

# **EUROPE 1989-2009: FROM THE COLLAPSE OF THE WALL TO THE COLLAPSE OF FINANCE**

Interview with Tommaso Padoa-Schioppa

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**Q. The Berlin Wall fell on 9 November 1989. 20 years on from then, what has that breach in Europe's heart become? What were people's expectations back then, which of those expectations have been achieved, and which are still a utopia?**

TPS. I would like to start with an anecdote which conveys the magnitude of what happened 20 years ago. It was October 1989, France held the EU six-month duty presidency and it was a moment of dangerous calm for the project of Monetary Union. The Delors Committee had been set up the year before, and its report was published in April '89 under the Spanish duty presidency. It was submitted to the European Council in Madrid where, as happens in such cases, it got caught at the crossroads between a political decision to implement it and a decision to praise its qualities, only then to send it off to the university libraries where it would eventually end up becoming the topic of someone's doctoral thesis. The single currency's adversaries in Madrid insisted that more exploratory study was needed and negotiations revolved around words: whether the report should be "the" basis for future decisions or "a" basis for future decisions. In the end it was decided that further study was required.

To foil this delaying maneuver, the French presidency set up a "study" group under the chairmanship of Elisabeth Guigou, one of Delors' former close aides who was Mitterrand's advisor at the Elysée Palace at the time (she went on to become the justice minister). The idea was to complete the "further study" phase in those six months and to prove that the Delors Committee's conclusions were valid and should become operational. Elisabeth Guigou asked me to take part in the study as an independent member working alongside her. The select team directing the group's work – in which I

was the only non-Frenchman – included the highest-ranking members of France's economic administration and diplomatic service.

That same summer saw the start of a mass exodus of citizens from East Germany who began to cross freely into West Germany through a gap that the Hungarian Government had unexpectedly opened up in its border with Austria. That is what triggered the landslide which was to lead to the fall of the Wall in the space of a mere three months, and to German unification six months later.

I recall very clearly a conversation that took place at a luncheon attended by four of us in the offices of the Bank of Italy in Brussels. My French interlocutors all agreed on one forecast: "There is one thing that we will never see in our lifetimes," they said, "and that is German unification". It was obvious that the French establishment and cultural circles were totally unprepared for the idea that Germany should reunite. In fact, in some ways they were even hostile to the idea, because France's strength was based largely on Germany's weakness.

**Q. So, are you suggesting that the fall of the Wall and more especially its consequences were unexpected and revolutionary?**

TPS. If we want to voice an opinion on the impact that those historic events had on the European Union, we have to admit that the fall of the Wall, Germany's unification and the collapse of the Soviet empire marked a turning point without which we probably would not have the euro today. But at the same time, they were a waste of a historic opportunity, and I believe that it is precisely that wasted opportunity that is responsible for many of the misfortunes and dangers from which the European Union is suffering today. The 1989-1990 affair – on account of the way it was governed in political terms, both at the time and immediately afterwards – is responsible for everything that Europe has done both well and badly in the 20 years that have elapsed since then. The financial crisis has caught Europe in a "semi-finished" state that is not capable of allowing it to pull through unscathed. Thus 20 years after that dramatic change of course, the unresolved problems are rising to the surface and the risk of disintegration is looming forcefully on the horizon. The 20-year period that we are talking about falls between two significant and closely linked dates.

**Q. Let's start with the first of those dates, and try to describe the positive aspects of the event.**

It is a widely held opinion that giving up their national currency was the price that the Germans paid for Europe to allow Germany to reunite. I shall leave it to the historians to ascertain whether that is true or not, whether that barter really did occur, once they are able to consult the appropriate documents and to work on them. Many Germans – and others too – deny such a link. But it is true that there was strong mistrust and resistance to unification in Europe. In Great Britain, Margaret Thatcher summoned a disturbing meeting, where the climate was reminiscent of 1940, and she asked: "Can we trust Germany?" Nor were the British the only mistrustful ones. President Mitterrand himself was very concerned. So there are some grounds for arguing that Germany needed to wax reassuring, that it needed to provide strong guarantees of pro-Europeanism and to prove that unification was not going to bring an era of unconditional pro-Europeanism on the part of a defeated and divided country to an end.

There is also another argument, however, which claims that Kohl was profoundly pro-European and that he had no need of unification to subscribe to the idea of Monetary Union. If anything, he might use the argument of the Deutsche Mark's "sacrifice" to get the French or the British to agree to his country's unification.

Whatever the case, the fate of Monetary Union was still uncertain in October 1989, but it was adopted a year later, in October 1990. The European Council meeting was being held in Rome. At the end of tortuous negotiations, it approved conclusions that condensed and adopted every single one of the recommendations contained in the Delors Report. Only Great Britain dissociated itself. Margaret Thatcher was forced to step down by her own party a few weeks later, unquestionably also as a result of the defeat that she had suffered in Rome.

So you see, the fate of Monetary Union and of German unification was decided in those 12 months. It was the year in which things turned the corner, and the two stories are very closely interlinked. The Wall was still in place and currencies were still divided in 1989, but by October 1990 Germany was reunited and we were heading toward the single currency.

The crucial moment in that interwoven web came in March-April 1990, when elections were held in the East German Länder and Kohl and Mitterrand, working in tandem, gave the final push toward the euro. The Federal German Constitution ruled that

membership of the Republic for any new Land lying outside the 1949 border would be acknowledged through elections to the Bundestag. The clause had been used before for the Saar which was not originally part of the Federal Republic, only joining in 1957, and the same formula was applied to the East German Länder, for whom the elections in the spring of 1990 represented the implementation of German unification.

A week after the elections, in which Kohl won a major victory, he and Mitterrand penned a letter to the Community's – Irish - duty president asking that the Council meeting due to be held a few days later debate moving toward Monetary Union and toward political union, convening two intergovernmental conferences to draft the two treaties required. There is a close timing sequence between Germany's unification and that political request, to which the European Council acceded. The Irish then handed the duty presidency over to the Italians and the Delors Report, summarized in one page, was adopted as the "European Council's Conclusions" by the European Council held in October 1990.

That is the positive part of the nexus between the fall of the Wall and the construction of Europe.

### **Q. Then what happened?**

TPS. The positive story continued over the next 10 years until 1998-99 (the euro kicked off in 1999, thus exactly 10 years after 1989). They were years in which all kinds of things occurred: the crisis in the EMS; devaluations; the lira left the exchange rate agreement; and fluctuation margins were expanded. But above all, the central banks and ministers doggedly attempted to set aside the single currency project, suggesting that the 'set date' laid down for it to start should be postponed. It was Kohl who kept a firm grip on the helm, and he may well have lost the elections in 1999 because of that. The 'set date' had been built into the treaty at the last moment, in Maastricht in December 1991, with the fateful phrase: "...and in any case no later than 1 January 1999". The position up till that moment had been that the changeover to the euro would only occur when the conditions were right, so an open-ended process was taking shape which would have meant that we could have seen a sequence consisting of a postponement, then a new meeting, then another postponement and so on.

**Q. Was the euro the first instance of strengthened cooperation to materialize?**

TPS. I would not say so. The way I see it, the whole of European construction has progressed thanks to the determination of certain countries to move ahead even without those that did not want union. Indeed, now that the strengthened cooperation format has been officialised, there is a risk that it may become more difficult to move ahead in that way.

Take Schengen, or even before that, the Messina Conference in 1956 which laid the groundwork for the Treaty of Rome, and on which the British walked out while the others decided to move ahead all the same; or the decision to elect the European Parliament by direct suffrage in 1979, which was adopted even though Denmark and Great Britain said that they would not be calling an election. On that occasion too (under the Italian duty presidency, by the way) we said: "Fine, you may not be calling one, but we certainly will be".

So I would not talk so much about strengthened cooperation, which has become a technical term used to describe a given procedure invented only in the 1990's, as about a two-speed Europe. The speeds have always been differentiated. There would be no European Union if the countries that wanted to press on had not decided to press on alone when necessary. Indeed, one of the marks of the current stalemate is precisely that that determination has disappeared. The countries that were eager to see a more united Europe did not allow themselves to be influenced by those opposed to the idea until about 10 to 15 years ago.

**Q. What has happened? Is it a leadership issue? Are there no longer any leader figures today?**

TPS. That is exactly what it is, at least in part. Leadership in Europe has passed out of the hands of the pro-Europeans into the hands of the anti-Europeans. When Tony Blair was in power, he was the most influential figure. He was capable of charming both the conservatives and the socialists in government in the various countries, and he skillfully applied his leadership to preventing European unification. He was a far more effective anti-European than Margaret Thatcher, who simply used to repeat: "If you want to do it, do it, but without me". Blair's position, on the other hand, was more a matter of: "I'm not going to let you do it".

**Q. Let's now turn to the other half of your opinion on 1989: why was the fall of the Wall such a wasted opportunity?**

TPS. It is a complex issue. To stick with our story, you remember the letter in which Kohl and Mitterrand called for both monetary and political union? Well, we might say that 1989 was a wasted opportunity because Monetary Union was achieved while political union was not.

**Q. What do you understand by political union?**

TPS. In terms of content, political union means defense, security, foreign policy and the provision of basic European public goods and services, thus also financial resources and a suitably large European budget. In terms of procedures and institutions, it means shelving unanimity and, at the same time, endowing the European Parliament with full powers – two steps that need to be taken together in order to ensure continuity in the political legitimacy of decisions. The legitimacy of a (legislative or any other kind of) decision binding for all despite the fact that some voted against it because unanimity has been shelved, needs to come from a 'grassroots' majority, from a parliamentary vote through which the people of Europe make their voice heard. In particular, so-called co-decision-making needs to become the rule for the whole of the Union's legislative output.

Well, political union in that sense, as it was understood in Maastricht, was not achieved. And in my view, that was due to a basic failure, particularly on France's part, to grasp the historic significance of the fall of the Wall and the end of the blocs and the Soviet empire.

**Q. Are you putting most of the blame for Europe's failure to achieve political union on France?**

TPS. Yes, that is right. But what I 'blame' it for, as you put it, is not the absence of altruism or so-called national egotism. Rather, I would fault its shortsightedness, its failure to understand how France's interests could best be served in the new context that was coming into being.

France had long resorted to the use of its veto and it practised the theory of self-sufficiency in defense in the context of the Cold War, of a divided Europe – a context in which all of the countries in the initial Community of Six were ready to set up the United States of Europe and to make the supranational quantum leap. In that context, France used its veto to dose the "amount" of supranational power that it wanted to yield to Europe. That was the tool that Paris used to lead Europe and to build it at one and the same time. France has always had an ambivalent attitude in that connection. It invented the Coal and Steel Community; it created the Defense Community (EDC) then threw it out; it drafted the Euratom Treaty then froze it in order to give the green light to a purely French nuclear program; it penned the Treaty of Rome, only to then leave its "seat empty" and to obstruct the move to majority decision-making (in protest against the European Commission's Common Agricultural Policy proposals, De Gaulle ordered the French Government to boycott all ministerial council meetings, not just those on farm policy, from 1 July 1965 through 20 January 1966) It chaired the European Convention in the person of Giscard d'Estaing then it proceeded to hold a referendum that threw out the Constitutional Treaty, which it had prepared and which everyone had signed. Germany and Italy have always been pro-European whoever was in government, and Great Britain has always been anti-European whoever was in government. France, on the other hand, has always oscillated between the two.

And that is not all. At a push, a Union six-strong (it was known as Community back then) might still have worked under strong French leadership and with Germany, being in a condition of political minority, never gainsaying Paris. But when the Intergovernmental Conference kicked off in 1990, there were now 12 members and the Community was already paralyzed by the unanimity rule that inevitably diminished both its hegemony and its efficiency. Yet allegiance to the veto and to the myth of intact and intangible sovereignty were so strong that Mitterrand opposed political union in Maastricht. Kohl gave up the Deutsche Mark, yet Mitterrand failed to grant political union. He failed to understand that a new era had begun and that France needed to change its method if it were to carry on leading Europe. That, just like the episode we discussed at the start of this conversation, shows to what extent France was lagging behind on developments.

**Q. Let's get back to the original question. What does the fall of the Wall represent?**

TPS. The end of World War Three. Normally when a war ends you redraw borders and set up a postwar order, and if those two things are properly handled the world lives in peace – for a time, at least. That is what happened after World War Two, for instance. But if those things are poorly handled, then frustration and revanchism set in at once. That is what happened after World War One, when the Treaty of Versailles became the seed from which everything that was to occur subsequently, right up to World War Two, first sprouted.

Unfortunately the end of World War Three, which was a cold war, was handled in a shortsighted way, and indeed even with a spirit of revenge. It bore a greater resemblance to the end of World War One than to the grand vision implemented at the end of World War Two.

**Q. A spirit of revenge on whose part?**

TPS. The idea prevailed in the United States that the US superpower would be sufficient to guarantee world order; that it could govern the world on its own, given that it no longer had any enemies. NATO, which had been set up as a defense against the Soviet threat, was not dissolved after the fall of the Wall. On the contrary, its borders were expanded in a manner that was inevitably perceived as a threat.

**Q. Do you think that NATO should have been dissolved?**

TPS. I think that it should have been transformed, at least. You forge an alliance to combat a foe. After you have won, the alliance is dissolved. The United States' alliance with the Soviet Union that served to beat Hitler did not continue on after his defeat. After NATO's 'statutory aim' of defending us from the Soviet threat had been achieved, on the other hand, the alliance was *de facto* used for a different purpose, namely for allowing the United States to maintain its hegemony over Europe. And that is not all. NATO also began to implement a border expansion policy which, in Russia's eyes, looked both threatening and limitless, because it included not only all of the Warsaw Pact's former member countries but even parts of what had traditionally been Russia itself. So how could the 'other side' fail to entertain the notion that the combatant that

had won the war was now occupying increasingly large portions of enemy territory? If we were Russian, we would have had exactly the same reaction.

However, if political union had been achieved before the Wall fell (and it was France that prevented that) or if it had at least been achieved in Maastricht, the European Union could have guaranteed the Central European countries' security and it could have thrashed out an agreement with Russia. The Central European countries' thirst for NATO is the result of the absence of a European security policy.

I once saw a photograph in an official venue in Lithuania, in which the Lithuanian flag and NATO's banner were on display. The European Union flag was missing. There could have been no clearer indication of the fact that security was the first safeguard that those countries wanted to obtain.

**Q. Getting back to wasted opportunities, if you had to draft a list of them, which one would you put at the top of the list?**

TPS. First of all, the failure to realize that the post-Cold War European Union – in other words, with its inevitable and welcome expansion to include 20, 25, 27 or 30 countries – could no longer be a European Union based on "drip-feed" federalism governed by France's veto. But also the fact that failure to achieve political union actually benefited the US-cum-NATO occupation of a space which by its very nature should have been European.

**Q. Has failure to achieve political union in Europe also been the result of a certain amount of shortsightedness?**

TPS. I think so. The French could have maintained their hegemony, but only by ceasing to be the country of vetoes and choosing, instead, to become the lead country in building majorities in Europe. I am convinced that this change of method would have allowed France to be Europe's lead country for a long time yet, the way the Piedmont and Prussia were after they united Italy and Germany respectively in the 19th century. In my view, that would also have been the only way to counter Britain's aversion to the unification of the continent. Their aversion, too, is the product of a shortsighted vision rooted in three or four centuries' worth of the history of ties between the British Isles and the continent. The British have used their veto better than the French have theirs.

For instance when the Iraq issue arose, if France had moved adroitly in a Europe taking its decisions by majority, the EU probably would not have split and it would have pursued a policy designed to mark its distance from the US initiative.

The absence of a political union is all the more noticeable today, with the Economic and Monetary Union under threat. The most serious economic and financial crisis that the modern world has ever had to face, has caught Europe at a time when it is insufficiently integrated to come up with an effective response. The current treaties do not envisage crisis powers for the Union, whereas every Constitution in the world specifies at some point what powers of intervention it envisages in the face of a crisis and who should wield them.

**Q. So, are the Europeans now facing the crisis bare-handed?**

TPS. The treaties only talk about a crisis in a member state preventing it from integrating. When that happens, safeguard clauses or the temporary suspension of Community obligations can kick in. What we are experiencing today, on the other hand, is something completely different from that, and the treaties simply do not envisage it. For instance, the two spheres of industry currently worst hit by the crisis – the banking industry and consumer durable goods, especially cars – are clearly starting to fall apart. While the major plurinational bank groups are breaking up into their national components again, the automobile crisis is not being managed from a European standpoint the way other crises, such as for instance the steel crisis, were handled in the past.

**Q. Some people – and Carlo Azeglio Ciampi was one of them – argued back in the nineties that the hard core of political union should be identified in the Eurogroup, as being the kernel for a common economic policy. Would that have saved us?**

TPS. I would not say so. I thought so back then, and I still believe it today, because if we take a close look at the notion of Economic and Monetary Union as the economic pillar, we discover ambiguities that betray a certain lack of solidity. The Eurogroup consists of a great deal of rhetoric, not much institutional substance and even less political will. First of all, it does not have clear powers and it cannot maneuver the tools of the Treaty or make use of the Union's institutions (its legislative capacity, its budget

capacity and so forth). The tools of the Treaty belong to the Europe of the 27 whereas the Eurogroup only represents the countries that have joined the euro. Moreover, the Eurogroup is already too large as it is to function properly, and it does not seem to be prepared to take any difficult decisions by majority vote. Nor, unfortunately, do its shortcomings end there. If political union had already been achieved in both substantive and institutional terms, there would be a sufficiently large European budget to produce the goods which have become European public-sector rather than national public-sector goods. That budget would also be the tool for providing a European response to the crisis, because it is beyond question that a part of the response to this crisis needs to come from budget policies. But you cannot forge a budget policy without a common budget, and if the response comes from national budget maneuvers, it will inevitably be accompanied by clauses showing national preferential treatment. And that is just what is tending to happen more or less explicitly in every country. This way of handling things is placing both the single market and the Stability Pact in enormous jeopardy. In actual fact, the Eurogroup could not have decided on an expansion budget with this crisis even if its task had been interpreted ambitiously rather than with the shortsighted minimalism that has prevailed to date.

I subscribe to the criticism leveled at the Eurogroup but not to the idea, the hope or the illusion that it can become the kernel of a political union. In my view that is mere rhetoric.

**Q. You mentioned budget policy. Is it really possible to force European countries' hands and to achieve political union through strengthened cooperation designed to forge a common fiscal policy?**

TPS. If we want to talk about fiscal policy in the correct light, we first need to realize that public-sector spending in Europe is spread out over at least four levels of government: the European, national, regional and municipal levels. The part included in municipal budgets is only a tiny part of the whole. The lion's share goes to national budgets, and even where expenditure is formally the province of local government, in reality it is structured, in Italy at least, so as to transit via the national budget. In light of such a situation, it is unthinkable in my view that a decision such as adopting a fiscal expansion can be reached by a majority vote within the Eurogroup, in other words in a way that would become binding even for those who do not subscribe to it. And it is

even more unlikely that a country moving within the confines of the Stability Pact should be prevented from pursuing a fiscal expansion. That would be going way beyond the remit of the Pact itself, which simply states that member countries can do what they like as long as they stay within the 3% ceiling. Spend as much as you want and however you want to spend it, as long as the gap between revenue and expenditure is no wider than 3% of GDP. The Pact does not say how big the budget should be, nor what the money should be spent on, nor yet how revenue should be structured. It merely establishes a framework.

Thus the idea of an 'active' common fiscal policy achieved through national budgets would translate into European pressure on national budgets going way beyond the limited but extremely important rule enshrined in the Pact. I do not consider a development of that kind, which reflects neither a constitutional model nor the principles of fiscal federalism, to be feasible for the Eurogroup. When I used to speak in that group in my capacity as an Italian cabinet minister, I certainly could not have committed Italy beyond the Pact's current ground rules. It is totally whimsical to think that one can go beyond them.

**Q. But if we cannot even do that, then what is going to happen? Is there no way of knocking this wall down?**

TPS. There is a way; there are avenues to be explored. We cannot rule out the possibility that some countries within this space, which at this juncture comprises 27 to 30 member states, may start to recreate a closer kernel for union going even beyond strengthened cooperations.

**Q. A hard core? Are you thinking of the kernel of founder members, or do you have something else in mind?**

TPS. Well, for example, it is possible to forge a kernel on defense or on bank oversight. Or maybe on a European gas network. Can you imagine a European gas network 27-strong? Such a thing would be impossible today. But all it would take would be for Germany, France and Italy to set up a single gas network, for the others to be tempted to join in sooner or later. And there are other, similar initiatives that can be implemented. I believe that we can start over again from here. Besides, I repeat, all the things that

have been achieved over the past 30 years – from Schengen to the euro – were initially of interest to only a few member countries.

**Q. While we are on the subject of wasted opportunities, let's talk about the Treaty of Lisbon. Under the Treaty of Lisbon there is a danger of overlapping posts of responsibility: the president of the Commission, the president of the European Council, the EU duty president... Is Europe still nothing but a geographical expression?**

TPS. Let's get back for a minute to Maastricht, where Monetary Union was forged but political union was not. The Union – the name that was adopted at that time – was a construction with three pillars: in addition to the Economic and Monetary Union (the pillar of the Treaty of Rome amended to implement the euro), there was the pillar of foreign and security policy and the pillar of cooperation on interior and justice affairs. The two new pillars are not a Union at all; they are intergovernmental policy.

Unfortunately, we have not budged from this three-pillar construction. Yet people were already aware in Maastricht that something had been missed, to the point where it was decided at the same time to convene another intergovernmental conference to take care of *unfinished business*, to finish the job.

The new intergovernmental conference came to an end in Amsterdam in 1996, achieving only very modest results. Once again, an awareness that what should have been achieved had not been, led to the convening of a third intergovernmental conference which ended in Nice in 2001. History repeated itself. Nice produced nothing substantial and once again people acknowledged the fact that it had not worked. That was why the Convention was set up at the following European Council in Laeken. It was a tool that had been devised a few years earlier to thrash out the Charter of Rights. The Convention produced the constitutional treaty – a treaty which I would suggest was never really the blueprint for a fully-fledged political union. Giscard d'Estaing had paralyzed the Convention's élan as a constituent assembly, suffocating the reformist thrust that might have resulted from the fact that a majority of its members held federalist positions. And the French and Dutch threw the constitutional treaty out in a referendum in the end, anyway. The Treaty of Lisbon came next.

The sequence runs from Maastricht through Amsterdam, Nice and the constitutional treaty, to the Treaty of Lisbon – and we still do not know whether that is

going to come into force or not. It probably will, but I do not think that it represents the completion of the path leading to the effective union that Europe absolutely needs if it is to remain (or to return to being) the master of its own future. That said, whatever the future holds for the Treaty of Lisbon, I believe that the season (that began in the mid-eighties) in which the construction of Europe has been moving forward via a sequence of amendments to treaties is over.

**Q. You do not just knock walls down, you can build them up too.**

TPS. Yes, you can. Europe moved forward by *implementing* treaties more or less from 1958 to the mid-eighties. With the Single European Act of 1985-86 we entered a different era – that has lasted for about 25 years – in which we have been moving forward by *amending* treaties. I believe that this second phase has now come to an end, and that there is once again both the need and the room to move forward by fully implementing, rather than by extending, the potential embodied in the treaties.

**Q. So, it is a matter of moving forward with whoever is willing to join in, while the others can join later if they want to.**

TPS. It means an increasingly broad implementation of the treaty's potential on the one hand; and promoting patently Europeanist actions open to all those member countries interested, but conducted outside the formal framework of the treaty, on the other. Those are the two paths down which the dynamic of European construction can move forward, making up for 20 years of wasted opportunities.

**Q. Professor, how much real clout does the European Commission president have?**

TPS. The president of the Commission wields enormous clout. He can be both the instigator behind new European initiatives and the promoter of an advanced interpretation of the Europe that already exists. Of course, in order to carry weight, a Commission president needs to establish a balanced, constructive and positive rapport with the member states and with the elected Parliament. But it is primarily up to him to establish that kind of rapport.

**Q. The Treaty of Lisbon assigns greater powers to the Parliament. In an article you penned for the press, you mooted a historic turning point for Europe, admitting in the end that you do not believe that such an eventuality will come to pass even though you would like to see it happen. How long would it take to build the wall required to achieve a political Europe?**

TPS. Many years or, on the contrary, a matter of a few months. All that is needed to defeat the European Union's immobility is for the Parliament to decide on two moves. It needs to claim the right to be the player that elects the Commission's president and its commissioners; and it needs to demand an immediate and radical reform of the Union's budget and common policies providing for flexible and discretionary spending without any rigid country-based share-out, genuine European revenue sources, and new resources to implement the common policies envisaged in the treaties but which the Council has obstructed hitherto.

**Q. It sounds easy when you put it like that. But does Europe not have to rediscover the founding spirit if it is to become a political player rather than a mere geographical expression?**

TPS. Yes, looking back to the way things were at the outset is useful, but what we need to understand more than anything is the present, the immediate future and the more distant future. The central issue is quite simple. The countries of Europe can only be active players in history if they form a genuine union. And they can do that to a far from negligible degree by implementing the treaties in full. They can also promote new, ground-breaking action even where such action is not contemplated either constitutionally or institutionally. For instance, one might mention the role that Europe played in the Georgian crisis. And lastly, we need to revisit such trends as the unlimited expansion of the European Union.

**Q. Do you consider it an exaggeration to view the process of bringing new member states into the European Union as an inexorable process?**

TPS. Yes, I do consider that to be a mistake. Let's get back to the issue we started with, namely understanding the significance of the fall of the Berlin Wall and devising a

strategy consistent with that event. The European Union is not the embryo of the global federation that Kant hoped to see. It is an imperfect model for the kind of regional integration that should develop on other continents too, and that could federate on a planet-wide scale in the future. If the European Union needs security, then I do not think that the path of unlimited enlargement is the right one to pursue. Foreign policy begins at the border and is directed toward what lies immediately beyond that border. What has Europe's foreign policy, in the sense of the policy directed outside its borders, been to date? It has consisted more than anything in the offer of membership of the Union to those countries lying outside its borders. That policy is now complete. We can debate whether Europe should include Turkey or not, particularly in light of the expectations that have been fostered over the decades. But I believe that also bringing Ukraine or Georgia into the Union, thus stretching right up to the borders of Russia, could be a source of insecurity rather than a security policy.

And as I was saying, we should see the enlargement of NATO in the same light. Can anyone really believe that NATO needs to defend itself against Russia today? If we take a closer look, perhaps Russia is the one that needs to defend itself against NATO.

So, in view of the fact that enlarging NATO or the European Union requires a unanimous vote, all it would take would be for France, Germany, Italy and a few other member countries to state as of right now that they are opposed to enlarging NATO and the European Union to include Ukraine and Georgia, and to display amenability to starting negotiations with Russia on the way the continent is organized, for a genuine European foreign policy to come into being without any formal recourse to an agreement 27-strong.