

The EU and France: a Retrospect of One Year Sarkozy and a Preview on the French EU presidency

“France is back in Europe,” French president Sarkozy stated after the parliament had adopted a law enabling him to ratify the Lisbon Treaty, and he added that now politics has to be put back into Europe. This he wants to see happen during the French EU presidency where issues like exchange rate, trade, industrial, competition and financial policy, as well as climate, energy, immigration, an overhaul of agricultural policy and defence and security will be put on the agenda. In the first year of his time in office, Sarkozy visited all major European capitals and developed and presented a multitude of new, but often controversial ideas. The French EU presidency which starts on 1 July will be of great importance. Does Sarkozy really want to use his initiatives like the Mediterranean Union or the strengthening of the EU defence capacities in order to make the EU stronger or does he rather want to use them to make France stronger in Europe (and the world)? How constructive will he be concerning the accession negotiations with Turkey? Will the French presidency advance further integration and enlargement of the EU or will it rather slow down these processes?¹

Sarkozy had more than a year to prepare for presidency as a head of state. In this sense he was luckier than the German presidency. He had the chance to get out of the blocked situation concerning the EU constitution: By ratifying the Lisbon treaty, France was back in Europe and Sarkozy had time to bring some important, though often controversial ideas into the debate. The way he did it was often even more controversial than the ideas themselves. Especially Germany felt left out on many occasions.

Still one could say that with Sarkozy the Franco-German relations which were basically dead for three years have undergone a revival, even though the contacts over the last months have to be characterised as difficult. France’s criticism of the ECB-management was the last thing Germany wanted to hear. After all, it was the same sort of ideological debate that took place in Germany in the 1990s: independency of the European Central Bank, economic governance, price stability. The German reaction was, therefore, reluctant. It was a wrong signal. The way the French communicated it, it almost sounded as if they wanted to bring the ECB in a less independent position. As if through macro-economic fine-tuning on the European level they want to overcome their own structural reforms. This is a message that in Germany was not appreciated. On the other hand, France has been trying for a long time to advance the debate on a European governance of the EURO. Maybe Sarkozy was too pushy in making his point, yet

¹ Guest speakers were: *Ulrike Guérot*, Senior Policy Fellow Head of Berlin Office European Council On Foreign Relations and *Maxime Lefebvre*, Councillor External Relations, Permanent Representation of France to the EU. The debate took place under Chatham House Rule. The opinions expressed do not necessarily represent the opinions of the Heinrich Böll Foundation

Juncker, as the head of the Euro council, did say some things he would not have said if France had not started this debate.

The next step was the debate on an independent reflection group on Europe - a gift that was finally given to France in October. Nobody really believed in a reflection group, another Comité des Sages, but Germany wanted France to have a constructive start. Yet the Council has enlarged the mandate of the Comité des Sages in a way that they have to fix the world in a day. Nobody is expecting any results on the European treaty or the European institutions. The Comité des Sages does not deal with the hot topics of the Union which are budget, institutions and enlargement.

Mediterranean Union

Then France proposed the Mediterranean Union. The idea came from Sarkozy's electoral campaign, and it was not easy to reconcile it with EU policy. So it took some time especially within the Franco-German dialogue. For Germany this was the third time in a row that Sarkozy was guilty of miscommunicating (even though it has to be said that the communication between France and Germany works quite well on the middle level). In fact, not only Germany, but all larger countries (Italy, Spain) had a hard time to understand whether this was a product with which France wants to promote its own position in the Mediterranean or whether it can be considered a truly mediterranean project. The German and Spanish answer was a clear "no". It was as if France pretended to have reinvented the wheel, that there was no Barcelona Process, no *acquis* which we can work on. But there was a huge French investment, so the situation turned sour. We had a harsh time between Germany and France with non-papers circulating between both countries and Germany fearing that for the summit on 13 July France only wanted to invite the neighbouring countries. And, for the first time, the Blaesheim Talks – bi-annual high level talks between heads of states and foreign ministers of France and Germany- were postponed without further reason by the French side.

But it was important to go that deep to find out how important both countries are for each other. From 5 March onwards - when Sarkozy and Merkel had dinner together in Hanover - things went better. This shows that both countries are still a necessary condition for making progress in Europe. If they can find a compromise, it is a compromise which can include all other European countries. If you have a Franco-German crisis, the alert-level in both countries is pretty high. After 10 days the crisis was fixed. The Polish-German crisis, on the other hand, can last for months without anyone fixing it. Germany wanted to be constructive for the French presidency and the French finally realised that they may need Germany for their presidency.

The compromise on MU is good, but not good enough. The current compromise is closer to Ms Merkel's ideas than to Sarkozy's original concept. But it will still be difficult to put it in practice because there are also problems as well with the Commission: the rotational presidency rises institutional questions and so does the question of the secretariat: is it inside or outside the EU institutions? What is important is that it turns into a success for the EU and partners, it is important to give the Barcelona Process a new impetus and to find a better balance between the EU and its Mediterranean partners.

Even though, the MU is a fundamentally good idea, it has potential for serious conflict, certainly since the Polish have talked about a Union for Eastern Europe which is seen as a counter productive project. The EU is trying hard to come to a common view on what should be done about its Eastern and Southern neighbours. If it does not achieve a common perspective on this, the MU, indeed, has a splitting potential. It is understandable that France wants to concentrate more on the Mediterranean countries but, actually, more ENP money is being spent on the South than on the East. Still, money is not the not the problem. What this is about is the perspectives the EU can offer to its neighbours.

The agenda

The French presidency started with high ambitions. They are slowing down now. It is questionable whether, tactically, this has been a good thing. The German presidency started with a low profile and then went on to save the Treaty. The French are feeling now that they had an overfull agenda. There is not *one* big issue under the French presidency, but many where it can make progress. Dossiers can be pushed forward in many sectors. The French presidency is supported in this view by the Commission: by the end of 2008 many legislative proposals have to be brought to a conclusion because from the beginning of 2009 onwards there will be European electoral campaign and then a new Commission. There are five things the French presidency needs to act on:

1. the European energy action plan,
2. the pact on immigration
3. the CAP health check
- 4 ESDP and the French return to NATO
5. the Treaty and its implementation.

That is a huge and ambitious agenda. On the *European energy plan* nothing much will be done. The crucial points cannot be solved as long as France has the presidency because in that period France cannot moderate. The deal will either be closed under the Slovenian or the Czech presidency. The sensitive topic is the unbundling question. There is a couple of non papers circulating between France and Germany on this issue. Another point is the nuclear question which between France and Germany has a huge cleavage potential as France considers nuclear energy as a renewable energy because it has no CO2 emissions. In which case France would not have to save much energy in order to meet the 20% regulation which the European Council has established for 2020. The burden would be on Germany which is bound to a withdrawal declaration from nuclear energy and if it sticks to it, it will have a hard time to meet this limit. France has hopes that Germany revises that decision. In any case this is a highly sensitive question and pressure coming from France has conflict potential for the French relation with Germany, but also with Austria and other nations.

While the *Pact on Immigration* is one of the best ideas the French have had for this presidency, they have started high on the *CAP* issue and will probably end low, because everybody else is much less ambitious. Also, the room for manoeuvring has changed as

the open consultation process Commission² shows: it is not so much a reflection process on where our priorities are, but rather on how to spend less. The French started with proposals that were much more on the subsidising side than on the market side and Germany reacted saying that subsidising should be considered totally counter-productive. This item will probably slip into the Czech presidency.

When France brought the item of its return to NATO up, many wondered whether this was a PR gag. If this was for real, it would be a nice surprise, a real „dower“. A French return to NATO would mean that things can actually be done on CFSP/ESDP without causing suspicion in the eyes of the East and the US. That would ease out problems for all of Europe. The EU could do more on ESDP without the US getting nervous, in fact, the US are actually pressuring for more CFSP. Also, the European Security Strategy should be updated under the French presidency and presented at the Council meeting in december. We need to know what France proposes concerning ESDP, does France really want to go all the way in terms of cooperation/integration? In the UK one does not see anything happen in that respect: Gordon Brown is not in the position to do anything on ESDP as it would be killed off by the Conservatives.

The French assessment is that the spirit of St Malo is over: Being encouraged by the US now, it is an optimal position now to get ahead with ESDP. Europe has to show what it really wants. It will need a planification staff in Brussels and permanent staff for management cooperation. It is the litmus test for Europe: Do we actually want to put money on the table and do it? With a 2% spending on defense we cannot do much: We need to spend more. We also need a better cooperation with NATO and the UN and a common budget for those who want to participate in common actions. The question is: Can we agree on dropping unanimity for the core group that moves ahead? In Germany, the recent party congress of the social democrats (SPD) talked about a European army...that was two days before the Christian democrats of the CDU came up with a national security concept. These parties are in the same government, and even they do not know where they want to go. Some Germans seem to think that the French only want ESDP in order to support their actions in Africa, so the French should be careful to mention Africa too often when they design their paper.

Finally, the *EU institutional power* system needs to be fixed. The most opaque task is the creation of the external action service (which France wants more Council than Commission-related), be it not that everybody wants something different out of it. There will be no final deal on the External action service under the French presidency. Another point of discussion will be who is going to be chairperson of the European Council.

Enlargement

Enlargement and, consequently, the question where the European Union ends, is one of the big European issues. At the moment there is no political leadership, not only in France and Germany, that wants to take *Turkey* into the European Union. The Committee des Sages should be given instructions to drop Turkey from its agenda. A serious discussion on Turkey is totally inexistent anywhere in Europe. Many people probably

² http://ec.europa.eu/agriculture/healthcheck/consultation/index_en.htm

wait for a long death of the negotiations and if they then can blame Turkey for it – all EU governments will be happy.

As far as the *Balkans* are concerned, they are in the middle of Europe, so the EU needs to take them in, but there is not much commitment neither from France nor from Germany. The political question is: how can Europe take the Balkans in first and then – maybe - Turkey that is already waiting for 40 years. The EU is negotiating about Turkey's membership, but we still pretend that we can negotiate about something else like a privileged partnership, however, there is no mandate for that. The political debate in France and Germany is: we have an open-ended negotiation and we may end up with a privileged partnership – in that case we have to change the mandate of the Council and it is difficult to see who will do that. At the moment we will just have to cool our nerves: the technical negotiations can go on for years. The Turks, on the other hand, do not really complain either. There is not much energy and the political situation in Turkey is not evident. The Comité des Sages will not deliver a report before 2010. Sarkozy has decided that the referendum on EU enlargement is repressed from the French constitution, though we don't know yet how will be finally voted.



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