
CENTRAL BANKING

Book notes: Architects of the euro, edited by Kenneth Dyson and Ivo Maes

This biographical study of the 10 key players in the development of the Economic and Monetary Union provides a contrast to more historical analyses



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Kenneth Dyson and Ivo Maes (eds), **Architects of the Euro: Intellectuals In The Making Of European Monetary Union**, Oxford University Press, 2016, 336 pages

This book provides an analysis of the contributions of 10 key figures to the framing of the Economic and Monetary Union (EMU) in Europe over the last 70 years. All are likely to meet with widespread approval: Robert Triffin; Robert Marjolin; Raymond Barre; Pierre Werner; Roy Jenkins; Hans Tietmeyer; Karl-Otto Pöhl; Tommaso Padoa-Schioppa; Jacques Delors; and Alexandre Lamfalussy.

Clearly, people can contribute to the design of a project in different ways, either through sketching out the main ideas or developing practical proposals and influencing the decision-making debate at the time. Some – such as Jenkins, and even Delors – were in the right place at the right time, and picked up the task of advancing the EMU, rather than having been long-term constructive advocates. Others, such as Padoa-Schioppa, were actively developing ideas over a long period and were able to play a key role in bringing the project to fruition.

Given the problems the eurozone has endured over recent years, one might ask whether those responsible for the designs and decisions that contributed to the difficulties would actually like to see their contribution highlighted. Some – such as Robert Mundell, whose ideas on optimal currency areas were carefully set aside or played down – may be rather pleased they are not included. Others, who pointed out the problems but lost the debate over issues such as the need for provisions for fiscal transfers, may feel they ought to have been included. In any event, the officials and others who did the hard work in drawing up the detail and negotiating it with the representatives of member states are likely to have their roles played down. Piers Ludlow, in his chapter on Jenkins, in effect suggests Michael Emerson may have played the key intellectual role in drafting the speech that was most effective in getting European leaders to agree to take the European Monetary System (EMS) forward.

One exception is Fabio Masini's chapter, where the author draws attention to the role Padoa-Schioppa played as the principal drafter of the Delors Committee Report. Among those included, Harold James in his chapter points out that Pöhl might be remembered as someone who highlighted many of the drawbacks, but did not prevent the agreement from going through. Indeed, there is rather a history of regret on the part of German participants, with the resignations of Axel Weber and Jürgen Stark, for example. Kenneth Dyson, in his chapter, reflects on whether Tietmeyer actually managed to lay a foundation for the operation of the European Central Bank that would ensure it enshrined the principles that he thought necessary for the operation of an effective monetary union.

The book deliberately follows the approach of biography, drawing on archive material and interviews with those involved to paint a picture of the 10 figures and their

contribution. This provides a contrast with other analyses of the development of EMU, which have sought to follow an historical approach, analysing the contribution of the various actors at key stages in the negotiations: the Delors Committee and the Stability and Growth Pact, for example. The first and last chapters by the editors perform this role to a limited extent, but, on the whole, the chapters stand on their own.

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However, the ordering of the chapters is largely historical, beginning with Triffin (by Ivo Maes and Eric Bussière), Marjolin (by Katja Seidel), and ending with Delors (Dermot Hodson) and Lamfalussy (Maes). On the whole, the emphasis is on the early stages. Indeed, in his chapter on Barre, David Howarth puts more emphasis on the period before the Werner Committee than on his later work. Barre was active in promoting work on getting monetary union to work, well after he ceased to be the French prime minister, with his active patronage of the Association pour l'Unification Monétaire de l'Europe during the 1990s, for example.

The crucial role of the European Monetary Institute (forerunner of the European Central Bank) under Lamfalussy's leadership could easily be underplayed. The logistics of designing and introducing a new currency alone were formidable. It was not until the work of the Maas Group in 1995 that the huge complexity of what was going to be involved was recognised.

The chapter on Werner by Elena Danescu is particularly revealing. The anticipatory role of the Werner Committee is well set out in all textbooks on European integration, but there the focus is on the content of the plan. There is no discussion of what role Werner played and whether he was just the chair of the committee – whose name is remembered – or a key player, who not merely helped achieve consensus, but made an important contribution to the concept of integration that was to be followed. Danescu provides that. Hodson provides a similar role for Delors, exploring the debate as to whether Delors was a leader in the process or a seeker for political consensus.

On the whole, the authors have not felt the need to argue their particular figure was crucial to the process. As a result, assessments appear reasonably balanced. It is only now, sufficiently long after the main events took place, that this perspective is helpful. Given the ongoing problems with the eurozone, despite the recent changes, it is well worth taking this opportunity to look back at how this point was reached – and the role of key protagonists in that pathway.