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Jacques SANTER

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Abstract:	Jacques Santer (born 1937) is a prominent Luxembourg politician and statesman. He served as Minister for Finance, Labour and Social Security (1979-1984), Prime Minister (1984-1995) and President of the European Commission (1995-1999). He led the Christian Social People's Party (1974-1982) and was involved in the establishment of the European People's Party in 1976, subsequently serving as EPP President (1987-2000). Santer boosted Luxembourg's strategic outlook by focusing on the knowledge economy, promoting the satellite project, digitalisation and media diversification. He consolidated Luxembourg's social protection and European role, as seen in the negotiations for the Single European Act, the Treaty of Maastricht and the Schengen Agreements. The Santer Commission strengthened Euro-Atlantic relations and oversaw the introduction of EMU and the euro. In 1992, Santer co-founded the Academy of European Law (ERA), which he headed for two decades.

Jacques SANTER

Jacques Santer was born on 18 May 1937 in Wasserbillig, Luxembourg. He attended the prestigious *Athénée* in Luxembourg City and began his higher education in Luxembourg before going on to study at the Universities of Strasbourg and Paris, where he obtained a degree and PhD in Law (1961). During this period he served as head of the Luxembourg Association of Catholic University Students. Santer appeared set for a lengthy legal career, becoming a lawyer at the Luxembourg Court of Appeal in 1961 and passing the notary's exam in 1963.

Early political engagement

Santer joined the Christian Social People's Party (CSV) in 1965. He was recruited as a government attaché in the office of the Minister for Labour and Social Security before becoming parliamentary secretary, secretary-general then leader (1974-1982) of the CSV. In 1967 he married biologist Danielle Binot, with whom he had two sons. (Binot died in 2011).

In 1972, recognising Santer's expertise and political flair, Prime Minister Pierre Werner co-opted him into the government as Junior Minister for Social Affairs and Culture.

When the CSV went into opposition in 1974, Santer retained his seat in the Chamber of Deputies and became a Member of the European Parliament in 1975, serving as its Vice-President (1975-1977). Together with Werner, Santer was one of the founders of the European People's Party (EPP), established in Luxembourg in 1976.

Santer was elected as an MEP in the first direct elections to the European Parliament on 10 June 1979. The Luxembourg parliamentary election was held the same day, and following the CSV's victory Santer was appointed as Minister for Finance, Labour and Social Security.

A visionary statesman: strategic innovation, economic prosperity, social peace

After the election on 17 June 1984 and Werner's retirement, Santer's 'brilliant personal achievements and unifying personality'¹ propelled him to the post of Prime Minister in the coalition government that the CSV formed with the Socialist Party (LSAP). As Head of Government, Santer also served as Minister for Finance and Minister for the Treasury, continuing the tradition established by Werner and subsequently upheld by Juncker. Santer's ministerial responsibilities also included Posts and Telecommunications, Communication, Media and Religious Affairs. At international level, Santer served as Governor of the World Bank (1984-1989) and President of the EPP (1987-1990).

The election on 18 June 1989 resulted in a continuation of the CSV/LSAP coalition, and Santer was reappointed as Prime Minister, Minister for the Treasury and Minister for Cultural Affairs. He served as a Governor of the International Monetary Fund (1989-1995) and founding Governor of the European Bank for Reconstruction and Development (1991-1995) and consolidated Luxembourg's international financial centre, which became a 'laboratory' for the single European currency.

Santer boosted Luxembourg's development and economic competitiveness by focusing on innovative areas such as the international financial centre, the satellite project and media diversification; he strengthened social protection and consolidated Luxembourg's European role, perpetuating its status as a permanent capital of the European institutions.

On the social front, in 1986 Santer introduced a guaranteed minimum wage, and in 1984 and 1986 legislation was adopted to enshrine automatic inflation-linked wage indexation. The 'tripartite' consultation system (government, trade unions and employers) and measures to reform the social security system paved the way for a more comprehensive social protection system in Luxembourg. The government also launched a large-scale environmental programme and set up an Energy Agency to raise awareness about environmental issues in the Greater Region.

Faced with the decline in Luxembourg's steel industry, the Santer government adopted extensive economic diversification measures focused on the knowledge economy. At the same time, the country's main steel conglomerate, ARBED (Aciéries Réunies de Burbach-Eich-Dudelange), was restructured to improve productivity and competitiveness, and the workforce was given retraining opportunities.

During Santer's tenure, the Luxembourg international financial centre grew steadily. Santer was the driving force behind new legislation on transferable securities (1985), which accelerated the development of investment funds. The incentivising legal framework for the financial sector was extended with legislation to prevent money laundering (1989), the law on banking secrecy (adopted in 1993 and abolished in 2005) and the law to prevent tax fraud (1993).

Deepening European integration to safeguard Luxembourg's vital long-term interests

The 1985 Luxembourg Presidency of the EC Council saw the finalisation of the Intergovernmental Conference for the revision of the Rome Treaties with a view to the completion of the Single European Market, and the implementation of enhanced cooperation in common foreign and security policy. As acting President of the European Council, which met on 2-3 December 1985 in Luxembourg, Santer led the lengthy negotiations and secured agreement on the Single European Act.

Santer was one of the initiators of the Schengen Agreements concluded on 14 June 1985 in Luxembourg, which initially took the form of an intergovernmental agreement between five partners (France, Germany, Luxembourg, Belgium and the Netherlands) but subsequently became an integral part of the Community *acquis*.

In 1991, Luxembourg held the rotating Council presidency in a difficult international context dominated by the Gulf War and the civil war in Yugoslavia. Under Santer's leadership, the first stages of parallel Intergovernmental Conferences on Economic and Monetary Union and Political Union were held. He also proposed a draft European treaty which formed the basis for negotiations under the Dutch Presidency, resulting in the 1992 Maastricht Treaty establishing the European Union.

At the Edinburgh Summit on 12 December 1992, Santer secured agreement to maintain the seats of the European institutions provisionally located in Luxembourg since 1952, sealing Luxembourg's status as a permanent capital of the EU institutions, alongside Strasbourg and Brussels.

The Luxembourg Development Cooperation Fund was set up in 1984 with the aim of fostering development cooperation in disadvantaged regions, granting state subsidies to non-

governmental organisations involved in such activities, and adopting tax provisions to encourage long-term philanthropy.

After the election on 12 June 1994, the CSV/LSAP coalition continued for a third term, with Santer as Prime Minister, Minister for the Treasury and Minister for Cultural Affairs. However, following a proposal from France and Germany, agreed by the UK and then unanimously validated by the Member States, Santer was appointed President of the European Commission on 23 January 1995, succeeding Jacques Delors. Jean-Claude Juncker took over as Luxembourg Prime Minister on 26 January 1995.

President of the European Commission

The Santer Commission (23 January 1995-15 March 1999) presided over a number of major achievements, including the drafting of the Treaty of Nice and the Convention on the Future of Europe (signed in 2001), negotiations on EU enlargement to the countries of Central and Eastern Europe, the entry into force of the Schengen Agreements (1995), the Euro-Mediterranean Partnership (1995), the signing of the Dayton Peace Agreements in the former Yugoslavia (1995), the revision of the Treaty on EU (1996), Agenda 2000 'For a stronger and wider Europe' (1997), the drafting, negotiation and signing of the Treaty of Amsterdam (1997), the Extraordinary Council for Employment (Luxembourg, 1997), deepening and broadening the EU's social agenda, the creation of Europol (1998), proposals to reform the common agricultural policy, the creation of the European Central Bank (1998) and the implementation of the euro (1 January 1999).

On 28 December 1998 in Luxembourg, Santer officially announced the irrevocable fixing of exchange rates between the Member State currencies and the euro and presented Pierre Werner, unanimously recognised as the architect of EMU, with the first copy of the EU Official Journal containing the rules governing the entry into force of the single European currency on 1 January 1999.

Santer is one of three Luxembourgers to have chaired the Commission, after Gaston Thorn (1981-1985) and before Jean-Claude Juncker (2014-2019).

The Commission resignation crisis

When Santer took office, he embarked on reforms to 'improve the Commission's budgetary and administrative culture'² by focusing more on accountability and transparency. In their final declaration at the Cardiff European Council (16 June 1998), the Member States praised the Commission for its 'efforts to improve its efficiency and management'.³ However, these ambitions came up against two major problems: discontent within the Commission (especially within the staff unions) and the crisis of March 1999.⁴

On 15 March 1999, Santer announced the collective resignation of the Commission following allegations of poor management levelled at several Commissioners accused of favouritism, especially France's Edith Cresson. Given that there was no code of conduct for Commissioners, Santer had no power to dismiss them. 'I had believed in the neutrality of these people. That shot backfired. [...] I did not have a choice. Instead of having to endure a vote of confidence in the EU parliament, we wanted to resign with dignity and united [...]. Coming from a small country, you are left to your own devices in such a situation.'⁵ The powers of the President of the European Commission were strengthened by the Treaty of Lisbon (2009).

Rethinking the EU's democratic future

In 1992, together with other leading European personalities, Santer founded the Academy of European Law (*Europäische Rechtsakademie* – ERA) to stimulate international scholarly debate on the principles and mechanisms of European integration. Santer headed the Academy for two decades from 1992 to November 2021.

In June 1999, Santer was re-elected as an MEP. From 1999 to 2004 he was a member of the EPP's political group and served on various committees.

In January 2002, Santer was elected as an *ad personam* member of the Convention on the Future of Europe and contributed to the draft Treaty establishing a Constitution for Europe, adopted by the European Council on 18 June 2004 and signed a few months later in Rome. The treaty was approved by the European Parliament but rejected in national referendums in France and the Netherlands (2005) and ultimately shelved.

In 2012, Santer was invited to sit on the 'Committee of Wise Men' set up under the European Financial Stability Facility, the mechanism to rescue eurozone countries in difficulty.

A 'wise man' for Luxembourg and Europe

In 1995, Santer became the first recipient of the Vision for Europe Award, and in 1998, together with Pierre Werner, he was awarded the 1998 Prince of Asturias Award for Social Sciences 'for their contributions to the process of European monetary integration that has culminated in the creation of the Euro'.

Santer has been decorated with Luxembourg's highest state honours – the Grand Cross of the Order of the Oak Crown and the Grand Cross of the Order of Merit – and received honours from many other countries including Belgium, France, Germany, Iceland, Italy, Japan, Poland, Portugal and Romania.

After withdrawing from politics in 2004, Santer chaired the Boards of the Museum of Modern Art Grand-Duc Jean (Mudam) (which he initiated in 1989 as Minister for Culture) and the Luxembourg Broadcasting Company, and served as Honorary President of 'SME Europe' (the EPP's official organisation for stimulating enterprise), President of the European Merit Foundation and Head of the Europe Group of the Union of European Federalists.

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¹ Pierre Werner, *Itinéraires luxembourgeois et européens. Évolutions et souvenirs: 1945–1985*, 2 volumes, Éditions Saint Paul, Luxembourg, 1992, Vol. 1, p. 330.

² Jacques Santer, 'Une Europe pour les citoyens', *Europe sans frontières*, Brussels: EC Commission/DG X, March, 1995.

³ John Peterson, 'The Santer era: the European Commission in normative, historical and theoretical perspective', *Journal of European Public Policy*, 6, 1 (1999), 46-65.

⁴ Michelle Cini, 'Organizational Culture and Reform: the Case of the European Commission under Jacques Santer', EUI: RSC 2000/25. Source: https://www.researchgate.net/publication/2398744_Organizational_Culture_and_Reform_The_Case_of_the_European_Commission_under_Jacques_Santer (retrived 03 July 2024)

⁵ Source : <https://www.luxtimes.lu/luxembourg/20-years-since-jacques-santer-became-eu-commission-president/1249917.html> (retrived 03 July 2024)