppered by the entrenched opposition of the Germans, the Dutch and the Danes. For them, the concept was dangerous in that it facilitated political intervention in monetary policy and it implied too big an expansion of the EC budgetary policy. By the last months of the IGC, the concept was already dead.

**The Commission, IGC bargaining and advocacy coalitions**

The progress of the EMU initiative can usefully be examined in terms of the concepts of bargaining games and advocacy coalitions (Putnam, 1988; Dyson, Featherstone & Michalopoulos, 1995; Iida (1993); Knopf, 1993; Loedel, 1994; Moravcsik, 1993; Tsebelis, 1990). The EC represents an efficient bargaining environment: as Moravcsik has noted, it is information-rich and the transaction costs of bargaining are low (1993). It is a distinctive type of bargaining environment, however: it has multiple types of actors communicating by means of varied channels 18.

Within this framework, the Commission and its president are obliged to recognize and cultivate two inter-locking alliances. Firstly, much of the recent history of the EC has emphasized the importance of the Commission President having strong ties with both the French President and the German Chancellor. This was crucial to Jenkins at the time of the launch of the EMS (Ludlow, 1982) and similarly Delors acted with this in mind in relation to EMU. Given the monetary power of the Germans, Kohl was undoubtedly the more important of the two national leaders in this policy sector. Kohl was the most important focus for Delors, and he appears to have established a greater affinity with the Chancellor than with Mitterrand. Delors and Mitterrand shared a coolness towards each other; the Commission President would complain that he could never work out what the French government actually wanted on EMU. But with Kohl, Delors established a rapport: both had a Catholic background, both had rather prosaic tastes; and both developed similar policy attitudes. They were effective partners: as already suggested, Delors-Kohl determined the nature and composition of the committee to study EMU and how to handle Thatcher before Hanover in June 1988. Both used the 'synergistic linkage' to capital liberalization to engineer support for EMU in the run-up to the summit (Putnam, 1988).

Thus, from the outset EMU was a 'nested game' (Tsebelis, 1990). It was initially tied to capital mobility and the completion of the single market. Later, it became nested in the higher-order games of Franco-German relations and of managing German unification (Dyson & Featherstone, 1996:331). From late 1989 onwards, both Delors and Kohl sought to reconstruct EMU as a more overtly political problem in the wake of German unification. Ironically, with this increasingly political character, the influence of Delors and the Commission was to wane, as the Kohl-Mitterrand nexus became more important.

The second alliance which the Commission is obliged to activate is that between its own president and the

---

18. Any assumption of unitary state actors, for example, would be highly misleading (Dyson, Featherstone & Michalopoulos, 1995?).

Council Presidency. On EMU, this had perforce to be linked to the need to maintain German support. Thus, Delors-Kohl-Gonzalez determined strategy to ensure progress on the Delors Report at Madrid in June 1989; Delors-Genscher-Dumas were the motors behind the Guigou Group before the Strasbourg European Council in December 1989; and Delors' cabinet-Bitterlich-Umberto Vattani produced the ambitious Rome I communique of October 1990. At each stage, significant progress was made by activating the linkage of Commission President-Germany-Council Presidency. The vital element was the requirement to carry Kohl's support: this was the only means available to neutralise the Bundesbank and the German finance ministry. Hence, Joachim Bitterlich and Horst Tetschick in the Federal Chancellor's Office became the major addressees for complaints and worries about finance ministry and Bundesbank positions, notably before Rome I and after the presentation of the German Draft Treaty in late February 1991. It was notable that on the issue of the organization of the IGC on EMU, Delors and the Italian Presidency failed to carry Kohl's support. The consequence was that Theo Waigel and his colleagues in ECOFIN seized full control of the IGC on EMU and the coordination between this and the other IGC on EPU was weak. This seriously affected the nature of the final treaty.

The nature of the IGC in 1991 made sustained coordination between the Commission President-Germany-Council Presidency difficult, if not impossible. The leadership role of the Commission waned with the onset of the 12-dimensional 'chess' of the inter-governmental process. The direct, secret Franco-German bilaterals conducted from April onwards in effect superseded the Commission's role, though Brussels maintained close communication with both (Dyson & Featherstone, forthcoming). Nevertheless, the Luxembourgish had to rely heavily on the resources of the Commission during their presidency in the first half of 1991. Their successors - the Dutch - were much more independent in this respect. The Dutch felt that their predecessors had been too close to the Commission. They had their own substantial experience and expertise; more to the point, as one of their key officials commented, the Dutch had strong opinions on almost every part of the EMU project (Interview, 29.2.96). The Commission became highly critical of the way in which the Dutch managed the IGC negotiations: it appeared ill-suited to brokering compromise. The Dutch Presidency then caused a crisis on the so-called 'Black Monday' in September when it published its first full Draft Treaty. The Commission feared that the Dutch approach would undermine the consensus and lead to a weaker agreement.

The negotiations in the IGC displayed the importance of a basic divide of policy philosophy on EMU between two 'advocacy coalitions' (Sabatier & Jenkins-Smith, 1993). This was the division between the 'economist' (or 'behaviouralist') and the 'monetarist' (or

'institutionalist') approaches on how to establish EMU 19. On this cleavage, the Commission generally sided with the monetarists, as this was closer to the *communautaire* tradition of objectives tied to firm timetables. It also satisfied the Commission's own institutional self-interests. This *monetarist-economist* divide was the most important cleavage in the IGC and one that had been sustained from the period of the Delors Committee. Within the Delors Committee, however, the Commission President had sided with the *economist* position on some key aspects (e.g. the rejection of a firm timetable for EMU), though by no means all. Whatever his other thoughts on such matters, such accommodation was no doubt the result of his own natural caution and, more fundamentally, the strategic constraint of Delors having to ensure that the Bundesbank was kept 'on board' 20. By the start of the IGC, however, the Commission as an *institutional actor* was joined with Italy and France (at least until mid-1991) in the one camp, with Germany, the Netherlands, Denmark, and (in certain respects) Britain in the other. Of the monetarist coalition, only the Commission was consistently *communautaire* in the IGC. On institutional matters, the French opposed the involvement in EMU, to any significant degree, of both the Commission and the European Parliament. The Italians supported the inclusion of the Parliament, but not the Commission.

In a survey of positions adopted in the IGC, the Commission's proximity to the French and the Italians becomes clear. The survey is based on the confidential reports of IGC participants obtained by the authors. The survey includes some 37 items discussed in the IGC where clear policy differences are identified amongst the negotiators 21. On this qualified data, the position

---

19. See L. Bin-Smaghi, et al for an explanation of the two approaches. In brief, 'economists' favour establishing a single currency only after there is sufficient convergence between the participating economies; whilst 'monetarists' believe that market behaviour can be changed by the lead given by institutions, such as an ECB. The latter would thus accept a firm date for a single currency, whilst the former would not. Note that the term 'monetarist' is used here in a very limited, peculiar sense: it is not necessarily tied to the Friedmanite school, for example.

20. Like others, such as Poehl, Delors appears to have retreated from the consensus of the Delors Committee by 1990; this is manifested by his advocacy of the *automaticity* provision and the *communautaire* institutional approach. The attachment of his fellow commissioner, Henning Christopherson, to the *monetarist* position might also be questioned in some respects; not least in his attitude towards the inclusion of the European Parliament in EMU matters.

21. Whilst the availability of such information is rare and of significant value, the survey has a number of



adopted by the Commission was closest to that of France (with whom it allied 71% of the time) and of Italy (with whom it allied on 64% of occasions). By contrast, the Commission was on the side of Britain (7%) and Germany (21%) much less often.

The Commission's fortunes on the issues surveyed were mixed. It favoured automaticity to Stage 3 (victory), but on relatively soft convergence terms (defeat). It supported a strong monetary institution for Stage 2 (an 'ECB'), on which it lost. It also advocated a strong role for both the Commission (defeat) and the European Parliament (limited victory) in the EMU process. The identification of the Commission with the monetarist camp led it into the conflict of the bargaining process and exposed its position.

It is paradoxical that whilst close collusion between Delors and Kohl was crucial in launching EMU in 1988, and that it remained vitally important across the general political terrain of the Maastricht Treaty, the actual position adopted by the Delors camp on the design of EMU was much closer to that of Paris than Bonn. This might be explained in terms of the accusation that Delors was generally biased towards France, or alternatively that it is another example of the French success in making its national interest and that of the Community synonymous. Rather more fundamentally, it suggests the skill with which Delors managed to persuade both Kohl and Mitterrand that he was 'on their side'.

As the IGC progressed, the Commission was obliged to defend its own institutional interests from the almost general opposition of the national finance ministry personnel. It also supported the institutional rights of the European Parliament. The problem was that the vast majority of member-states advocated an inter-governmental conception, minimizing the role of both the Commission and the Parliament, alongside the ECB. In many respects, EMU constitutes a fourth pillar in the Maastricht Treaty.

The EMU architecture diverged from the Community norm. The IGC insisted on the Commission's traditional right of initiative, in the monetary field, being shared with either the EMI or the ECB. Moreover, for a whole raft of measures (decisions in the monetary field; policy guidelines; the passage to Stage 3; multilateral

---

important limitations. The data are based on the confidential EC Commission reports of the IGC meetings. The issues included in the calculations are those where the positions of several delegations were given and where a clear division existed between them. The list of issues thus cannot be representative of the whole subject-matter considered by the IGC; nor are they weighted according to their significance. The validity and reliability of the data are dependent on the individual authors of the reports obtained.

surveillance) the Commission is required to make its initiative in a form which facilitates amendment by the Council. The Parliament is given a role: for most important executive acts it is consulted or informed; it may also hear the Council President and the heads of the ECB. But there was little support in the IGC for the cooperation procedure to be extended to legislative acts in the EMU domain; only Belgium, Greece and Italy were prepared to countenance this.

## Conclusions

The foregoing analysis has established the Commission President, Jacques Delors, as an important actor in the re-launch of the EMU initiative. Without Delors' drive, it is likely that the Commission would have remained distant from the process; indeed, without him, EMU may not have been agreed. Yet, the type of role he was able to play and the degree of influence he had over the process varied substantially over the different phases of the EMU process. This variation can be explained by reference to factors of both structure and agency. For example, the structural (institutional) power of the Commission President is limited; it has its greatest potential as an initiator or *animateur*. Yet, this potential depends on a set of other factors which has more to do with agency. Personal credibility in the field; strategic calculation and brokerage between allies amongst the national governments; and a complementary cognitive dynamics each affect the leadership role of the Commission President. In 1988, Delors began with the credibility, he proceeded cautiously until an appropriate window of opportunity appeared, he had good relations with the two most important national leaders (Kohl and Mitterrand), and the cognitive disposition (which he had helped to shape) favoured EMS reform after the capital liberalization he himself had championed as part of a 'nested game' with EMU. Strategic calculation and a sensitivity to institutional venues led Delors and Kohl to agree on an appropriate expert committee to lend further credence to the EMU initiative.

This interpretation of Delors' role in the agenda-setting phase is consistent with Pollack's recent review of the relevance of the rational choice literature on institutions and agency in the EU context (Pollack 1997). He concludes that the EU institutions can act as effective entrepreneurs, "when member governments have imperfect information and are uncertain of their own policy preferences and when (the) supranational institutions possess more information and clear preferences; in these circumstances, entrepreneurial institutions may provide focal points around which the uncertain preferences of the member governments can converge" (Pollack, 1997:130). Imperfect information and

unclear national preferences did offer scope for entrepreneurship on EMU in 1988-89. Yet, the entrepreneurial role was shared amongst Delors, Kohl and others and it was crucial that it was so. Moreover, Delors as an *animateur* or entrepreneur was acting beyond the normal confines of the office of the Commission president; his role became larger than that of the Brussels body itself. Thus, the Pollack approach is extended here to give more emphasis to strategic interaction (with national leaders, central bank governors); and the significance of the cognitive dimension is added to it.

Beyond agenda-setting, Delors' role was weaker and more distant. EMU was located in a policy milieu dominated by national actors who were concerned to limit, or even exclude, the role of the Commission. National finance ministries and central banks had accumulated vast experience and reputation in the field, and had established closeted networks within it. The resources of Delors and the Commission were stretched. The onset of the IGC exposed Delors and the Commission; they became players in partisan conflicts, cheerleaders for positions shared by some but not all. The Commission could help to re-shape policy frames, provide technical assistance in particular fields, and help to build bridges. But, the Commission itself could not *bargain*: it could not issue direct threats, divide and rule, or even act as an honest broker (given that it was not a neutral participant). The Commission could play a cognitive role and it could be an *animateur* in the discussions (exerting indirect pressure), but an IGC *weakens and distances* it. The outcome of the IGC was always in the hands of the twelve governments.

The world of monetary policy and the nature of an IGC are atypical phenomena; they are thus only partial guides to the role and power of the Commission. Yet, the contrast in these respects between agenda-setting and direct negotiation would seem to have a general relevance. This is probably a more extreme case of a common pattern.

The context of a relatively closed policy process, like that of monetary policy, and intense treaty negotiation lends itself to a study of the role of agency. Structural conditions shape the wider environment, but within the 'black box' of inter-governmental negotiation *agency matters*. The contingency model of strategic dynamics, cognitive processes, and the specific institutional milieu highlights the key features of the case.

Much of the earlier approaches to European integration emphasised the structural aspects of its processes (Dyson, 1994:302-315). By themselves, they were often distant or insensitive to the internal dynamics of the EC's policy processes. Yet, when the European Union in the 1990s appears to be so focussed on trying to define

its own policy agenda, and to negotiate major policy initiatives, it is appropriate to bring agency back into its central position in the explanatory framework. The contingency model outlined here would seem to serve such a purpose well.

## REFERENCES

F. R. Baumgartner & B. D. Jones (1991) *Agendas and Instability in American Politics*; Chicago: University of Chicago Press.

L. Bini-Smaghi, T. Padoa-Schioppa & F. Papadia (1994), "The Transition to EMU in the Maastricht Treaty", *Essays in International Finance*, 194; Princeton University, NJ.

S. Cassese & G. della Cananea (1992) "The Commission of the European Economic Community: The Administrative Ramifications of its Political Development (1957-1967)", in E. V. Heyen (1992), *Yearbook of European Administrative History*; Baden-Baden: Nomos.

T. Christiansen (1996), "A maturing bureaucracy ? The role of the Commission in the policy process", in Richardson (1996).

M. Cini (1996), *The European Commission: leadership, organization and culture in the EU administration*; Manchester: Manchester University Press.

Commission of the EC (1990a), *Economic and Monetary Union*, August.

Commission of the EC (1990b), *Draft Treaty*; 10 December.

Commission of the EC (1990c), "One market, one money", *European Economy*, 44, October.

L. Cram (1994) "The European Commission as a multi-organization: social policy and IT policy in the EU", *Journal of European Public Policy*, 1,2, Autumn.

D. Dinan (1994), *Ever Closer Union ? An Introduction to the European Community*; London: Macmillan.

H. Drake (1995) "Political leadership and European Integration: The case of Jacques Delors", *West European Politics*, 18,1 January.

K. Dyson (1994) *Elusive Union: The Process of Economic and Monetary Union in Europe*; London: Longman.

K. Dyson & K. Featherstone (1996) "EMU and Economic Governance in Germany", *German Politics*, 5, 3.

K. Dyson & K. Featherstone (1997) "Italy and EMU as a 'vincolo esterno': Empowering the technocrats, transforming the state", *South European Society & Politics*,

K. Dyson & K. Featherstone (forthcoming), *Negotiating the Maastricht Treaty: The Dynamics of Economic and Monetary Union*; Oxford: O.U.P. (provisional title)

K. Dyson, K. Featherstone & G. Michalopoulos (1995) "Rescue or Transformation of EU States? Bargaining Models and EMU", *European Consortium for Political Research*, Joint Session of Workshops, Bordeaux, May.

G. Edwards & D. Spence (1994), *The European Commission*; London: Longman.

M. Egeberg (1995) "Organization and nationality in the European Commission services", *European Consortium for Political Research* Joint Session of Workshops, Bordeaux.

K. Featherstone, "Saint or Sinner ? Jean Monnet and the 'democratic deficit' in the European Community", *Journal of Common Market Studies*, June 1994.

C. Grant (1994) *Delors: Inside the House that Jacques built*; London: N. Brearley.

K. Iida (1993) "When and How Do Domestic Constraints Matter ? Two-Level Games with Uncertainty", *Journal of Conflict Resolution*, 37, 3, September.

J. Kingdon (1995), *Agendas, Alternatives and Public Policies*; New York: HarperCollins.

J. W. Knopf (1993) "Beyond two-level games: domestic-international interaction in the intermediate-range nuclear forces negotiations", *International Organization*, 47, 4, Autumn

P. Loedel (1994) "Regional Bargaining Strategies and Multiple Games: German Monetary Policy and the Franco-German Axis", *Conference of American Political Science Association*, New York, September.

Th. Lowi (1964) "American Business, Case Studies, Public Policy and Political Philosophy", *World Politics*, 16, 677-715.

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

P. Ludlow (1991) "The European Commission", in R. O. Keohane and S. Hoffman, *The New European Community: Decisionmaking and Institutional Change*; Boulder, Col: Westview Press.

G. Majone (1996) *Regulating Europe*; London: Routledge.

B. Maris (1993) *Jacques Delors: artiste et martyr*; Paris: Albin Michel.

- A. Moravcsik (1993) "Preferences and Power in the European Community: A Liberal Inter-governmentalist Approach", *Journal of Common Market Studies*, 31, December, 473-524.
- N. Nugent (1995) "The leadership capacity of the European Commission", *Journal of European Public Policy*, 2,4, December.
- G. Peters (1996) "Agenda-setting in the European Union", in Richardson (1996).
- M. A. Pollack (1997), "Delegation, agency and agenda-setting in the European Community", *International Organization*, 51, 1, Winter.
- R. Putnam (1988) "Diplomacy and Domestic Politics: The Logic of Two-Level Games", *International Organization*, 42, 3, Summer, 427-461.
- J. Richardson (1982) *Policy Styles in Western Europe*; London: Allen & Unwin.
- J. Richardson, ed. (1996) *European Union: Power and Policy-Making*; London: Routledge.
- R. Rhodes & P. Dunleavy, eds. (1995), *Prime Minister, Cabinet and Core Executive*; London: Macmillan.
- A. Rollat (1993) *Delors*; Paris: Flammarion.
- G. Ross (1993) "Sliding into Industrial Policy: Inside the European Commission", *French Politics and Society*, 11, 1, Winter.
- G. Ross (1994) "Inside the Delors Cabinet", *Journal of Common Market Studies*, 32, 499-523.
- G. Ross (1995) *Jacques Delors and European Integration*; Cambridge: Polity Press.
- P. Sabatier & H. Jenkins-Smith, eds (1993) *Policy Change and Learning: An Advocacy Coalition Approach*; Boulder, Col: Westview Press.
- W. Sandholtz (1993) "Monetary Bargains: The Treaty of EMU", in A. Cafruny & G. Rosenthal, *The State of the European Community*; Boulder, Col.: L. Rienner; pp125-142.
- D. Schoen & M. Rein (1994) *Frame Reflection*; New York: Basic Books.
- G. Tsebelis (1990), *Nested Games: Rational Choice in Comparative Politics*; Berkeley: University of California Press.