

€speranto

Can Esperanto follow the euro's political path?



Profile paper

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Introductory preface

One day the question arose to me why there was not one simple communal language which all earthlings could learn and use. Then I would not have to learn French, German and English with their self-willing grammar and rules at school, but only one language which I could use everywhere in the world. This idea appeared to be thought of earlier and the accompanying language had already been developed: Esperanto. Moreover, there appeared to exist an active community of Esperanto speakers, Esperantists, and I began to learn the language.

Frequently the question emerges whether Esperanto will ever come to fulfil its role as communal world language. This is difficult to believe in, especially with the English language spreading internationally and thereby in a way increasingly fulfilling the role of lingua franca, a communal world language. Nevertheless, I do not see my activities on Esperanto only as hobby. I personally still believe that one day an appeal could be made to Esperanto as neutral communal world language.

People around me, when discussing about Esperanto, tend to say that although it is a beautiful idea, it is not realizable. Not because of the practical difficulties confronted with when introduced on international scale, but because of the lack of political will. They question "Esperanto has already existed for over 100 years without great success, why would it succeed in the future?" In my response I then refer to the fall of the Berlin wall and the introduction of the euro. How many people would have thought that those events were about to happen in 1985? The future is as unpredictable as it was back then, so you never know when possibilities will emerge for Esperanto.

I wanted to take Esperanto as subject for my profile paper, because there has been little research on the introductive perspective of the language, although it is of great interest to the Esperanto community. Initially however, I wanted to calculate the economical savings generated by the introduction of Esperanto as communal second language worldwide, in Europe or in a country, but I thought that would be too great to be solidly researched in this paper. Then came the idea of comparing the introduction of Esperanto with something that already had been realized. Finally, helped by the advice of Mr Swarte and the conversations with my parents I came to the following phrasing of the main question:

Looking at the political decision-making process that led to the Economic and Monetary Union, what would be necessary for the introduction of Esperanto as common second language in the European Union?

In order to gain an answer to this question I first had to research the political decision-making process of the euro and from there determine what was decisive in this process. Then I would shortly describe what the introduction of Esperanto as communal second language in Europe would implicate subsequently comparing that with my findings on the introduction of the communal currency in Europe, in order to answer the main question.

This led to the following sub questions, all discussed in a separate chapter:

Which political decision-making process led to the Economic and Monetary Union?

Which political decisions were decisive in the realization of the EMU?

What would the introduction of Esperanto as the communal second language in the European Union implicate in comparison with the introduction of the euro?

For the realisation of this profile paper, I would like to thank Mr Swarte, firstly because he encouraged me, then for keeping after me and finally to bring the project to a good end: thank you very much!

Chapter 1: The path to the EMU

In this chapter I will try to find an answer to the question: *Which political decision-making process led to the Economic and Monetary Union?*

Many factors influenced the final being of the Economic and Monetary Union or EMU, as I will refer to it in this paper. To understand the motives of the countries and politicians involved I will first describe the general coming about of the EMU. As there were many influences, I will limit myself in this chapter to describe the occurrences which led to the Treaty of Maastricht, where the EMU was officially established, focusing on the monetary aspect.

The European Economic Community

Already in 1929 the former German chancellor Gustav Stresemann proposed¹ a single common currency for the European countries. He asked the league of nations in a speech: "Where are the European currency and the European stamp that we need?"². He saw this as the solution to the vast economic division between the different European countries after the First World War. It is clear that mister Stresemann was ahead of his time. Evidently the other European countries were not ready for such a cooperation, because no serious action was undertaken after the speech. Six weeks later, on the 25th of October the New York Stock Exchange fell, with worldwide economic uncertainty and problems as result, bringing all ideas for a European monetary union to a long halt.

After the second World War there was a general and strong feeling that more cooperation in between countries was needed to reassure peace and prosperity. Six countries: Belgium, West-Germany, France, Italy, Luxemburg and the Netherlands signed the Paris treaty in 1951, creating the European Coal and Steel Community, the ECSC. These countries would later be referred to as The Six, or The Inner Six. Hereby the participating countries obliged themselves to bring their coal and steel to a common market, making warfare against each other materially impossible and realising low prices. Six years later these countries deepened their economic cooperation signing the treaty of Rome, establishing the European Economic Community, the EEC, also referred to as *the common market*, and the European Atomic Energy Community.

The creation of the ECSC and later the EEC were the first forms of European cooperation where the member states handed over some of their sovereignty to a supranational institute. The aim of the EEC was: "to achieve integration via trade with a view to economic expansion."³. They tried to purchase this aim by the establishment of an area of free trade with common external

¹ His proposal can be found at:

http://ec.europa.eu/economy_finance/emu_history/documentation/chapter1/19290909fr06speechofgustavstresemann.pdf

²http://europa.eu/legislation_summaries/economic_and_monetary_affairs/introducing_euro_practical_aspects/l25007_en.htm

³ http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm

tariffs. Common policies for agriculture, transport and trade, and the enlargement of the EEC to the rest of Europe were their main focal points.

Nevertheless, when in 1960 Denmark, Ireland, Norway and the United Kingdom applied to join the European Communities, they were vetoed by the French President Charles de Gaulle who thought the EEC was not ready yet to enlarge and British membership would lead to unwanted American influence. In 1973, when Georges Pompidou had replaced De Gaulle, Denmark, Ireland and the United Kingdom were admitted to the European Economic Community. Norway's population finally rejected the joining in a referendum.

The Werner Report

The created common market gave a boost to West-European trade, but the Treaty of Rome did not set guidelines for an important aspect of transnational trade: the exchange of different currencies. The Bretton Woods system, adopted by many countries after the Second World War, was assumed to guarantee international monetary stability, but appeared to come short. When turbulence stirred the markets between 1968 and 1969 the French Franc devaluated and the German mark revaluated, creating instability for the European currency trade and disturbed the system of common prices, set up under the Common Agricultural Policy.

The European Commission, responsible for the general running of affairs and upholding the Unions treaties, pointed out the need for: "greater co-ordination between the work of the Monetary, Short-term Economic Policy, and Budget Policy Committees;"⁴ Hereafter, in 1969, a summit was held in the Hague where the heads of state of the EEC-countries decided to make the realization of an economic and monetary union an official goal of the European Community.

Pierre Werner, the Prime Minister of Luxembourg, who had experience with the Belgium-Luxembourg Economic Union (BLEU), was asked to lead an expert group drawing up a report on how to realize an Economic and Monetary Union by 1980. He presented his plan in the Werner report⁵ in 1970, and although the six countries did not fully agree with all the recommendations, they gave it their approval. The report set out a plan to introduce a single European currency in three stages. The first stage was launched in 1971 and involved the narrowing of currency fluctuation margins.

Just at that moment the system which should secure these currency fluctuations, the Bretton Woods system, gave away. The United States, under president Nixon, involved in the Vietnam War, printed dollars to pay their debts creating a significant rise of inflation. As agreed to in the Bretton Woods Agreement, the United States were obliged to exchange the dollars of other countries to gold if they requested to do so, but because of the vast amounts of newly printed

⁴ The Barre Report: Commission Memorandum to the Council on the co-ordination of economic policies and monetary co-operation with the Community (submitted on 12 February 1969).
http://ec.europa.eu/economy_finance/emu_history/documentation/chapter2/19690212en015coordinatec onpoli.pdf

⁵ The report can be found at: http://www.ena.lu/the_werner_plan-02-17906

dollars the gold coverage rate declined from 55% to 22% in 1970. Because of this drastic decline in the gold coverage rate and the American trade deficit, many European countries lost their faith in the United States promise and ability to exchange their dollar reserves into gold and started demanding their share of dollars to be exchanged into gold.

Not having enough gold, president Nixon was forced to end the guaranteed gold-dollar convertibility in 1971, this act became known as the Nixon shock. Without the fixed exchange rates between the European currencies and the dollar, the European currencies became floating. These floating currencies caused the fluctuation margins to widen instead of narrow them. This brought the first stage of the Werner plan to an abrupt halt and with it the whole project of an economic and monetary union.

In 1972, the six European countries Belgium, West-Germany, France, Italy, Luxemburg and the Netherlands together with three candidate members, Denmark, Ireland and the United Kingdom signed a new agreement to restore control over the fluctuation between their currencies. The agreement basically set a maximum fluctuation margin of 4.5% between the participating European currencies, with all the currencies moving together against the dollar, this would later be referred to as the "snake in the tunnel"-method.

However due to the dollar floating itself, the oil-crises and different economic policies, the system did not sustained more than 2 years before most countries left the agreement with exception of the German Mark oriented countries: Germany, Denmark, Belgium, Luxembourg and the Netherlands. With rising inflation and interest percentages, it seemed that an economic and monetary union would never be realised.

The European Monetary System

It took until 1979 before efforts were renewed to establish an area of monetary stability. The German chancellor Helmut Schmidt and the French head of state Giscard d'Estaing proposed a concept of fixed, but adjustable exchange rates based on one unit: the ECU, European Currency Unit. This ECU would be a basket composed of all participating currencies and could therefore be used as point of reference. The currencies were not allowed to fluctuate more than 2.25% against the ECU, with exception of the Italian Lira, which was allowed a margin of 6%. This time Denmark, Ireland and the United Kingdom officially accompanied The Six in the creation of the European Monetary System, the EMS.

At last a system was created that gave the European economies a stable foundation for growth. All countries took advantage of this growth and acknowledged its success, but there were still problems to be solved and opportunities to be seized.

The main issue of debate on the European Monetary System and its affiliated countries was that the German Mark was by far the strongest currency of the ECU and determined therefore its path. The French were dissatisfied with this power of the Bundesbank and the French minister of Finance Eduard Balladur made a plea for the accomplishment of a European monetary union and the foundation of a European central bank. The German minister of foreign affairs Hans-

Dietrich Genscher saw the possibilities laying ahead and endorsed the French plea, making room for more approach.

The Delors Report

Almost 20 years after the first attempt for a monetary union at the the Hague summit, a new summit was organized in Hanover in 1988 to lay down a path which finally would lead to an economic and monetary union. On this meeting a committee of presidents of the national central banks and some independent experts were asked to draw up a plan to realize the Economic and Monetary Union, the EMU. This committee was led by the former president of the European Commission Jacques Delors.

The Delors report⁶, submitted one year later in 1989, had set out a plan with three main stages⁷ to get to the EMU. As can be seen in the three-stages-plan-approach Delors and his committee used the Werner plan as initial concept to draft their plan. The report stressed the need for greater coordination on behalf of economic policies, common rules on national budget deficits and the establishment of the European Central Bank, the ECB.

The First Stage of the Delors report went into action following the Madrid European Council later that year in 1989. In this stage complete liberalisation of capital movements should be realised by 1 July 1990. In the Second Stage the Economic Monetary Institute, the EMI, would prepare the establishment of the European Central Bank. Besides that, the EMI had to examine and evaluate the degree of convergence of the member states together with the European Commission. Based on these findings, the ministers of economy and finance of the members states would finally make out which countries could participate with the Third Stage, in which the European Central Bank would initiate and the euro would be installed as giro payment.

The Maastricht Treaty

But before more progressions could be made, a conference was called for in 1991 to identify what amendments should be made to the original Treaty of Rome in order to make the path free to the EMU. At the same time an intergovernmental conference was held on strengthening the political aspects of European unification.

These two intergovernmental conferences led to the Treaty on European Union, which was signed at the Maastricht Summit in 1992. The treaty, commonly referred to as the Maastricht Treaty, created the European Union and its three-pillar structure. With as pillars the cooperation on *foreign and security policy*, on *justice and home affairs* and the European Community. Thereby the treaty set the three stages in which the Economic and Monetary Union would be established.

⁶ This report can be found at:

http://www.ena.lu/report_economic_monetary_union_european_community_12_april_1989-02-9656

⁷ see enclosure number 1: The three stages towards the Economic and Monetary Union

Although the Delors report had set clear guidelines for these stages and the first stage had already gone into action after the Madrid European Council in 1989, there was still space for discussion, and discussion there was.

One of the debatable issues was whether a fixed date should be settled for the start of the second and third stage. Countries with a strong currency, Germany and The Netherlands wanted to let the start of the third stage depend from the convergence degree of the participating countries and therefore demanded strict entry criteria with low inflation rates and low national debts, making sure the euro would be a strong currency.

Countries who wanted to make sure the Union would be initiated were France, as initiative taker, and Italy, with its vulnerable currency. They wanted to make sure the entry criteria were sufficiently low to let enough countries participate. Belgium, Ireland and the Southern countries, the first two because of their high national debts, wanted to make sure the Union would not start without them. Finally there were the United Kingdom and Denmark, who were hesitant assigning their economic sovereignty to European level and wanted to make sure they had an opt-out possibility.

Finally a consensus was reached on the entry criteria, which consisted mainly out of three set figures. Firstly, the member states should have a stable inflation and interest rate, respectively not higher than 1,5% and 2 % above the average of the three countries with the lowest inflation and interest rate. Secondly, the currencies of the member states should be kept in-between the fluctuation margins of the EMS, without devaluating their coin deliberately. Thirdly, the member states' deficits should not be excessive, government deficits not higher than 3% of the GDP, Gross Domestic Product, and government debts not higher than 60% GDP (or approaching those points).

The Second Stage went into action in 1994, with the establishment of the European Monetary Institute. The Third Stage started in 1999, with the establishment of the European Central Bank and the introduction of the euro as giro payment. On January 1st 2002 the euro became the official currency of 12 countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Spain and Portugal.

Chapter 2: Decisive decisions

In this chapter I will try to find an answer to the question: *Which political decisions were decisive in the realization of the EMU?*

As the previous chapter described the Economic and Monetary Union's coming about broadly, I will now try to find the underlying motives behind the countries' and politician's positions and actions in order to find which decisions were decisive.

Eventual success

As explained in the first chapter, the first serious attempt to form an economic and monetary union, the Werner-plan failed due to the economical disturbance caused by the Nixon shock in 1971. It was until 1978 that the West-German chancellor Helmut Schmidt and the French president Valéry Giscard d'Estaing presented the plan to form the European Monetary System, the EMS. Although the plan was presented as an European replacement of the deficient Bretton Woods-system, both Schmidt and Giscard had different reasons to come forward with this plan.

The German Kansler, Helmut Schmidt saw more European economic merge as a way to exert more political power with their economic strength. He sensed West-Germany missed this entitled prominent role as a result of the second world war. Thereby came that Schmidt wanted a strong European counterpart against the dollar supremacy and the inconsistent economic ruling of US President Carter.

In his book *The eurocreators, power and manipulation behind the euro*, Johan van Overtveldt writes: "In opposite to the German desire for more political power, the French president Valéry Giscard d'Estaing saw more economic cooperation as a way to gain more economic power in Europe. Whereas on paper they should be more influential in international politics compared to Germany after the second war world, because of their permanent seat in the security council of the United Nations and their nuclear power, in practice this was not the case. The French hoped the European Monetary System, and in the future a monetary union, would knock the West-German mandate, and specially that of the Bundesbank, of its pedestal."⁸

Understandable the interest of these two leading countries caused a difficult negotiation period until the EMS started in 1979. The French tried to base the Exchange Rate Mechanism, of the EMS on the communal European Currency Unit, but it became the German Mark which stayed the anchor point for the mechanisms of European exchange rates. In this negotiating process many people played an important role, including Horst Schulmann, adviser of Schmidt, and Bernard Clappier, former governor of the French central bank and a confidant of Giscard.

The first years of the European Monetary System passed by with difficulty, but from 1987 onwards the EMS led to great currency stability with as result that Spain, Portugal and even

⁸ This can be read at: page 58; *De Euroscheppers, macht en manipulatie achter de euro*, by Johan van Overtveldt, published: 2003 at Uitgeverij Pelckmans, ISBN: 9028933778

Great Britain decided to join. The joining of Great Britain was special now that the country was led by Margaret Thatcher, who was particular critical towards the EMS, but could not held the Pound apart because of the EMS' success.

Thanks to this achievements of the EMS the Hannover Summit was held in 1988, where a study group led by Jacques Delors, the president of the European Commission, was charged with the task to draw up a specific plan for the establishment of an Economical and Monetary Union. The participants of the European Monetary System had several reasons to endorse this initiative.

Most of these reasons or arguments were shared by the different EMS member states. To begin with the argument that only a monetary union would fully benefit from the potential of an economic union, which would be better economically for all the countries. Secondly came the argument that an European monetary union would lead to further diminish the dollar domination. Last but not least, was the shared argument that, in order to preserve the peace in Europe, a further political unification was needed, a monetary union would definitely attribute to this.

Thereby came that for the French the same argument still counted on which they had became part of the EMS in the first place. Namely the opinion that France deserved more political influence on international matters, whereas Germany still played the most prominent role in Europe, because of its dominant Bundesbank. They hoped this power would equilibrate with a monetary union.

With these arguments in mind, Delors and his committee worked for one year to making a report with clear guidelines on how to establish an economic and monetary union. Jacques Delors and his committee presented this report on the summit in Madrid in June 1989. Right at the same summit, it was decided that the First Stage of the Economic and Monetary Union, the EMU, would begin in July 1990.

Unifying Germany

On the 9th of November 1989, the Berlin wall fell and a year later West- and East-Germany unified. The unification led to an economical-monetary shockwave in Europe, causing a political earthquake. In contrast to popular believe nowadays, many big European countries were definitely not pleased with the German unification. Both Margaret Thatcher, the British Prime Minister, and François Mitterrand, the French president, tried to pursue the Soviet leader Mikhael Gorbatsjov to prevent this unification, or to at least slow the fast flowing occurrences down. Especially the French president Mitterrand, with the second World War in his mind, was afraid that the unification would lead to an unmatched German dominance in every aspect of Europe.

When Mitterrand realized Mikhael Gorbatsjov was not able to interfere either, he came to the conclusion there was only one way in which the German dominance over Europe could be prevented: the encapsulation of Germany in an European economic and monetary union. This would be a perfect way to regulate their domestic and foreign affairs and defence policies. The then first minister of Italy, Giuli Andreotti immediately backed up Mitterrand's idea, but more

importantly, Mitterrand had a perfect manual laying ready with a clear path towards a European economic and monetary union: The Delors Report.

Meanwhile Helmut Kohl, the then chancellor of West-Germany who led the unification process politically, felt the dislike of France and Great Britain for a great Germany and knew he had to come to a compromise. On a European summit in December 1989, in Staatsburg, Helmut Kohl agreed to call in for an intergovernmental conference on the further steps of monetary unification.

On this following intergovernmental conference the realisation of the economic and monetary union would be determined. First it was decided that the European Monetary Institute should be established right away. In contrast with the Delors report, which suggested making the EMI operational in the Third Stage. Thereby came that the famous convergence criteria on national deficits, national debts, inflation, interest rates and currency stability were laid down. But most important of all, all the heads of states, including Helmut Kohl agreed that whatever would happen, the third and final stage of the Economic and Monetary Union would go into action on the first of January 1999.

Chancellor Helmut Kohl would have gotten the endorsement for this plan by the neither his grassroots support nor the Bundesbank, but he simply did not consult them. The German economy which used to be the strongest of Europe, already appeared to get into trouble with the encapsulation of the weak East German economy. Handing over their famous and powerful Mark up to the relatively infirm economies of the EMU went too far for the Bundesbank. But, Helmut Kohl opined differently and exchanged French endorsement for the German Unification with the German endorsement for the European economical and monetary unification.

Already from mid 1980 the relations between the Kohl-government and the Bundesbank had been poor. One of the main reasons for this was that Chancellor Kohl and the then president of the Bundesbank, Karl Otto Pöhl, could not get along. The Bundesbank was renown to be totally independent from the government, but Kohl had interfered several times with decisions from the Bundesbank, strongly against the wish of Karl Pöhl.

The way in which the Kohl-government handled the unification monetarily and economically, was qualified to be thoughtless by the Pöhl-led Bundesbank. In spite of loud critic from Pöhl and other top executives from the Bundesbank, they could not prevent that the decisions taken at the intergovernmental conference, the IGC, led to the ratification of the treaty of Maastricht in December 1991. Pöhl renounced in May 1991.

Last struggles

When at last it seemed that the establishment of the EMU could not be stopped, a storm broke out. Although the European Monetary System, the EMS, had worked since 1987 without big disturbance the exchange rate mechanism began to tremble. This was partly because of an increase in unemployment in many European countries as a result of the stubborn attitude of the Bundesbank with their influential interest rates. Another reason was that speculators made use of the different but fixed national interest rates, putting the EMS under pressure.

And last but not least was there the cause that doubt surged on if the Treaty of Maastricht would be rectified in all the countries when Denmark rejected the treaty in a referendum. In France the referendum had resulted in only a slight victory and in other countries, as Germany and Great-Britain opposition against the treaty surged.

Because of these problems Finland, Austria, Great-Britain and Italy were no longer able or prepared to restrain the fluctuation of their currencies beneath the settled 2,5% and left the EMS. The problems eased with the decision to allow a wider range between exchange rates from 2,5% towards 15%. After a great power play between the Bundesbank, who still wanted to unsettle the EMU's future, and the France government with the German government as mediator, had tranquilized, Finland, Austria and Italy re-entered the EMS by 1996. Great-Britain decided not to be part of the European Monetary System.

By entering the EMS, all starting countries, except from Great-Britain, met the criteria about currency stability, but there were more criteria to meet by 1997, in order to enter the EMU in 1999. In many countries the required national deficits, debts and inflation were far from the norm. After much bickering between Germany and France a summit was organized in Dublin, in 1996, where a consensus was settled in the so called *Pact for Stability and Growth*, often referred to as the *Stability Pact*, to reassure a strong European economical future. Fact was that in the end not economical figures, but political favour would make up which countries would be allowed to enter the EMU.

In spite of all the efforts there was still doubt if the first of January was achievable as starting date for the Third Stage of the EMU, at which the communal currency would go into action as giro payment. A striking story of this is a meeting which took place between the most powerful central bankers of the world at the headquarter of the Bank for International Settlements in Basel, Switzerland, 9th of February 1997, written down by Matt Marshall in his book *The Bank*.

Present were *Alan Greenspan*, the president of the American central bank, the FED, *Bill McDonough*, the president of the New York FED, *Alexandre Lamfalussy*, president of the European Monetary Institute, the EMI, *Andrew Crockett*, general director of the Bank for International Settlements and the governors of the central banks of Japan, Canada and nine European countries. *Wim Duisenberg*, then president of the Bank for International Settlements, chaired the meeting as he would become the first president of European Central Bank which would go into action in January 1999.

Eddie George, the governor of the Bank of England, opened the debate with a long and good structured argumentation concluding that it was probably wiser to postpone the start of the EMU. With great consternation from most other Europeans around the table, Duisenberg agreed immediately and even more surprisingly, suggested a specific period: postponement with two years.

Two other European central bankers expressed approval, the governor of the Bank of Italy and the president of the Bundesbank, Helmut Schlesinger. The discussion was rapidly ended when Jean-Claude Trichet, the governor of the French central bank, intervened and defined the idea vigorously as ridiculous and even dangerous. For the French it was not even an option to talk

about postponement from the begin date of the EMU. The governor of the Belgium central bank, Fons Verplaetse, and the president of the European Monetary Institute, Alexandre Lamfalussy, carefully backed up Trichet.

Striking the balance

In spite of the uncertainty enthralling the most powerful central bankers of the world a couple of hours that day, the Economic and Monetary Union did go into action as planned on the first of January 1999. All eleven EU-member states were expected to at least act in intention to the convergence criteria settled in the Treaty of Maastricht. These countries were: Austria, Belgium, Finland, Germany, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain, and in 2001 Greece.

Concluding, the establishment of the Economic and Monetary Union had both advantages and disadvantages. Advantages were that currency margins and risks disappeared, with as result that there was more price transparency. All these factors stimulate the inter-European trade and therefore the economic prosperity of its member states. Disadvantages were that participating countries lost their national currency exchange and interest rate mechanisms. This made it harder for some countries to straighten their balance of payment and restrain individual economical decline. Besides there was the argument that the monetary transition would be expansive and elaborate.

None of these economical arguments was persuasive, the decisive factor proved to be political. The Economic and Monetary Union was established principally through a political consensus between France and Germany in order to restore the political balance after the unification of Germany. The French endorsed the EMU in order to exercise control over a great Germany and the German government led in to gain the French acceptance for their unification.

Chapter 3: Esperanto as bridging language

In this chapter I will try to find an answer to the question: *What would the introduction of Esperanto as the communal second language in the European Union implicate in comparison with the introduction of the euro?*

Comparing the introduction of the euro as communal currency in the European Union with the possible introduction of Esperanto as communal second language in the European Union may seem farfetched, but is not. To clarify this I will end this chapter with a list of similarities and dissimilarities between the two projects.

From ECU to euro

Initially it was the idea that the communal European currency would be called “ECU”, as an abbreviation of European Currency Unit. However it was discovered that ECU already had been the name for a French currency in the past, *ecú* meaning shield. Thereby came that Germans were not charmed by the name, as it would be associated with the word *kuh* meaning cow.

On 4th of August 1995, the Belgian Germain Pirlot sent a letter to the former president of the European Commission, Jacques Santer, suggesting to the name *euro* for the currency. As an Esperantist Germain Pirlot had always loved languages and the forming of new words. He had been especially interested about the developments for this European currency, as it fitted perfectly in his ideal for a united Europe. On the European Council in Madrid, in December 1995, *euro* was officially adopted as the name for the communal European currency and Pirlot was send a letter to thank him for his striking suggestion. As the word *euro* complies with Esperanto pronunciation rules and the word is thought of by an Esperantist, it could be stated that the word *euro* derives from Esperanto.

As with the euro, the introduction of Esperanto as communal international language has long time been suggested, but different from the euro, the plan of Esperanto has never been realised. Nevertheless the introduction of the euro has given many people around the world the idea that Esperanto has a change too to be introduced formally in the European Union.

History of Esperanto

From the moment, or already earlier on, that peoples started trading, a need arose for a communal language. In 1870 the 10-years old boy Ludwik Zamenhof decided a solution should be sought for this. In his town, the Polish Bialystok, there lived different ethnic communities with their own native language: German, Yiddish, Polish and Russian. This led to uncountable problems and a seemingly impassable detachment. He asked himself how this could be solved and came to the conclusion that one communal language was needed.

But it could not became one of the national languages, as it would favour one population group and the other villagers with a different native language would not agree. Ludwik studied at the Gymnasium and thought first that Latin or Greek could fulfil the need for a neutral communal language. But these languages appeared far too difficult, so it would not be practical. He came to

the conclusion that there was need for a new language: one, easy to learn for everyone and with which everybody could communicate on equal foot.

For years he worked on this artificial language, finding inspiration for words and grammar in over 10 languages (including Russian, French, English, Spanish, German and Latin). After much refining, he published his “lingvo internacia” in 1887, under the name of doctor Esperanto, meaning *he who hopes*. He sent his design for an international artificial language to hundreds of magazines and newspapers in the whole of Europe and shortly after started receiving dozens of reactions. People started learning the language and in some countries Esperanto clubs were being established. One of these clubs, in the French Boulogne-sur-Mer in 1905, invited the Esperanto community to their city, to try the language out with people from different countries. More than 700 people from more than 20 countries came and concluded enthusiastically that Esperanto worked.

Also on higher levels Esperanto began to receive support. After the First World War, the League of Nations was established to preserve peace. The communication between the member states was troublesome because of the different languages they spoke. In order to solve this, Esperanto was suggested as communal working language. Many countries were positive, but France, who at that time assumed French would keep its dominant position, rejected the plan.

In the Second World War, unfortunately Esperantists were pursued by both Stalin and Hitler’s secret service. By Stalin because Esperanto enabled easy communication with foreign countries and by Hitler, because he saw Esperanto as a Jewish conspiracy. Nevertheless the spread of “la lingvo internacia” kept going and in 1954 UNESCO, the United Nations organisation for education, science and culture, recognised the goals and institutions of Esperanto and called its affiliated countries up to introduce Esperanto on schools and in international communication.

Translating 23 languages

There are many ways in which Esperanto could be introduced as the communal second language in the Europe. Bottom-up or top-down, encouraging or compulsory. But the most obvious method is that Esperanto is first introduced as a bridge-language in the European Union’s institutions. Every day over 2000 translators and 750 interpreters are set in charge to let the European institutions handle its 23 official languages.

With 23 official languages there are 506 language combinations. Therefore it occurs that when in the European Parliament a member makes a plea in Lithuanian, the speech is first translated to Latvian, from Latvian to German, and from German to Dutch, before his or her Dutch counterpart hears it. Understandably this causes miscommunication and delay, which can be very obstructive in a debate.

Esperanto could function as bridging language. When all interpreters would learn to translate from their native language to and from Esperanto there would only be a necessity of 23 language combinations. Then the Lithuanian member of Parliament’s speech would be translated from Lithuanian to Esperanto, and from Esperanto to Dutch, to be understandable for his Dutch counterpart. The same would go up for the translation of documents.

But as translations always differ slightly from the original text, the original text prevails over a translation in case of doubt. With Esperanto as bridging language, the edition of a document in Esperanto could be used as prevailing. It can be expected that from then on Esperanto will make its entry as communal second language for direct communication in between European Union's commissioners and members of staff, on the long term expanding itself further to society. In that case, Esperanto would fulfil its role as official communal second language. Having gained that prevailing status, Esperanto could be used for all kind of European documents: from passports to patents, from packaging lettering to instruction manuals. Esperanto would be the most appropriate language to fulfil this role for several reasons. Primarily because it is both exceptional easy to learn and use because of its regular grammar and design. Secondly because the meaning of Esperanto words can easily be legally recorded, as the language has an artificial framework. The forming of new words for example occurs according to a fixed scheme where conjugation, prefixes and suffixes determine a word's meaning. Thirdly because it is politically neutral. This last aspect is very important as other countries could feel put behind if another national language would be given preference to.

Similarities

This neutrality aspect can also be found in the introduction of the euro. Both the euro and the introduction of Esperanto can only be agreed on internationally. They therefore depend on the different national heads of state's wilfulness to be implemented. This brings along that most probably they can only be introduced top-down. With the euro this is logical, as individual citizens can hardly initiate an international currency, but with Esperanto this is different, as a language can gain so many speakers that it effects the way in which international communication is arranged.

Another similarity is that both implementations intent to improve inter-European relations practically. The euro, facilitating trade and Esperanto, facilitating communication. Another similarity is that both matters exist on the agreements between different countries. It cannot depend from one country, but concerns to Europe as a whole. With as result that both implementations bind and unite the different countries.

The most interesting lesson that can be learned from the political decision-making progress that led to the Economic and Monetary Union, is that political motives prevailed over economic arguments. This would certainly be the case with the introduction of Esperanto as communal second language, as there are less economical consequences involved.

Besides, as with the euro, Esperanto would probably depend on a French -German alliance to be put into practise. The most dominant languages in European Institutions are French and English, with the last gaining territory. The French may feel intimidated and call for discussion. In order to get majority for this plan, they will need Germany as ally to convince East- and North-European countries of this plan.

Dissimilarities

Differently from the decision-making process that led to the Economic and Monetary Union, it is less likely that Germany will oppose France in the introduction of Esperanto as communal

second language of Europe. With the euro they lost their Mark and economical power in Europe, but they do not hold such a strong position with regard to linguistic matters. So as they have less to lose and more to win, they will probably support the introduction of Esperanto as bridging language more rapidly.

Gaining support for this plan is however essential, as Esperanto cannot be introduced without the commitment of all the countries in the EU. With the EMU, some countries demanded an opt-out option, which resulted in Denmark and Great Britain not joining. But if Esperanto should be recognized as prevailing language in European political matters, all countries have to participate. If Esperanto would be introduced as second communal language in the European Union's institutions every country would be affected. Therefore there could not arise a separate European Esperanto Union as all countries are allied with these institutions. What could be the case is that a majority vote compels all the countries to accept the new language policy.

Compelling countries to accept this new policy should be easier than to compel countries to introduce the euro, as citizens will hardly notice the change in their daily lives. The introduction of Esperanto should at first instance only mean smoother communication in the European institutions, in contrast with the introduction of the euro, which brought about a great change in their daily lives, concerning their wage and shopping.

Chapter 4: To answer the main question

In this chapter I will try to answer the main question: *Looking at the political decision-making process that led to the Economic and Monetary Union, what would be necessary for the introduction of Esperanto as common second language in the European Union?*

In order to clearly register the implementations of my findings in the chapters above, I will combine my findings in this last chapter. Reasoning logically towards a conclusion.

Conclusions

The decisive argument to introduce the euro was not to overcome economical impracticalities, but to balance the political power in Europe. The key of success lay therefore in a French-German compromise: the unification of Germany in exchange for the economical unification of Europe.

The best way to introducing Esperanto as communal second language in the European Union, is to establish it as prevailing and bridging language for communication in the institutions of the European Union. This will not only provide a solution to the current translation complications, but also contribute to the sense of a united Europe, exactly as the euro did.

Looking at the political decision-making process that led to the Economic and Monetary Union, these practical or idealistic motives will not prove decisive in the introduction of Esperanto as communal European second language. Therefore an external persuasive political motive should arise.

It can be expected that, in contrast with the political process that led to the introduction of the euro, Germany will sooner accompany France in favour of a possible introduction of Esperanto. With the introduction of the euro, Germany lost its dominant economical position, but Germany has no such a position in linguistic respect.

Currently French and English hold the dominant positions in linguistic respect in the European Union's institutions. Therefore France would only support a change in language policy, if their dominant position is threatened or if they gain more linguistic influence. This last option could be the case if translations are restricted to the six most used languages in the EU: English, German, French, Italian, Spanish and Polish. But this is very unlikely as minority languages speakers will feel put behind.

France feels threatened in their institutional linguistic dominance, as English gains popularity. But if this leads to an appeal for Esperanto depends on how French dignitaries judge the equilibrium between the two languages. Currently French politicians do not find the linguistic balance unacceptable and therefore the introduction of Esperanto as prevailing language not a necessity. If this changes in the future depends on how the upcoming generation will judge this balance.

An important factor of influence on this are the political relations between the Anglo-Saxon countries and France. If public opinion in France wants to distance itself from England or the

United States, its culture and therefore its language, French acceptance of English can decline. In order for them to call for the introduction of Esperanto as the communal second language of the European Union, the relations must come under unprecedented pressure.

Concluding, for the introduction of Esperanto as common second language in the European Union it would be necessary that the political relations between the Anglo-Saxon countries and France deteriorate in such extent that the French public opinion and politicians feel moved to distance themselves from English. As reaction they will consider the linguistic positions of French and English in the European institutions, concluding that English has won too much domain and should be altered.

In the linguistic discussion that arises, countries will avoid to support either English or French linguistic dominance in order to prevent their own languages to lose ground. In the seek for a neutral alternative Esperanto can arise. Gaining French support in their struggle against the English language dominance. In that way a German-French coalition can be formed and other countries can be convinced of adopting Esperanto as prevailing European language.

Afterword

Firstly, I would like to say that I learned a lot while working on this profile paper. The findings with regard to the political decision-making process that led to the euro amazed me. The realisation that such important matters as the introduction of a continental currency are not only based on economical or political arguments, but also greatly influenced by personal state of minds and relationships, gave me a new view on global politics.

Because of my new interest in this political decision-making process that arose while working, the focus of this paper may lay too much on this part of the paper. The part on the possible introduction of Esperanto may be too brief, which is a shame because an extensive solid approach to this would have been of great value to the Esperanto community. Firstly because it would oblige sceptics to give a serious look at Esperanto and secondly because it could stimulate discussion on the political potential of Esperanto in its speaker's community.

The fact that I examined the introduction of the euro more closely than the possible introduction of Esperanto may be caused by the hypothetical character of the last. There are many books and renown websites on the political process that led to the introduction of the euro, but almost no scientific literature on the political aspect of an introduction of Esperanto, therefore it was easier to research the sub questions on the euro.

This has also led to the somewhat particular conclusions of this paper. It is a contradictory idea that you can make a hard prediction for the future, based on research on the past which shows that international political decisions are shaped by unforeseen factors and personal positions. In other words, you cannot determine definitive to what degree the political factors that led to the monetary part of the Treaty of Maastricht apply to the political coming about of an agreement on the recognition of Esperanto as prevailing European language.

Having completed this research I would like to continue researching the way in which European officials and members of parliament look upon the possibility of Esperanto becoming the communal second language in Europe. Taking a survey of the people concerned would give a clear image on how the different countries, parties and persons opinion about the current language policy at the European institutions and about Esperanto as possible prevailing language in the European Union. On these results a much more solid prediction could be made on the future of European language policy and the possibilities of Esperanto as prevailing European language.

Abbreviations and terms

BLEU	Belgium-Luxembourg Economic Union, the economic and monetary union between Belgium and Luxembourg established in 1922.
Communal second language	A language used by two people to communicate other than their mother tongue.
ECB	European Central Bank
ECSC	European Coal and Steel Community
ECU	European Currency Unit, forerunner of the euro.
EEC	European Economic Community
EMI	European Monetary Institute, the forerunner of the European Central Bank.
EMS	Economic Monetary System, forerunner of the European Monetary Union.
EMU	Economic and Monetary Union
EP	European Parliament, the directly elected parliamentary institution of the European Union.
EU	European Union
European Commission	The executive body of the European Union, responsible for proposing legislation, implementing decisions, upholding the Union's treaties and the general day-to-day running of the EU.
European Communities	The first three supranational European organizations: The European Coal and Steel Community (ECSC), the European Economic Community (EEC), and the European Atomic Energy Community (EAEC or Euratom).
FED	Federal Reserve System, the central banking system of the United States.
GDP	Gross Domestic Product
IGC	Intergovernmental Conference
IMF	International Monetary Fund, the international organisation that oversees the global financial system.
La lingvo internacia	Esperanto for: <i>the international language</i> .

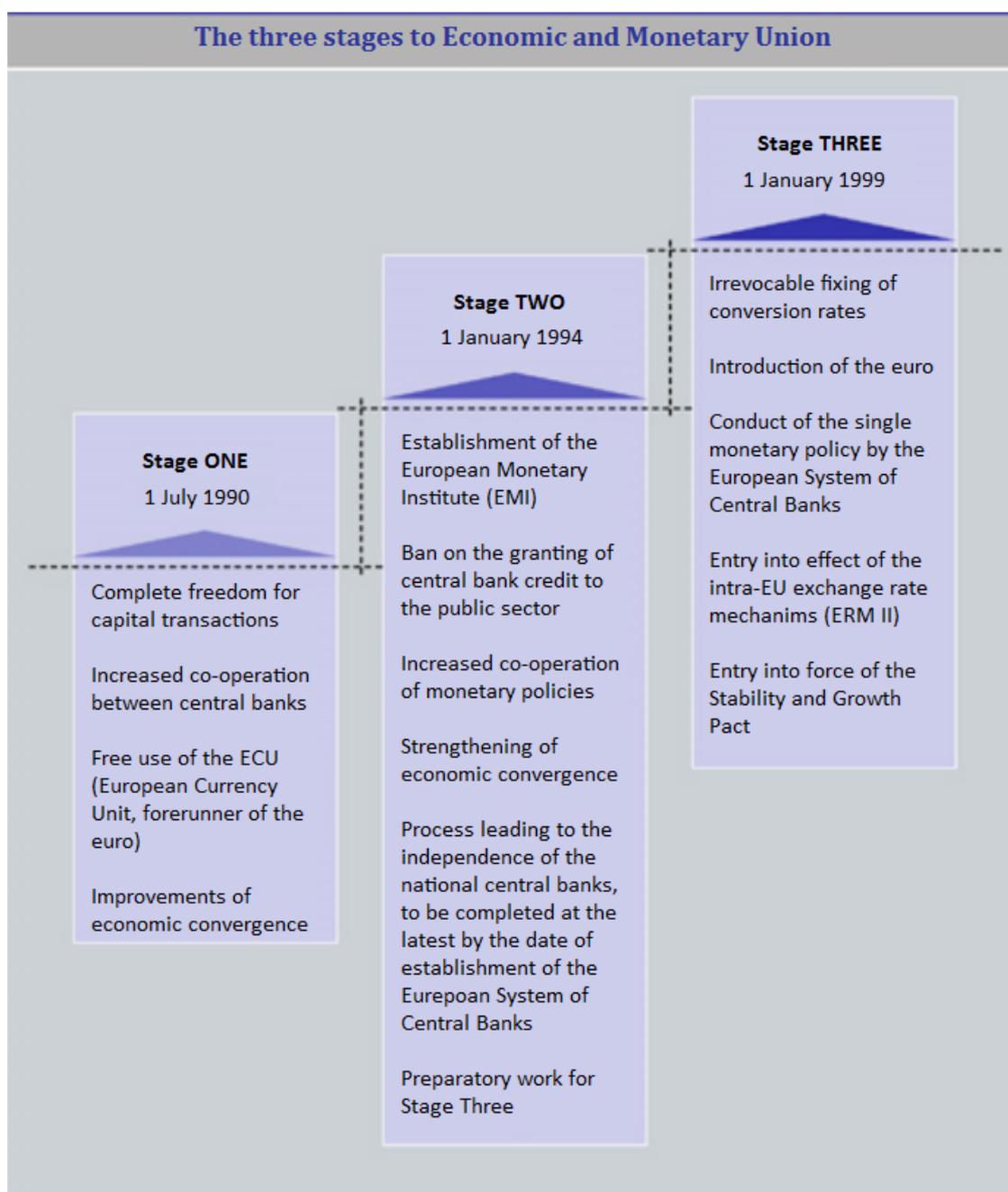
Lingua franca	see: <i>communal second language</i>
The Bretton Woods system	An agreement settled by 44 countries in 1944 in the American town Bretton Woods that led to the establishment of the IMF, the World bank and to the connection of national currencies to the dollar, which itself got connected to gold.
The Inner Six	see: <i>The Six</i>
The Six	The six founding member-states of the European Communities: Belgium, France, West-Germany, Italy, Luxembourg and the Netherlands.
UNESCO	United Nations Educational, Scientific and Cultural Organization

Illustrations

The cover illustration is an adaptation of the logo of the European Parliament with its name written down in all 23 official languages. The upper version is the original version, the lower version is an Esperanto adaptation. The original version can be found at:

<http://www.europarl.europa.eu/> (26 February 2010)

Enclosures



The Three stage-plan of Delors that led to the Economic and Monetary Union⁹

⁹ The original picture can be found at: <http://www.ecb.int/ecb/history/emu/html/index.en.html>

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