

The legacy of Charlemagne—Wolfgang Schäuble and European Integration

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Good evening. It is a great pleasure to be here to honor Wolfgang Schäuble, who will soon be awarded the most prestigious Charlemagne Prize.

Charlemagne is often referred to as the *Pater Europae*, the leader who forged a cohesive unity out of a divided western Europe, and unleashed an intellectual and cultural revival.

He is also famous for his economic reforms—he harmonized and unified a complex array of currencies, introducing a new currency standard, the *livre*, based on silver.

Today, nobody has done more than my dear friend Wolfgang Schäuble to further the cause of European integration, and the destiny of a unified Germany within a united Europe. Nobody is more worthy of the mantle of Charlemagne or more deserving of the Charlemagne Prize.

The founders of modern Europe and the Charlemagne Prize

As we talk about Charlemagne, we must remember that his united empire was destroyed by his progeny. In 843, after years of civil war, Charlemagne's grandsons—Lothar, Ludwig, and Charles—agreed to divide the empire in three. Different countries, different languages, different destinies.

The tragedy of these events was well recognized at the time. A contemporary, Florus of Lyon, mourned the loss of the age of peace. He talked about how “*such greatness falls from such great heights*” and that “*The public good is gone: to each his own. Our selfish cares are all*”.

The people who rebuilt Europe from the ashes of the Second World War had internalized these lessons—the importance of putting the public good first and staying wedded to the enduring spirit of cooperation. They saw clearly that the only guarantee of abiding peace and prosperity was for Europe to come together as one.

And so, through the process of integration, they finally banished the specter of conflict from the continent, realizing the dream of “perpetual peace”—that great unfulfilled dream of so many great minds over the centuries, including Dante, Erasmus, Rousseau, and Kant. They finally restored the legacy—the dream—of Charlemagne.

As Robert Schuman said in 1949, “*We are carrying out a great experiment, the fulfillment of the same recurrent dream that for ten centuries has revisited the peoples of Europe—creating between them an organization putting an end to war, and guaranteeing an eternal peace*”.

In its early years, the Charlemagne prize went to the people who can be called *Patres Europae* in their own right—people like Adenauer, Schuman, de Gasperi, Monnet. Even Winston Churchill and George Marshall, who also played important early roles.

This was the great generation that had the audacity to dream, and the determination to turn dreams into reality. Their torch was carried by successive generations of European leaders, who not only kept the flame alive, but brighter and more radiant with the passing of time.

And so the award was given to a new generation of leaders—people like Helmut Kohl, Francois Mitterrand, Vaclav Havel, Jacques Delors, Tony Blair, Angela Merkel, and Jean-Claude Trichet. And indeed, people like Bill Clinton and Pope John Paul II too.

Wolfgang Schäuble belongs to that defining generation. He has devoted his entire life to the hard fight of European integration, and has taken the helm at some of its toughest moments. He embodies the virtues that underpin this award. He is a bridge between generations.

There is simply no greater advocate for European integration on the stage today than Wolfgang Schäuble. His guiding philosophy is that Europe can only survive and thrive if it binds irrevocably together. As he said himself “*nothing is achieved if you cannot convince the people than unity is good*”.

Wolfgang Schäuble’s career and the process of European integration

Here is an interesting fact—Charlemagne was born in 742. Wolfgang Schäuble was born 1200 years later in 1942. They were both around 60 years old at the defining moments in their life—the founding of the empire, the birth of the euro.

As European integration proceeded over the course of the last half century, Wolfgang Schäuble was there every step of the way. Integration is in his blood.

During the 1950s as a young adult, he experienced the formative years of the European Union—the transformation of the European Coal and Steel Community into the European Economic Community, or “Common Market”.

In the 1960s and early 1970s, while he was studying to become a tax lawyer, the EEC came closer together with the removal of customs duties, a common agricultural policy, and the first international agreements as a group.

The year 1972 marks two firsts: Wolfgang Schäuble is elected to the Bundestag for the first time—where he will hold his seat for the next 40 years—and Europe takes the first steps toward a common currency with the Exchange Rate Mechanism. A year later, the European Community grows from six to nine members.

In the 1980s, it was Wolfgang Schäuble who created the first ever “cross-border euro region” (Kehl-Strasbourg) when he represented the district of Offenbach near the French border. This decade marked his rise in politics and government.

In the fateful year of 1989, Wolfgang Schäuble became Minister of the Interior. He was the right man in the right place at the right time. As a young man in 1961, he had seen firsthand the erection of the monstrous Berlin Wall, which cast its dark shadow over the country and the continent for too many long years. Now, from the heights of government, he saw this symbol of discord and hatred topple and shatter into a million pieces. In that year, both Germany and Europe were born anew.

Quite fittingly, it was Wolfgang Schäuble who was given the responsibility of leading the negotiations for German reunification, a clear pivotal point in his life and the life of his country. He worked tirelessly to make unification work—building bridges between east and west, building a new country based on determined solidarity and a single destiny.

In the 1990s, the process of integration forged on. Europe grew *wider*, as more countries joined, and *deeper*, as the Single Market knocked down economic barriers and the Maastricht Treaty paved the way for the common currency.

When Wolfgang Schäuble returned to government in 2005 as Interior Minister, the euro was born and Europe's economy was booming. But grave dangers lurked around the corner. The financial crisis was coming, leading to the greatest global slowdown since the Great Depression.

For a second time, Wolfgang Schäuble was the right man in the right place at the right time. Just as the debt crisis began to simmer in 2009, he became Finance Minister. He performed brilliantly. The Financial Times named him top finance minister in 2010. He deserves much credit for the many impressive European initiatives in response to the crisis. He is a leader for our time, and in that capacity has faced the toughest test to European integration in postwar history.

Wolfgang Schäuble's leadership has always been forged by personal resilience and guided by a defining principle—the belief that Germany's destiny lies within Europe. He understood that German reunification could only reach true fulfillment in the context of an integrated Europe. As he said himself: *“if a solution is good for Europe, it is good for Germany, and if something is bad for Europe, it cannot be good for Germany”*.

Wolfgang Schäuble has said for many years that deeper integration—including at the political level—should have accompanied the creation of the euro. He was able to take the long view, to understand the larger arc of history. Like Jean Monnet, he saw the process of integration as a sequence of baby steps, dependent on political realities.

He understands well that Europe must forge ahead with better and deeper integration, to fortify the economic foundations of the union—to make sure it never falls apart. Ever the optimist, he sees the current crisis as an opportunity to advance the cause of integration, to improve the rules and institutions needed for monetary union. As he said himself: *“We couldn't do it back then. Now we have to catch up”*.

Wolfgang Schäuble also understands the importance of internal integration within countries. Germany, he said, is an “integration country” where integration means *“you feel like you belong to a society, that you share a common understanding of how you can live together in*

this society". As Interior Minister in 2008, he organized the first Islam conference by a German government. As he said, Islam is now part of Germany and Europe. This shows his keen mix of pragmatism and idealism.

Wolfgang Schäuble—some personal reflections

Let me offer a few personal reflections.

Apparently, before he was first elected to parliament, Wolfgang Schäuble received a call from the party and was given an hour to decide if he would stand for election. I like this story, as it reminds me of the time Prime Minister de Villepin called me in Chicago with a similar ultimatum from President Chirac, asking me to become a member of the French government!

His stamina amazes me. After this year's IMF Spring Meetings in Washington DC, his jetlagged staff went home to bed. I myself was left exhausted by the long ordeal. But Wolfgang Schäuble instead went for a three-hour ride on his hand bike—which he loves and regularly uses to tour around the Black Forest.

He is a big football fan. And here, I would note the big showdown coming on May 19. He will be attending the UEFA Cup Champions League Final with George Osborne. The teams playing will be Bayern-Munich (his favorite team) against Chelsea (Osborne's favorite team). This cannot end well!

He also loves playing sudoku, and has played in both parliament and at Eurogroup meetings—but I am assured it is to help him concentrate, not because he is bored!

The qualities of Wolfgang Schäuble the person

Wolfgang Schäuble has devoted his life to public service. He is the only currently-serving government minister, born during World War II, who was in government before German reunification. He carries with him years of wisdom and experience. He is the wisest of German wise men!

Although he suffered setbacks along the way—setbacks that would have beaten a lesser person—he never backed down, never lacked the strength and determination to carry on, and never took his eyes from the ultimate prize.

Wolfgang Schäuble is guided by an abiding sense of duty. He tells the story of his mother who once was short of money for her parking meter, and went back the next day to pay for it! These values of duty and decency live on in him.

That sense of duty was most evident after the horrible attempt on his life. The question he asked was this: where am I needed, what makes the most sense? And his answer was simple: go forward, not backward. This is the leitmotif of his life.

Recently, he was asked to reflect on his 70th birthday and the 10-year anniversary of the euro. His answer was pitch-perfect: "*When you look back on such a long life, the four children we*

raised, you don't get worried about what the future holds, but you rather feel grateful for what has been given to you".

This is what is truly important in life—family, friendship, contentment. We sometimes lose track of this during all the heated debates and the “slings and arrows of outrageous fortune” that come our way. Let me say that I am proud to call Wolfgang Schäuble a true friend (a *wahrer Freund*).

Conclusion

Every recipient of the Charlemagne Prize understands something very basic: when the nations come together to address common challenges in a spirit of solidarity, we can attain a virtuous cycle of peace and prosperity, and avoid a vicious cycle of conflict and stagnation.

This is the spirit that guides European integration. The spirit that guides those of us at the IMF and other multilateral institutions. The spirit that animates the life and service of Wolfgang Schäuble.

For Wolfgang Schäuble is a man of great duty, loyalty, nobility, humility. He stands tall today—he stands on the shoulders of giants, and he is also a giant in his own right. He is a true successor of the founders of Europe. A worthy recipient of the Charlemagne prize.

As we look back on Charlemagne today, so will future centuries look back on us during these trying times for Europe and the world. What judgments will they form? Nobody can see through the veils of time, but I sincerely believe that the name of Wolfgang Schäuble will long be remembered as one of those who did their best for their own time, and so for all time.