

THE “STATE OF THE ART OF THE EU”, THE FRENCH PRESIDENCY AND A FORECAST OF FUTURE FRANCO-GERMAN COOPERATION

Ulrike Guérot*

Abstract. *The French Presidency has more or less dropped its initial agenda and has turned nearly exclusively to crisis management, forced by the need to address the three major crises the EU stumbled into in the course of the second half of 2008: the institutional crisis after the Irish ‘no’ on the Treaty of Lisbon, the breakout of the Russian-Georgian war and the subsequent EU relations with Russia and the financial crisis and its potentially recessionary consequences.*

Keywords: *French Presidency, EU-Russia relations, Franco-German relations*

I. From the initial EU agenda to crisis management

The launch of the Mediterranean Union at the beginning of the French Presidency at the EU-Summit in Paris 13th and 14th July was, in a way, the only element of the French presidential agenda successfully achieved on plan so far.

Indeed, the EU-Mediterranean Summit was a success at the end, despite the critique and the tensions that have been accompanying the idea of a Mediterranean Union (MU). In March 2008, Franco-German differences about the shape of the MU had led to a serious clash between the two countries and to speculations that the MU would not be put into place. Until late, observers thought that France would not be able to gather most of the Heads of States and Governments of the Mediterranean countries. But finally, with admittedly huge last-minute efforts, France succeeded to choreograph a surprisingly good Summit-event, with spectacular pictures, i.e. Israeli Prime-Minister Ehud Olmert and Palestinian leader Mahmoud Abbas driving together into the court of Elysée-Palace.

Also in terms of content, the Mediterranean Union finally suited most European governments. The overall opinion is that the South of Europe deserves more attention. The moment France had agreed to integrate the MU project into the framework of the Barcelona-Process – especially with respect to the financing – and to open the future general secretariat of the MU to other than Southern EU-countries after two years time, the most ardent dispute points had been clarified and the project had been finally supported by Germany and all EU member states. The secretariat will now be opened and will begin to work on the endorsed working program¹. In a year’s time, the foreign ministers of the EU and the ones of the Mediterranean countries will meet again for an evaluation summit after the first year of existence. In 2010, another summit of Heads of states and governments shall take place again. However, a fair assessment will need to acknowledge that the launch of the Mediterranean Union had no lasting effect so far and the risk is that the idea will not keep the momentum, but fade away as one of the

* Ulrike Guérot is Senior Research Fellow and Head of the Berlin Office of the *European Council on Foreign Relations*; e-mail: ulrike.guerot@ecfr.eu

¹ The Mediterranean Union working program will have a special focus on energy security, counter-terrorism, immigration and trade.

multiple projects of the EU. It is still uncertain to which extend the launch of the EU will affect the question of Turkish membership in the EU.

Soon after the launch of the MU – and in the middle of European holiday season – the Georgian-Russian conflict broke out and turned around the initial goals of the French presidency. France was in the necessity to go for immediate crisis management, rather than focus on the EU agenda of energy and climate change, health-check of CAP, EU-budget reform, ESDP or any other more routine-business.

In addition, over the summer, the financial crisis took much larger amplitude than expected and is now supposed to have a huge impact on European (banking) markets, but also on the broader European Lisbon agenda, meaning the modernization of the European economy. Europe also will need to engage into the 'cleaning' of its banking market and overcome the potentially recessionary consequences of the banking crisis. There is also rising evidence now that Europe needs a common European banking regulation. The October council² was mainly dedicated to the management of the three crises (Lisbon, Georgia/ Russia and the financial crisis). The 'European Pact for Migration and Asylum'³, identified as main topic for the French presidency, fails to get attention, although it had been initially one of the key issues referred to, since Sarkozy wanted to put strong emphasis on migration problems and also to satisfy its domestic public. The good news is that the key points of

the 'Pact for Migration and Asylum' are the steering of migration with respects to the job-market needs of the receiver-countries; enhanced 'return-politics' of illegal migrants and sharper boarder controls; and a common asylum-policy and partnerships with origin- and transit-countries. It has always been so that progress in home and justice affairs of the EU does not get the attention that it would deserve.

II. Zoom on the EU-Russian relations and the Georgian crisis

The French presidency proved busy, engaged and competent especially on the Georgian conflict. It was known since long that the 'frozen-conflict' region in the European neighborhood was highly unstable, but the outburst of the Russian-Georgian conflict came to everybody's surprise. In the retrospective, even though the EU had to face a lot of critique, it becomes nevertheless clear that the sheer fact that the EU succeeded in getting a common position on the Georgian crisis in its resolution of August 13th was and is a huge success for the French presidency, which should not be underestimated. The same is true for the extraordinary EU-council meeting on September, 1st.

In opposition to the Iraq crisis, the EU came up with a common position despite huge internal differences as regards Russia. Whereas Poland, the Baltic States, Sweden and the UK favor a rather tough approach towards Russia, similar to the US position, Germany, France and Italy do have a more differentiated approach, in which the new danger stemming from Russia and its clearly anti-democratic and hawk tendencies are not ignored, but is flanked by a strong wish to keep Russia as a strategic partner and to not close the doors of dialogue.

² The Council of the European Union, "Draft Agenda October 2008", Brussels, 10 September 2008, available at <http://register.consilium.europa.eu/pdf/en/08/st12/st12713.en08.pdf>

³ "EU-Pakt zu Einwanderung und Asyl. Steuerung der Migration", July 6, 2008, available at http://www.ntv.de/EUPakt_zu_Einwanderung_und_Asyl_Steuerung_der_Migration/060720080711/989791.html

The German position especially was much differentiated. The interview of former Chancellor, Gerhard Schröder, in the German weekly 'Der Spiegel'⁴, in which he called Michael Saakashvili's behavior 'hazardous', was probably the most outspoken defense of Russia and Vladimir Putin's behavior. However, Klaus Mangold, the head of the German 'Eastern Commission of the German Economy' also largely defended Russia in a prominent TV-interview⁵, and argued that Russia will and must remain a strategic partner of Germany, due to their economic ties. Germany would not be more depended on Russia than Russia on Germany. Even broader, the political establishment in Germany is perfectly split on Russia between those who want to cut relations to Russia and those who want to keep the strategic ties. The cleavage goes through the Grand Coalition, with Merkel being more on the 'human-rights'-side, and Foreign Minister, Frank-Walter Steinmeier, being more on the 'strategic-partner'-side; but it also goes through the middle of especially the CDU, where positions from prominent deputies are not homogenous with respect to Russia. It is on the SPD-side that the position tends to be also much in favor of keeping doors open for Russia.

This is all the more interesting as the German position contrasts much with the main-stream position of the US. Leading US-journals or American analysts pointed to the sole responsibility of Russia, demanded a strong course towards Russia and urged Europe to open NATO and the EU for

Georgian membership,⁶ what precisely France and Germany together had refused to accept at the last NATO-Summit in Bucharest in April 2008. Time has come to acknowledge that Europe and the US do not agree any longer on Russia and on what transatlantic relations could look like with respect to Russia, especially if Senator McCain should win the elections. The very fact that the French presidency could hold together the EU on the subject of Russia deserves special attention and one reason why the French succeeded so well is probably the fact that they also reached out largely to improve the Franco-American and overall European-American relations, i.e. through announcing France's return to the military structures of NATO.

III. Behind the Scenes: The Franco-German concert at work again

The common position of the EU should therefore not be taken for granted – especially as some European countries tend to sign various security agreements with the US⁷ - and the achievement of the French presidency, perhaps more in terms of content than in terms of style, should be broadly acknowledged. When Angela Merkel somehow changed her position on Georgia's potential NATO-Membership after her trip to Georgia in August⁸, this had taken place in

⁴ *Der Spiegel*, August 11, 2008

⁵ Dr. Klaus Mangold, Ostausschuss der Deutschen Wirtschaft, in the TV-Talk-Show 'Anne Will' on Sunday, August 10, 2008

⁶ Ronald D. Asmus, "New Purposes, New Plumbing: 'Rebuilding the Atlantic Alliance'", *American Interest*, November/ December 2008; Ronald D. Asmus, Tod Lindberg: "Rue de la Loi: Global Ambition of the European Project", Working Paper of the Stanley Foundation, September 2008; Jörg Himmelreich, "Großreich Putin. Russland fällt zurück in zaristische System – und schadet sich damit selbst", *Internationale Politik*, Oktober 2008.

⁷ Especially the Baltic countries and Poland; and, to a lesser extent, Sweden and the UK.

⁸ *Der Spiegel*-online, August 17, 2008.

narrow concert with the French presidency. By this time, it was clear that the EU would need to take over much more responsibility for the region and would also need to get much bolder in what it expects from Russia as much as in what it could do for and offer to Georgia.⁹

It was clear that, in preparation of the extraordinary EU-summit on September 1st, Germany took a leading role in a well-orchestrated cooperation with France. France and Germany were both, together, the broker of this deal, both committed to keep the EU together and to avoid a split at all price. Germany and France, hence, needed to respect the more Russia-hostile positions of the Baltic countries and Poland; but tried to forge a realistic consensus. I.e. it was mainly Germany who argued against sanctions against Russia, which at some point had been considered, as much as a postponement, if not suspension of the just shortly started negotiations on the Partnership- and Cooperation Agreement (PCA) with Russia. As Russia did not fully comply with the stipulations of the cease-fire agreement so far and as a 'business-as-usual' procedure cannot be accepted, the EU-October Council postponed the PCA negotiations for the time being, also because continuation of the talks could be interpreted as a *de facto* recognition of South-Ossetia and Abkhazia. The EU clearly needs an overall strategy towards Russia first.¹⁰

⁹ Nicu Popescu, Andrew Wilson, Mark Leonard: "Can the EU win the piece in Georgia", European Council on Foreign Relations Policy Brief, August 25, 2008, available at http://www.ecfr.eu/content/entry/georgia_policy_brief/

¹⁰ Nicu Popescu, Mark Leonard, "A Power Audit of EU-Russia Relations", Policy Paper of the European Council on Foreign Relations, November 2007, available at http://www.ecfr.eu/content/entry/georgia_policy_brief/

There is evidence that the French presidency is now changing course in the EU policy towards Russia, taking a tougher stance.¹¹ On the other hand, through the commitment to a donor conference and a large European contribution to the reconstruction of Georgia's infrastructure, Europe has quickly shown engagement.

It is important to underscore that Europe is in a total revision of its policy towards Russia; that the EU is called to take greater care of its Eastern neighborhood and that European credibility in foreign policy is at stake. Therefore, the French presidency tackles with the utmost energy this conflict, as well as the future positioning of the EU towards Russia.

IV. Germany matters most when it comes to Russia

Germany, however, is reluctant - despite Merkel's statement from 10th August - as regards a NATO accession of Georgia as consequence of the war. Some argue it would lead the article 5 guarantee of NATO *ad absurdum*. The EU would ultimately not defend Georgia - nor would the US - in case of a Russian attack with Georgia being NATO member, and neither the US nor Europe would react militarily - since this might mean the definite death of NATO.

In more general terms, the German position, essential for the common EU position on Russia, can be resumed as follows: Russia is clearly too central for Germany to cut relations. However, it is also clear that Russia crossed the Rubicon when it attacked Georgia. If Russia complies now (full retreat of troops), the German assessment, at least of

¹¹ "Paris stellt Russlandpolitik der EU in Frage. Frankreich hält Anbindung an Europa gescheitert", *Financial Times Germany*, September 22, 2008.

some German representatives, although sounding cynical - is that the conflict on South-Ossetia and Abkhazia should be somehow 'shock-frozen' again. This could lead to a sort of 'Cypriotisation' of the conflict, without any clear solutions or the return to the *status quo ante*. The real question for Germany is now whether the 'Georgian case' has been the *one* exception of Russian policy in its near neighborhood; or whether Russia makes a pattern or a method out of it in the month to come with respect to other frozen conflict zones, i.e. Moldova, Armenia, Azerbaijan, but especially with respect to Ukraine. Therefore, Ukraine – and Russia's behavior towards Ukraine – will be *crucial* in the next month. The EU cannot accept one wrong move on behalf of Russia towards Ukraine, also because the US would not permit it. However, the solutions which feature a relationship in which the Ukraine wants to live with both EU and Russia, need to come from the Ukraine itself and an EU-membership perspective cannot be the answer for now. The EU can and wants to help stabilize Ukraine through cooperation, trade, exports and opening of markets, but the real stabilization efforts need to come from the Ukraine itself. Foremost, Ukraine needs to stabilize and reform its political system and undergo constitutional reform. The policy of Germany is oriented towards avoiding anything that could further split the country into East- and West- Ukraine. It would be wrong to assume that if the West-Ukraine can be pulled into the 'camp of the West', East-Ukraine would follow. Unfortunately, this seems to be precisely the strategy of (some in) the US, so that there is a real need for better EU-US understanding on what to do with Ukraine. The French presidency, together with Germany, visibly tries to prepare new common ground for discussion and understanding.

V. No short-term solution for the ratification of the Lisbon Treaty

After the Irish 'no', it had been expected that the French Presidency would try to come up with possible solutions as early as at the October Summit. In the meantime, this assessment has changed. New Irish polls indicate that, if the Irish were to vote again in some time soon, the 'no'-vote would even be higher than in June 2008.¹² Initially, speculations assumed that it would be possible to organize another referendum in Ireland in spring 2009. As the Lisbon Treaty also changes the seats of the European deputies per country, March 2009 would be the last moment to adopt the Lisbon treaty, if the European elections of June 2009 should be run under the Lisbon treaty.¹³ The French idea was to prepare the territory for a new Irish vote already in October, at the latest at the December council. However, after Nicolas Sarkozy's trip to Ireland in July 2008, it became clear that Ireland cannot be pressured and that the French Presidency would not be able to present any concrete steps to be taken on the ratification issue. 71% of Irish people pronounced against a second vote, and 62% of those who would vote again would go for a 'no'.¹⁴ Given these results, the institutional crisis of the EU is clearly not longer a priority for the French Presidency in the immediate term.

The forthcoming Czech EU-Presidency in the 1st half of 2009 has therefore already put strong emphasis on solving the institutional crisis, as no major steps are expected from

¹² *Red C and Open Europe* Opinion Poll (poll conducted in Ireland, 21-23 July 2008), available at <http://www.openeurope.org.uk/research/redc.pdf>

¹³ This is so, because national parliaments need some three month in average to adopt national election laws for the EP-elections to the Lisbon stipulations.

¹⁴ *Red C and Open Europe* Opinion Poll, *op. cit.*

the French Presidency. Beyond the Irish 'no'-vote, Poland, the Czech Republic itself, but also Germany are still faced with the problem that complaints have been brought to their constitutional courts.

In Germany, this legal handicap is a formal one, as officials are eager to underscore. Mr. Gauweiler, of the CSU, has appealed the Bundesverfassungsgericht (constitutional court) to make the case that the Lisbon Treaty is not in concordance with the German basic law. The German government needed to suspend for the time being all activities in order to prepare for the stipulations resulting from the Lisbon Treaty, i.e. preparations to establish the European External Action Service (EEAS). Also, the President of the Republic, Horst Köhler, did not yet sign the law in order to wait for the court's decision – which however, seems more a formal problem, as there is no risk that the German court will oppose Lisbon. The situation is similar in the Czech Republic and in Poland. The real problem therefore remains the Irish 'no' and no solution is in view before 2010. It might well be that –rather to find a juridical way out of the crisis and to work in narrow terms on the ratification of Lisbon – the EU will imbed the solution for its institutional set-up in a new broad reflection group, tied to the one the Council launched last year under the guidance of Carlos Westendorp.

VI. Europe's South-Eastern Strategy: a new momentum for enlargement in 2009?

It is interesting to note that one can detect slight changes in the French position on EU-enlargement. France has been one of the most prominent defenders of a 'core'-Europe and has been openly against further enlargement of the EU in the past decade, under previous governments. It was also

France that never had been truly committed to give a clear enlargement perspective to the countries of the Western Balkans. And it was France that changed its constitution in early 2005 and introduced the provision according to which any newcomer's application to EU membership would be the object of a French referendum, a move clearly seen to torpedo Turkish EU-membership.¹⁵

Now, however, due to a much more complex geo-strategic positioning of the EU between Russia, Turkey, Central-Asia and Iran, and with the energy/ pipeline-questions¹⁶ getting ever more important, it seems as if France is quietly changing position. French officials start to voice that of course the Balkan countries must join the EU, and soon.¹⁷ The EU should go for visa-regulations with the Balkan countries soon and Balkan countries should soon get a date for membership, and this largely before 2014. The Turkish case is more complex. It's too early to talk explicitly of full membership – hence, Turkey clearly needs a European perspective. This does not resemble to what is normally the discourse of the UMP party on European enlargement. The UMP party (the French conservatives) is one of the most reluctant parties as far as further enlargement is concerned, so slight changes in the wording on enlargement should not be taken for granted.

Shifts in French policy can be explained by means of three aspects: First, France, particularly Nicolas Sarkozy, wants to please

¹⁵ Similarly, the idea of a Mediterranean Union had, at least at the beginning, a clear spin to put Turkey rather in the MU than in the EU.

¹⁶ i.e. France has been refused to participate in the consortium of the Nabucco-Pipeline if it does not favor Turkish membership in the EU.

¹⁷ "The challenges of the EU in the 21st century". Conference organized by *Aspen France*, in cooperation with *La Fondation pour vie Politique (Fondapol)* and the *OECD*, Paris, October 19-20, 2008.

the US. Second, with Russia becoming an extremely difficult partner for Europe, there is a fear that Europe cannot afford to lose the two most important and biggest countries in its neighborhood altogether. And third, with President Sarkozy being keen on playing a major role in the Middle-East, France is realizing that good relations to Turkey might be very helpful, i.e. with respect to Syria.

The French policy shift fits into the plans of the Swedish EU presidency to bring enlargement policies back to action. Swedish government officials state¹⁸ that enlargement will be the cornerstone of the forthcoming Swedish presidency in the 2nd half of 2009. One central idea would be to make a package out of Turkey and the Balkan countries and to bring them into the EU together, as it would not be possible to take the Balkan countries first, leaving Turkey behind again. Binding essentially Serbia and Turkey together would also make it difficult for France to go for a referendum on enlargement, as France is pro-Serbian and would not like to vote on Serbia, but could not vote on Turkey alone. It can therefore be expected that further commitment of the EU towards the Balkan countries will happen during the Swedish Presidency.

VII. Franco-German dynamics: ready to lead again?

The Franco-German engine is finally getting closer together after a rather difficult starting period right after Nicolas Sarkozy's election and a first year of problematic Franco-German relations which were full of tensions. With smaller – and not really experienced countries – like Sweden and the Czech Republic taking over the EU-

Presidency in 2009, France and Germany will have an indirect function of a leadership-role to provide, as, for instance, the Czech Republic is working together extremely close with the two. It is clear that, with respect to the major new orientation of the EU to come (Russia, US and new US-administration, neighborhood policies), the grand orientation or commitment will and needs to come from France and Germany.

However, in 2009, there will be a new US-administration, EP-elections, a new EU-Commission, German elections (and elections in the UK in spring 2010), let alone that a difficult relationship towards Russia will need to be managed in the middle of a lasting financial crises whose impact on Europe is quite unknown for the moment, and with growing concerns to the overall economic environment in Europe, let alone energy prices and security. France and Germany will have the difficult task to combine the increasingly difficult aspect of internal European integration (social Europe, migration, wealth, economic growth etc) and the broader geo-strategic dimension of the EU (Mediterranean Union, South-Eastern enlargement, neighborhood policies).

That is not to say that there is no awareness regarding these problems or that Franco-German cooperation is mainly under strain. Even if most say that Angela Merkel and Nicolas Sarkozy do not really like each other, they perfectly work together on a very pragmatic level. However, it is hard to assess whether or not France and Germany will find the energy and the dynamic to develop in common a 'big picture' for the future of the European integration process and to tie together again – as they did many times in the past – the need for more integration with the momentum of enlargement. Even if the cooperation is good at first glance, beneath the surface there is a growing skepticism in

¹⁸ European Conference of CIDOB and ESI (*European Stability Initiative*): "EU-enlargement: is all still going well?", Barcelona, September 20-21, 2008

Germany with respect to its cooperation with France. Also, France may suffer quite significantly from the financial crisis due to a different structure of its economy, which may put the country under strain with respect to its domestic situation and shift interest from Europe once the presidency is over.

The problem is that France feels increasingly marginalized within Europe and 'always needs to win', i.e. when it comes down to European industry cooperation in European Security and Defense Policy. In short, the German 'trust-level' towards France is at a lower level than in the past, and French attempts to outpace Mrs. Merkel, making France the 'must-go' country within Europe, displease many in the German European and

foreign policy establishment. Franco-German relations are therefore also at a turning point and the tandem definitely needs to be enlarged. The institutional gridlock will derange the European Union over the course of the year 2009, which, in many respects, is likely to be a difficult year for the EU. Without formal ratification, it will be impossible to implement those stipulations of the Lisbon Treaty that the EU needs most, especially the European External Action Service (EEAS) and progress in European Security and Defense Policy (ESDP) through structured cooperation. It is again up to France and Germany to put into motion the European mechanics and to make it ready and functioning for the next decade.

REFERENCES

- ASMUS, Ronald D., "New Purposes, New Plumbing: Rebuilding the Atlantic Alliance", *The American Interest*, November/ December 2008, available at <http://www.gmfus.org/publications/article.cfm?id=490>
- ASMUS, Ronald D., LINDBERG, Tod "Rue de la Loi: Global Ambition of the European Project". Working Paper of the *Stanley Foundation*, September 2008, available at [http://www.gmfus.org/doc/Asmus-Lindberg_on_EU%20\(2\).doc](http://www.gmfus.org/doc/Asmus-Lindberg_on_EU%20(2).doc)
- HIMMERLREICH, Jörg, "Großreich Putin. Russland fällt zurück in zaristische System – und schadet sich damit selbst", *Internationale Politik*, Oktober 2008.
- POPESCU, Nicu, WILSON, Andrew, LEONARD, Mark, "Can the EU win the piece in Georgia?", *European Council on Foreign Relations Policy Brief*, August 25, 2008, available at http://www.ecfr.eu/content/entry/georgia_policy_brief/
- POPESCU, Nicu, LEONARD, Mark, "A Power Audit of EU- Russia relations", Policy Paper of the *European Council on Foreign Relations*, November 2007, available at http://www.ecfr.eu/content/entry/georgia_policy_brief/
- "EU-Pakt zu Einwanderung und Asyl. Steuerung der Migration", July 6, 2008, available at http://www.ntv.de/EUPakt_zu_Einwanderung_und_Asyl_Steuerung_der_Migration/060720080711/989791.html
- "Paris stellt Russlandpolitik der EU in Frage. Frankreich hält Anbindung an Europa gescheitert", *Financial Times Germany*, September 22, 2008.
- *Red C and Open Europe Opinion Poll*, (poll conducted in Ireland, 21- 23 July 2008), available at <http://www.openeurope.org.uk/research/redc.pdf>
- *The Council of the European Union*, "Draft Agenda October 2008", Brussels, 10 September 2008, available at <http://register.consilium.europa.eu/pdf/en/08/st12/st12713.en08.pdf>