

Principality of Monaco: A Lesson for Europe

During negotiations, everyone learns a little from the other party. Monaco's economic and cultural uniqueness is not without interest on the subject of reinvigorating Europe. Two advisors to Monaco in negotiations between the EU and the Principality, Jean-Dominique Giuliani, chairman of the Robert Schuman Foundation, and Stéphane Rozès, president of Cap, professor at Sciences-Po and at HEC Paris, here give an overview of the discussions.

Question: In what way is the European Union an important issue for the Principality of Monaco?

Jean-Dominique Giuliani : Monaco and the European Union are in discussions about establishing a specific kind of association. This framework would respect the identity and the rules of the Principality while putting in place agreements with the EU that allow harmonious economic development, to the benefit of both parties. To be more precise, Monaco has not agreed to transfer sovereignty to the European Union. The Principality would not jeopardize its uniqueness, in particular its specific right of establishment and the preference given to its citizens for jobs on Monegasque soil. Which is legitimate, since the local population is "in the minority at home," in some ways. These provisions also reveal the immense welcoming qualities of Monaco.

Stéphane Rozès : Economically, Monaco is a full participant in the world. Economic and opinion leaders recognize this: two-thirds agree with the idea that Monaco has a special place in the world, according to a recent study. Of those who saw last year's promotional campaign, three-quarters hold this opinion. This means that Monaco's relationship with the outside world is characterized by openness and exchange. And at the same time Monaco is part of Europe. The EU is at a stage where its standards are going to become more and more precise. The paradox is that Monaco will be gradually constrained by these norms. It's quite important for Monaco to be able to have a relationship with the EU that preserves its status of association, the coherence of its model. Because what makes an economy dynamic is the coherence between what it is culturally, its identity,



Stéphane Rozès and Jean-Dominique Giuliani advise the Principality of Monaco on European topics

its economy and its institutional model, in this case that of a Principality.

Question: From the perspective of the European Union, what is Monaco's place?

Stéphane Rozès : Monaco embodies a chance for Europe because it is distinctive. The progress of its association with the EU is crucial, for economic as well as cultural reasons. Europe is a paradox. It embodies a chance but in recent years there has been a desire to fall back, which comes from a point of tension: people think they have to choose between their identity and economic survival. An agreement in proper form, both respectful of the interests of Europe and Monaco, could be a lesson for Europe. It would show its genius, which, for centuries, has been to unite diverse interests. And not to merge peoples' cultural diversity to create the ordinary. So it's not only an economic but a cultural issue for Europe.

Jean-Dominique Giuliani : With 120 nationalities in two square kilometers, with a banking system connected to the European system but open to the world, with tourism, arts, culture, sports and a cutting-edge industry on such a small territory, Monegasques are really very attractive. In fact, Monaco is a kind of pearl on the southern shore of Mediterranean Europe. In terms of ethical issues, future issues, the environment — we know the commitment of the Sovereign Prince and his predecessors in favor of the fight against global warming — the maritime dimension that seems essential for Europe and for the

world and which is embodied in Monaco in research, the oceanographic museum and advanced economic activities.

Question: What are the next steps?

Jean-Dominique Giuliani : Considerable efforts have been made for several decades to apply the principles of the OECD and the Council of Europe. But there are holes in these regulations that may one day be detrimental to Monaco. In matters of law, one must always clarify things. Also negotiations are underway with the European Commission so that Monaco can take full advantage of the Customs Union and the markets. This is not quite the case today because a number of texts are interpreted differently here and in Europe. These negotiations will last a long time because they're technical, because Monaco wants to retain its unique attributes. You can count on the Prince and the Monegasque government to negotiate properly. In any case, they're on the right path.

Stéphane Rozès : Everyone has an interest in ensuring a balanced compromise. What will be quite exciting is that as with any exchange, everyone will get to know a little bit about the other party. From the EU side, there are thoughts of rules and procedures that come from above, which must be given priority. On the side of the Principality, it will argue its uniqueness, which is the secret of its success.

The complete video interview is available at : <http://www.monacochannel.mc/>