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### ***A clear vision for the Euro***

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***This text is the translation of the article "Une vision claire pour l'Euro" published on the 16th of July 2011 in the French newspaper "Le Monde".***

In recent days the chances of a lasting settlement of Greece's financial crisis have seemed to evaporate. The sovereign debts of Portugal, Italy and Spain are coming under increasingly determined attack from the markets. The public and private negotiators looking for a solution are making no progress. There are numerous reasons for this impotence: the recent brutal fall in Portugal's debt rating; the German government's difficulty in overcoming political – and perhaps constitutional – obstacles; and the failure of a plan by high-profile financial figures due to a lack of support.

These explanations can be reduced to a single one – the absence of a clear vision on the part of politicians willing to risk their reputations to overcome short-term difficulty.

A clear vision – the euro must, and will, survive this crisis. It will even emerge from it strengthened: the instruments lacking in this unprecedented currency zone (with neither state nor budget) are already being developed. The first, painful steps have been taken during this crisis. Each obstacle has been surmounted; at every one the common project of Europeans has lived on, and solutions have been found by means of breakthrough innovations. Necessity has been the order of the day. The economic coordination which should have accompanied the stability pact from the start has been strengthened. Without the euro and without Europe, we would all have been worse off. The new instruments should demonstrate that Europe's institutions are capable of meeting new challenges.

A clear vision – states must guarantee the deposits of private citizens. It must be possible to trust one's bank. But it is not for taxpayers to reimburse the investments of financial institutions which bought Greek debt or bonds from banks which turned out to be fragile or even insolvent, as in Ireland and Iceland. Financial institutions took risks. That is a part of their job. Their shareholders, and the holders of their bonds, must assume their share of the burden. Naturally, this must be done without threatening the stability of the system. But it must be done.

A clear vision – regulation can no longer be confined to the national framework. Neither the euro council nor the European Central Bank were able to prevent the increase in risk-taking and private debt, which on occasion became excessive. The crisis will have allowed a first step to be taken towards a truly European regulation of banks and financial markets. This mechanism must be made to work in the long term, thereby contributing to a

better international regulation of finance.

A clear vision – the crisis has made clear to doubters that it is not possible to live indefinitely beyond one's means, and that this applies to states too. Deficits must be reduced. But this reduction must be managed carefully, with a realistic time frame and clearly defined stages. It must not have untenable objectives which would destroy its credibility through a lack of lasting support from the public and its representatives.

A clear vision – everything that can be done to avoid a default on the Greek debt must be done. As of today the consequences of such an outcome are incalculable. And let us not forget that the Greeks would be the first to suffer. European solidarity presupposes that states and financial institutions participate in solutions to lighten the burden on citizens of indebted countries. Let us acknowledge that certain debts, such as the Greek one, are and will remain less expensive than others. Sooner or later, therefore, investors will need to take a loss, which is an appropriate outcome given the high remuneration they received by buying particularly risky debt. This fact is accepted. What is imperative is that these losses result in a lighter burden on the citizens of countries which issued debt. Hence the importance of mechanisms working towards this end – such as the purchase and cancellation, using EU or international funds, of a part of the most discounted sovereign debts, to the benefit of the country in question.

These principles are simple. If the leaders of the European Union adopt them, and if the member states, the Commission and the IMF apply them, then solutions can be found.

We solemnly call on them to do so. Europe and its citizens can emerge from this crisis stronger. All that is needed is a clear, shared vision to guide our action.

***This text is also signed by Gilles de Margerie and Stéphane Boujnah for "En Temps Réel" and Yves Bertoncini for "Notre Europe".***