

# Interview with Commissioner Charlie McCreevy



*After serving the EU as the Commissioner for Internal Market and Services for 5 years, Commissioner Charlie McCreevy's term has nearly come to an end. With a large experience as a politician in Ireland where he held three Ministerial posts, Charlie McCreevy was no newcomer to the European scene. He knew what to expect from the EU from the many Council meetings he had participated in as Ireland's Minister for Finance (1997-2004). Yet, during his term, many unexpected issues crossed his path: strong opposition against the Services Directive, also known as the 'Bolkestein Directive' after his predecessor, and finding himself in the middle of the biggest financial crisis Europe has faced for decades. In the countdown to a new Commission arriving, Single Market News meets Charlie McCreevy to talk about his impressions of Europe, his achievements as a Commissioner and the challenges he believes lie ahead for Europe's new leaders.*



**Rebuilding the economic competitiveness of the EU was your 'overriding objective' when you started as Commissioner. To what extent have you achieved your objective ?**

'In the meantime we've had the worst economic recession since the 1930s, preceded by a financial crisis which we have never witnessed before. These things all came during my time in the job. It looks like the EU economy is recovering and it looks like some major Member States have done pretty OK despite the economic downturn; some have even recovered a lot in export markets despite a very strong euro, which means their competitiveness must be better than it used to be. So hopefully, the Single Market has achieved its goal in that area. I think we've kept the Single Market open and I think that's been my main job in the last few years. We didn't anticipate that there was going to be this tsunami of joint financial crisis which inevitably led to an economic downturn as well. I didn't wish that to happen and if I had known that was going to happen I would have said 'God get me out of here, get me another job!' But that's what happened.'

**What do you consider are the main achievements for the Single Market over the past five years?**

'I knew I would have to answer a question like that all right! When I left politics in Ireland, I singularly always refused to start this legacy business of going back on what were the greatest achievements. I have always preferred to defend different actions, as an EU Commissioner and as an Irish politician.

I think that time moves on and people's judgments can be wrong; what they think today might be completely different in five years time; so let history be the judge. That's the line I've always taken.'

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**You have often said that it is not your habit to give advice to your successors. That being said, what would you see as the principal challenges facing the next College of Commissioners in general, and the next Internal Market Commissioner in particular ?**

'I think the Commission and Europe would be better employed, rather than spending an awful lot of time at getting at institutional issues, to get on with the business of deepening the Single Market. We spend an extraordinary amount of time with these very high political points and I think that the people are getting to be a little tired of that, the electorates are.

Why do I say that? If that if the Single Market is developed properly in a whole variety of areas with everything from free trade of goods and services to good public procurement with open competition, most Member States would see a considerable difference to their standards of living. In my view, a considerably greater number of people will be employed, the public finances of Member States will improve, because there will be more wealth, there will be more tax revenue and there would be all the benefits socially as well. If you then go back to Member States with newer institutional questions, then you'll be able to find out what we have achieved in that particular period of time.

The job of the next Commission, I believe would be to stand against those who, for a variety of political reasons, some of them may be ideological or philosophical, whatever they'd be, block the Single Market. To **not** allow the Single Market, the European markets to be interfered with.



I also think that the Commission would be far better off if there would be a kind of 'automaticity' to infringement proceedings. When the Commissioner or the DG deems that there are possible infringements, let's proceed in a very quick way getting that result. If we don't get results in dealings with the Member State, let's proceed to the next stage and get it out of the way, rather than having big debates whether we should go forward, having it all being consulted by the college etc. So what if we lose cases? We'd at least be clear about the law then.'

**The Commission was criticised in some quarters on how it handled the financial crisis. What is your point of view?**

'I could say it is grossly unfair, but was it unexpected criticism? No! I have been a politician for over thirty years – the one rule in politics is to blame somebody else. So therefore, when the Commission, president Barroso or myself were unfairly criticised, I don't take it too personally. It was an easy target to pick out the Commission.'

We do not have competences regarding the economic or financial policies of Member States. There are many people in this town that believe two things: A: that we should and B: that we are a government. We are not a government and we don't have competences in these particular matters, they rest with Member States.

We did what was available to us. We pretty successfully coordinated the actions of the Member States regarding the stimulus packages etc., but we do not have competences as some Member States pointed out forcefully and rightly so, when we talked about the stimulus package. Some of the Member States said 'no, we're not going to do a stimulus package'; for a whole lot of reasons, one of them money. Yet, we were an easy target for criticism when the regulatory and supervisory system in some countries broke down or were somewhat lacking. The reflex was: 'we'd be better off blaming somebody else, so we find the lads over in Brussels to blame!'

**You have worked as a Minister at the national level for over nine years and as a European Commissioner for the past five years. How would you characterise the challenges associated with each of these two roles?**

'I was an Irish politician elected in June 1977, and stayed a politician for over 30 years. I was a minister for over 10 years. There are a lot of similarities in working at national and European level. The College of Ministers is very like a cabinet, like in all Member States, decisions are made at that particular level. You have departments as you have DG's here.'

The biggest difference of course is getting things done. In a Member State, if you're a minister or a member of cabinet, if you want to act quickly on major national issues of importance, you can do it very quickly; you bring it forward to the government; you get their approval, you bring it into the parliament; you could have a two day process and have it that night. It has been done like that in emergencies! Because you have your parliamentary inbuilt majority; after all the government of which you're a member will be supported entirely by its party powers.

Here in Europe it's very different, it takes a long time, no matter how quick you go, because even when you get it through the Commission, it then becomes the property of either the Parliament or the Council, so it will take a long time. You also don't have the interaction with your own party – you are not the government. At home, you bring it into the 'House', your party will support you and that's it. Sometimes parties rebel and all that, but leaving those issues aside... Here it's not like that, which makes things slower and that's the biggest difference.'

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### **Any regrets in your time as Commissioner ?**

'Many things have happened during my term as Commissioner. Some of them I hadn't planned for, like the financial crisis. There was a plus to that and there was a disadvantage. When I was preparing for the hearings, there was a whole variety of topics I wasn't that familiar with. Due to the financial crisis, in the latter half of my term, financial services have come to dominate nearly 80% of my time. On the one hand I liked it because that was the area I had most knowledge of before I came here. But the other areas, which I wasn't familiar with, like patents and intellectual property got hanging off the side, I regret that.'

### **What about the Services Directive ?**

'President Barroso added the title 'And Services' to my title as Commissioner for the Internal Market. When I came here first, the biggest area was the Services Directive. It had just been published or initiated by my predecessor Frits Bolkestein. It had become a major issue at the European elections of 2004- not in my country, I don't think it was even mentioned- but here in Belgium and in France and in other countries as well, services were the big issue from the start. We could have left the Services Directive on the shelf. If I had stuck with the original proposal, it would definitely still be up there, we would have had no chance. By the end of December 2009, the Services Directive is supposed to be completed. I came in with the Services Directive and I finish with it, so it's kind of symmetrical between the beginning and the end of my career here.'



### **So were slow procedures the biggest challenge for a pragmatic politician like you ?**

'No! I wasn't challenged by it. I was coming out here as minister of finance for seven and a half years, so once a month. So I was very familiar with the European concept although admittedly it is a different experience if you're part of it, rather than coming over from a Member State, let that be clear. I wasn't put off by the slowness of things or worked up about it, but I had to get used to it all right!'

### **Did you find the civil service very different ?**

'Yes! I can see the merits of institutions, but I am not one of its biggest fans. In the Irish and British systems, which are very similar for historical reasons, all civil servants of the relevant departments work for the minister – they're career civil servants. If I ceased to be minister of finance and was replaced by another government and let's say a very dyed in the wool socialist came, I can guarantee you that the civil servant would support this minister in exactly the same way as they would support me.

They would say to themselves: 'that's his policy- that's government policy – that's what we're going to do'. They might argue with you, but they would never ever let it be known that there are differences of point of view, never ever. It's totally different here and I don't think it's a good thing.

**'As I have pointed out in many speeches about the Services Directive, 70 % of the EU's GDP is in the services area.'**

### **Do you expect that the Services Directive will give a big boost to the economy ?**

'I do – I honestly do. I don't think it's going to be a perfect construction from day one. Some countries will implement it better than others – that's inevitable, but I think over a period of time with the in-built peer reviews that we have planned ('mutual evaluation' see page ?? ed.), it will have a long lasting effect. So we made some compromises, the EP did so too with the Member States and it got through.

With the implementation, it will develop over time. As I have pointed out in many speeches about the Services Directive, 70 % of the EU's GDP is in the services area. But you must remember the battle the whole time, will be for those who genuinely believe in liberalised markets against those that don't believe in at all and a whole clatter of policy makers in the middle. I'm in the camp – even before I came to this particular job- of free markets, liberal policies, less interference by the state, but that's not the universal thinking in Europe or even in the Member States that I know best.

### **How did you find living in Brussels ?**

'Well it's the first time I've ever worked outside of Ireland. So in that it was a great experience for me. Brussels is very easy to live in, you can go anywhere. I have become a big fan of living near the job. For all of my life before, I commuted 60 or 70 kilometres. Here

I live four minutes away. Plus the facilities here and the restaurants are absolutely fantastic, better than anywhere else. Mind you they are world leaders in bureaucracy and their service leaves a bit to be desired sometimes!'

### **What will you do after you have stepped down as Commissioner ?**

'Well, I made it quite clear when I was appointed that I would come out for one term and one term only. I have always said that it is my last political event. Whatever I'm going to do, it's not going to be in politics. So I know what I'm not going to do, I want to do some different things. I've always had other interests. People say you'll never be able to change – I believe I can and I came to do so and I am thinking of a few other things. I happen to be a chartered accountant by profession, not that I would necessarily go back to chartered accountancy. I could do a few other things – business things...there's plenty of other things to be doing out there.'

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