

Chapter 14

France and European Integration

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Over more than half a century, France has been both an ardent promoter of European integration, and the fiercest of defenders, within European institutions, of national interest narrowly construed. Of course, all member states have sought in different ways to maximise the benefits of integration while minimising its constraints: to have their cake and eat it. In the French case, however, the tension has been especially acute. On the one hand, France's conception of Europe, as articulated by Christian Democrats, many Socialists, and even some Gaullists, has been very ambitious, whether in political, social, or economic terms. On the other, there has been a reluctance, most readily expressed by Communists and some Socialists, Gaullists, and the far Right, to accept the transfers of sovereignty that would give Europe the means of fulfilling such ambitions. The process of European integration can be divided into two periods, each corresponding to different resolutions of that basic conflict: a Europe of fairly limited scope, but with equally limited delegations of sovereignty from member states, until the mid-1980s; a Europe of wider ambitions and more substantial transfers of sovereignty since then. This second Europe, though not a little of France's making, has posed more serious dilemmas to French policy-makers than the first, threatening both a loss of French influence within European institutions and painful political and economic adjustments at home. That in turn has increased – though episodically more than continuously – the salience of European integration as a political issue within France, cross-cutting existing party divisions.

The integration process, vastly more complex than the diptych suggested above, is briefly narrated in the opening section of this chapter. Because the question of what drives the process – its own internal forces or the decisions of the member states – has both divided academics and informed most analysis of European affairs, the major interpretations of

integration are also outlined. The second section deals with French approaches to Europe, and in particular the view of benefits and costs that France's policy-makers have applied to the integration process and how they have changed over time. An important element of any such view is France's special relationship with the Federal Republic of Germany, seen both as one of the benefits of integration and as a tool to help promote French interests within Europe. The second section also explores the dynamics of this relationship, as well as highlighting the distinctive approaches to integration of successive presidents. A third section discusses how France engages with the European policy process. Arrangements for policy co-ordination in Paris and for the promotion of French policy priorities in Brussels reflect a Jacobin desire that France should 'speak with one voice' in Europe, an approach which has drawbacks as well as advantages in terms of legislative or regulatory outcomes; the fact that some outcomes have not suited France is reflected in the reluctance, also covered in this section, with which France has implemented some European legislation.

The fourth section considers the substantive results, for France, of European policy developments in three areas: the Common Agricultural Policy, Economic and Monetary Union and the economic paradigm shift surrounding it, and the Common Foreign and Security Policy. Each, in different ways, reflects France's capacity to win lasting acceptance for its own policy priorities at the European level. For a long time a 'permissive consensus' among publics in France and other European states allowed governments to pursue their priorities without much reference to the voters. This is less and less the case. As the fifth section observes, French voters share many of their élites' ambiguous views about the costs and benefits of European integration, and have been increasingly divided over the really

hard European questions, with at times disruptive effects on France's parties and party system. These divisions were most dramatically expressed in the May 2005 referendum on the European constitutional treaty.

European integration: process and interpretation (A-Head)

European integration has progressed in fits and starts, rather than the smooth process suggested by the term 'ever closer union between the peoples of Europe' enshrined in the Rome Treaty of 1957. The process has been simultaneously economic and political. It has been driven by the deliberate actions of Europe's nation states, but also by the dynamics of European institutions, and by the leaders of both. It has involved great leaps forward, barely perceptible shuffles, and even steps back; unexpected bargains and the incremental consolidation of institutional relationships. The account given below, though compressed, therefore remains complex; the academic interpretations of the process, outlined below in simplified form, have been varied, subtle, and hotly contested.

The narrative of integration (B-Head)

To a significant degree, as Table 14.1 and the account below show, the history of European integration is that of its big bargains – both successful and not.

Table 14.1**A Chronology of the EU, 1950–2005**

1950 (May)	Robert Schuman proposes the European Coal and Steel Community (ECSC).
1951 (April)	The Six sign the Treaty of Paris, creating the ECSC.
1952 (May)	The Six sign a second Treaty of Paris, establishing the European Defence Community (EDC).
1953 (February)	The ECSC becomes comes into force.
1954 (August)	French National Assembly rejects ratification of the EDC treaty: Gaullist and Communist opposition, reinforced by many Socialists and Radicals, overcomes Christian Democrat-led support for the treaty.
1955 (June)	Messina Conference between the Six: agreement in principle to create an Economic Community; a committee led by Paul-Henri Spaak is charged with drafting specific proposals.
1957 (March)	The Six sign the Treaties of Rome, establishing the European Economic Community (EEC) and Euratom.
1958 (January)	EEC and Euratom come into force.
1958 (June)	De Gaulle returns to power in France.
1958 (September)	De Gaulle-Adenauer meeting at Colombey-les-Deux-Églises.
1959 (January)	Common Market comes into force with first round of tariff reductions.
1961–62	‘Fouchet’ plans for political co-operation proposed by de Gaulle, but ultimately rejected by France’s partners.
1962 (January)	Agreement of the Six on key principles of Common Agricultural Policy.
1962 (May)	De Gaulle’s ‘Volapük’ speech attacks European federalism.
1963 (January)	De Gaulle vetoes UK entry to EEC, but France and Germany sign the Élysée Treaty promising friendship and co-operation.
1965	The Merger Treaty, joining the institutions of the three communities from July 1967, is signed by the Six; France boycotts EC institutions in the ‘Empty Chair’ crisis.
1966 (January)	The ‘Luxembourg Compromise’ ends the Empty Chair crisis, and preserves effective unanimity on Council of Ministers.
1967 (November)	De Gaulle vetoes EEC enlargement a second time.
1968 (July)	The EEC’s customs union fully operational with elimination of last tariffs.
1969 (December)	Summit at The Hague: agreement to ‘complete, deepen, and enlarge’ the EEC.
1970 (April)	‘Own resources’ for EEC budget, and greater oversight of it by the Parliament, established under Luxembourg Treaty.
1972 (April)	The ‘Snake’ established by the Six to limit exchange rate fluctuations between European currencies.
1972 (April)	France votes Yes (by 68.3 per cent of votes, 36.4 per cent of registered electors) in a referendum on enlargement of European Communities.
1973 (January)	Denmark, Ireland and the UK enter the Communities.
1974 (December)	Regular summit meetings of EC heads of state and government – the future European Council – launched; agreement on direct elections to the European Parliament.
1979 (March)	Establishment of European Monetary System, successor to the Snake,

	1981 (January)	Greece joins the EC.
1984 (June)		Fontainebleau summit: resolution of the issue of British budget contribution clears the way for further development of the Community.
1985 (January)		Jacques Delors President of the European Commission.
1986 (January)		Spain and Portugal join the EC.
1986 (February)		Signature by the twelve member states of Single European Act, providing for the creation of a single market by 1 January 1993.
1988 (June)		European Council at Hanover committed to drafting proposals for Economic and Monetary Union (EMU) within one year.
1989 (November)		Fall of Berlin Wall signals the impending reunification of Germany and withdrawal of Central and East European states from Soviet bloc.
1989 (December)		European Council at Strasbourg agrees to intergovernmental conference to achieve EMU, and adopts plan for a European Social Charter.
1990 (June-July)		France, Germany, and Benelux countries sign Schengen agreement to remove border controls. In July, liberalisation of capital movements within the Twelve.
1991 (June)		Mitterrand calls for a European Confederation, expecting a period of 'decades' before Central and East European states join EC.
1991 (December)		Maastricht summit on EMU, and on political union.
1992 (February)		Signature of Maastricht Treaty on European Union.
1992 (September)		French referendum on ratification of Maastricht Treaty passes by 51–49 per cent.
1993 (January)		Single Market comes into force.
1995 (January)		Austria, Finland and Sweden join the EU.
1997 (October)		Signature of Amsterdam Treaty.
1998 (June)		Agreement on the founding members of Economic and Monetary Union.
1999 (January)		Exchange rates between EMU countries irrevocably fixed in preparation for transition to the euro (single currency).
1999 (March)		Resignation of the Commission after fierce criticism from Parliament over accounting practices, centred on French Commissioner Édith Cresson.
1999 (December)		Luxembourg summit recommends immediate opening of enlargement negotiations with Central and East European states, Malta, and Cyprus. Turkey's official candidacy recognised.
2000 (December)		Signature of Nice Treaty.
2002 (January)		Euro banknotes and coins come into circulation.
2002 (February)		Creation of Convention on the Future of Europe, chaired by Valéry Giscard d'Estaing.
2003 (July)		Convention submits draft European constitutional treaty.
2004 (1 May)		Entry into EU of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia.
2004 (18 June)		At Brussels summit, EU leaders adopt a modified version of the constitutional treaty.
2004 (14 July)		President Chirac promises referendum on the European constitutional treaty to be held in 2005.
2004 (December)		EU's accession negotiations with Turkey...

- **The European Coal and Steel Community**, proposed on 9 May 1950 by France's Foreign Minister Robert Schuman, signed by the six original member states (France and Germany in the first instance, joined by Italy, Belgium, Luxembourg, and the Netherlands, with the blessing of the United States) at the Paris Treaty of April 1951, was operational by February 1953. The ECSC created a common market in coal and steel, but its institutions were more ambitious than anything required by a mere trade agreement. They included a supranational High Authority, headed from 1952 to 1954 by Jean Monnet, the French Planning Commissioner who had inspired the initial project; a Council of Ministers delegated by member states; a Court of Justice designed to ensure full and fair application of ECSC decisions; and a Common Consultative Assembly composed of delegates from national parliaments. The scope of these institutions, which would constitute the basis for the future European Union, reflected the double purpose of the ECSC: an economic organisation, it was also intended for a political purpose – to ensure that Germany's industrial recovery was put to peaceful use and to lay the foundations for long-term Franco-German reconciliation and European peace. Britain, at the time Europe's largest steel producer, stayed out of the project.
- **The project for a European Defence Community (EDC)** was a big bargain that never was. In effect an integrated West European army, and a framework for rearming Germany, with a European Political Community associated to it, EDC was proposed by French Prime Minister René Pleven in October 1950, signed by the Six in May 1952, but killed by a negative French ratification vote in August 1954.

- **The Rome Treaties**, signed by the Six in March 1957, created the European Atomic Energy Community (Euratom) and the much more important European Economic Community (EEC). Under the EEC treaty, the Six agreed to eliminate all customs barriers between them within twelve years from 1958, to apply a common external tariff to non-member states, to negotiate international trade agreements jointly, and to set up a Common Agricultural Policy (CAP): a package quickly known as the Common Market. The EEC was given very similar institutions to those of the ECSC (which which, indeed, they were merged in 1967): a Commission which took the role of the High Authority (enjoying the monopoly of legislative proposals, though with fewer independent decision-making powers), a Council of Ministers with the last word on all Community legislation, a Court of Justice, and an Assembly of the European Communities (renamed the Parliament in 1980). On the other hand, the Treaty's general aim of 'ever-closer union' was paralleled by other relatively vague commitments: no specific arrangements were made in the treaty to set up the CAP, or to implement a promised common transport policy, while the dates by which the Council of Ministers might abandon unanimous decision-making in favour of majority voting, or when the Assembly might be directly elected, were left deliberately uncertain.
- **The de Gaulle presidency** could be viewed both as a phase of implementation of the previous big bargain, with the realisation of a Common Market (completed in 1968, eighteen months ahead of schedule) and the start of the CAP from 1967. It was also, in at least one way, a turning-point where nothing turned. The so-called Fouchet Plan, de Gaulle's ambitious project for an intergovernmental European

political confederation (by implication, under French leadership) was rejected by other member states, and particularly the Benelux countries, in 1962; its residue was the Élysée Treaty of January 1963, formalising processes of friendship and co-operation between France and Germany but failing to distance Germany from the American orbit as de Gaulle had hoped. In the so-called Empty Chair crisis of 1965–66, de Gaulle prevented the move towards majority voting in the Council of Ministers which had been anticipated in the Rome Treaty; the unanimity rule on the Council was effectively safeguarded by the so-called ‘Luxembourg compromise’ of January 1966. He also twice blocked attempts by other European states – Denmark, Ireland, and above all the UK – to join the EEC. The 1960s could thus be seen as an illustration of what the determined leader of one member state could do to shape – and, in many ways, to stall – Europe’s development.

- **The agreements reached at The Hague in December 1969** by the heads of state and government of the Six – and above all by Pompidou, elected French President in June, and Willy Brandt, elected West German Chancellor in October – served to ‘relaunch’ Europe after de Gaulle’s departure. Though not a new treaty, the summit conclusions served both to ‘complete’ earlier undertakings, and to set an agenda for the EEC’s ‘widening’ and ‘deepening’. ‘Completion’ referred chiefly to the CAP, now set on a permanent footing and financed through its own resources – a share of receipts from VAT and from taxes on imports to Europe from outside the Six – rather than more politically vulnerable national contributions. ‘Widening’ meant the opening of the EEC to new member states, hitherto kept out by de Gaulle’s veto. Denmark, Ireland and the UK joined the EEC in 1973 (and would be

followed, after other negotiations, by Greece in 1981; Spain and Portugal in 1986; Austria, Sweden and Finland in 1995; and the Czech Republic, Slovakia, Hungary, Poland, Latvia, Lithuania, Estonia, Slovenia, Malta, and Cyprus in 2004). ‘Deepening’ covered two initiatives: European Political Co-operation (EPC), or attempts to co-ordinate foreign policy, and the setting-up of a team chaired by Pierre Werner, Prime Minister of Luxembourg, to report into prospects for European Economic and Monetary Union (EMU). Each had more limited short-term effects than expected, but set a longer-term agenda. EPC proved quite insufficient, for example, to formulate a European response to the energy crisis of 1973–4, but laid the foundations for a future Common Foreign and Security Policy (CFSP). EMU took three decades to achieve, not one as initially hoped, but the Werner Report was the basis for the ‘Snake’ (1972–76) and the European Monetary System (EMS) of 1979–99 – both initiatives undertaken to achieve a measure of monetary stability in Europe during the turbulent period following the collapse of the Bretton Woods system of fixed exchange rates in August 1971.

- **The Giscard presidency**, though not a period of intense institutional activity, saw both the two steps towards monetary co-ordination noted above and two significant institutional developments. From December 1974, the EEC heads of government (or, in the French case, the president) agreed to meet at least thrice yearly, in summits which were to be known as the European Council, hosted by whichever country held the six-monthly rotating presidency of the Council of Ministers. And the first direct elections to the European Parliament were agreed in principle in 1974 and held in June 1979.

- **The Single European Act (SEA)**, signed in 1986 and ratified in 1987, was a major treaty revision of both economic and institutional importance. Economically, it committed member states to eliminating non-tariff barriers to trade, and implementing on the ground the free movement of persons, goods, capital, and services throughout the EEC by 1992. While barriers to trade were, first and foremost, variations in national norms and standards (some of which served clearly protectionist purposes for member states), the SEA also placed certain practices of governments – non-competitive tendering for contracts and subsidies to favoured firms – in the Commission’s sights as obstacles to effective competition. The implementation of the Single Market therefore involved a much more complex and invasive reappraisal of national economic policies than the mere dismantling of customs duties provided for by the Rome Treaty. Meanwhile, the major institutional change, the adoption of Qualified Majority Voting (QMV) on the Council of Ministers, for Single Market questions, was adopted to remedy the obstacle represented by the *de facto* unanimity rule on the Council of Ministers to the achievement of a Single Market with a reasonable time scale. QMV gave each member state a number of votes on the Council of Ministers in (very) approximate proportion to its size, and fixed a minimum number of votes – typically about 70 per cent of the total – necessary for a proposal to be carried. The adoption of QMV for SEA matters meant the beginning of the end for unanimity on the Council of Ministers as preserved by the Luxembourg Compromise. The SEA also provided for two lesser, but still important, institutional changes in the direction of supranationality. The European Parliament’s role, hitherto almost entirely consultative, was reinforced for Single Market issues by the new co-operation procedure of legislation; and a

Court of First Instance was created to lighten the burden of business in the Court of Justice – a significant acknowledgement of the growing importance (and caseload) of the European judiciary.

- **The Treaty on European Union (TEU)**, signed at Maastricht in 1992 and ratified by all signatories by 1993, committed most member states to phased steps leading to Economic and Monetary Union – a single currency to complement the single market (the UK, and then Denmark, opted out of EMU). Exchange rates of participating member states were irrevocably fixed in 1999, after a period of economic convergence marked by strict financial discipline (or at least the appearance of it) on the part of governments and central banks; Europe's single currency – the euro – has circulated since January 2002. While EMU was the centrepiece of Maastricht, it was far from the only component. The single currency was to be flanked by the bases – at least minimal – of a common social policy, in the Social Protocol, linked to the Treaty but not, at British insistence, included in it. Institutional reforms within the EEC included a modest extension of QMV on the Council of Ministers to new areas; a further strengthening of the Parliament, now empowered to vet an incoming Commission as well as to censure an incumbent one, and, under the new co-decision procedure, to block legislation on certain issues; and the creation of a (consultative) Committee of the Regions, reflecting a greater recognition of Europe's regions that had also found expression in a doubling of regional aid since 1988. And the EEC itself was complemented by 'Political union', represented by two distinct areas of co-operation, for which the unanimity rule would apply to decisions in the Council of Ministers: the Common Foreign and Security Policy (CFSP) and Justice and

Home Affairs (JHA). These three ‘pillars’ – the EEC, the CFSP, and JHA – would together constitute the new European Union. At the same time, however, the principle of ‘subsidiarity’ – that Europe should handle only those tasks that were best addressed at the European level rather than at those of states or subnational authorities – was formally incorporated into the TEU.

- **The Amsterdam Treaty of 1997** was the first of three treaty changes designed to adapt the EU’s institutions to new responsibilities and to the perspective of enlargement to a total of at least 25 member states following the end of the Cold War. The fact that this took three treaty modifications in seven years illustrates the difficulty of the task, and especially the reluctance of large member states to surrender their traditional leading role in a bigger EU. Amsterdam saw an extension and simplification of the co-decision procedure and a corresponding enhancement of the power of the European Parliament (significantly, the Parliament chose to flex its muscles in 1999 by provoking the collective resignation of the whole Commission over allegations of corruption and nepotism; five years later, it would reject Italy’s nominee for the Commission on the grounds of his reactionary religious and social views, forcing a recasting of the whole Commission). It created a limited institutional opening for ‘flexibility’, or enhanced co-operation on specific issues between some but not all member states. It moved some provisions on immigration and asylum questions, linked to issues of the free movement of people between member states, from the EU’s third (Justice and Home Affairs) pillar to the first, and thereby subjected these policies to QMV. Amsterdam also created a ‘Monsieur PESC’ – a High Representative for Europe’s

foreign policy, alongside (and not always in perfect harmony with) the Commissioner for External Affairs. It put the Maastricht convergence criteria for EMU on a permanent footing, with the new name of the Stability and Growth Pact. But many critical issues, in particular how to bring European institutions closer to Europe's peoples and how to adapt Europe's decision-making procedures, initially designed for the Six, to a much larger membership, were barely addressed. Even the cap of 700 on the membership of the Parliament was broken in 2004, when EP members numbered 732. Indeed, the Commissioner who presented the Amsterdam Treaty to the public expressed his dissatisfaction by calling it 'an impenetrable and complex Treaty, timid in the most sensitive areas such as the common foreign and security policy and weak on the institutional aspects.'

- **The Nice Treaty of December 2000** appeared to achieve one, albeit limited, step towards rationalising Europe's decision-making by fixing the new voting strengths of each member state, and the new Qualified Majority, for a Council of Ministers in a future 27-member EU, as well as by limiting the number of future Commissioners appointed by each state to one from 2005, even for the five larger states hitherto accustomed to two. The Treaty also extended QMV on the Council into new (though mostly uncontentious) policy areas. In addition, the Nice summit approved a European declaration of fundamental human rights, though at Britain's insistence this was not given treaty status. By the time of its signature, however, the Nice Treaty already appeared inadequate and outdated, in the face of calls for a much more comprehensive constitutional settlement, emanating from European

parliamentarians, government ministers such as German Foreign Minister Joschka Fischer and, much more guardedly, from Chirac.

- **The European constitutional treaty of June 2004** offered the promise of closing the cycle of enlargement-driven reforms. Pressures for a long-term constitutional settlement had led the Laeken EU summit of December 2001 to set up a Convention on the Future of Europe to be chaired by former French President Giscard d'Estaing. The Convention presented its draft constitution in July 2003. In some respects it simply consolidated earlier treaties and existing institutional tendencies: for example, the co-decision procedure (defining the respective roles of Parliament, Commission, and Council of Ministers) and QMV (for voting in the Council of Ministers) were to become the norm for most EU legislation, with the Parliament achieving full status as a co-legislator with the Council of Ministers in most areas. The Charter of Fundamental Rights of the Union, joined as a simple declaration to the Nice Treaty, became an integral part of the constitutional treaty. Inevitably, the Convention produced uneasy compromises; it was, after all, attempting to streamline the EU's institutions, and especially its executive, without producing a fully federal project, which would be unacceptable to most member states, and certainly to Britain and France. Thus the question of a single executive head of the Union was avoided by proposing a dyarchy between the President of the Commission and a President of the European Council, now to be elected for two-and-a-half years, replacing the six-monthly rotation of the presidency between member states. The post of European Foreign Minister was created, to replace both the External Relations Commissioner and the newer 'Monsieur PESC'. The new official

would have the office of a vice-president of the Commission but would be appointed (and revocable) by the European Council. Among the most controversial among the Convention's proposals, however, was the replacement of the complex Nice formulæ for QMV with a much simpler rule: legislation would pass in the Council of Ministers if supported by at least half the member states representing at least three-fifths of the population. This readjustment, which reduced voting rights of some states (especially Spain and Poland) by comparison with Nice, wrecked Italian Prime Minister Silvio Berlusconi's plans for the constitution to be agreed in December 2003 in a second Rome Treaty. Only the election of a new government in Spain in March 2004 opened the way for the compromise including the raising of the thresholds to 55 per cent of member states and 65 per cent of the EU's population, which allowed a revised draft to be signed in Brussels in June 2004. It remained for member states to ratify the treaty, whether via national parliaments or, in a number of states including France, by referendum by the choice of President Chirac. On 29 May 2005, after a bitterly-fought campaign, the French said a resounding No to the treaty by a margin of nearly 55 to 45 per cent of valid votes cast. Three days later the Dutch made the same choice by the even greater margin of 62 per cent to 38. At the Brussels summit the same June, Europe's leaders, under pressure from Britain, suspended the ratification process.

It should be stressed that even if it were ratified (an eventuality which appeared unthinkable by mid-2005), the term 'constitutional treaty' would not make the EU into anything approaching the super-state of Eurosceptical fantasy. The EU budget amounts to barely 1 per cent of GDP, compared to over 40 or even 50 per cent in most member states.

Many key attributes of state sovereignty have escaped the EU, partly or wholly. The common stuff of politics in every member state – taxation, education, healthcare, social security, defence, policing, and justice – remains overwhelmingly under national control. Despite the ambitions of federalists for a much stronger European defence force, or for tax harmonisation, this was not about to change. Hence the difficulty of analysing the EU: although it is more than an intergovernmental organisation and possesses some state-like qualities, its development is still very much shaped by complex deals between member states that retain the attributes of sovereignty.

Interpreting integration (1): realism, intergovernmentalism (B-Head)

The complexity and unevenness of the integration process has been reflected in the academic interpretations that have developed in parallel with it. To simplify greatly, these can be divided into two main camps: those that draw inspiration from international relations and see Europe as an arena of competing nation states, and those that view Europe as a polity in its own right, whose government and politics have their own internal dynamics which may be compared with those of any developed democracy. Within each of these, in turn, two main perspectives can be identified.

International relations perspectives on European integration focus, perhaps unsurprisingly, on Europe's big bargains, on the decisive steps forward in integration – as well as on its failed opportunities, those turning points in recent European history at which nothing turned. These were the moments when the leaders of Europe's nation states took the most obviously decisive roles. On this view, therefore, the EU and its preceding bodies are best seen as rather elaborate international organisations, providing an arena within which the crucial actors, nation states, play out

their rivalries, conflicts, and alliances. 'Realist' approaches to integration, identified with such veteran Europe-watchers as Stanley Hoffmann, see nation-states as unitary actors of unequal strength and more or less permanent geopolitical interests, competing for hegemony, or for a privileged relationship with a leading power, within a region and the wider world system. European integration is the product of inter-state bargaining, with a leading role cast for the two most powerful of the founding states, France and the Federal Republic of Germany. But the institutions it has created – the EEC or, more recently, the EU – have little autonomy; they are the precarious outcomes of a particular, and temporary, regional balance of forces.

A number of the strictures laid by realists against the Euro-optimists of the early 1960s ring true forty years later. The integration process has suffered from a lack of clarity (even among its advocates) about finalities and from a lack of citizen identification either with a strong European project or with Europe's institutions. Much of the negotiation of the big bargains outlined above has been marked less by a common sense of European purpose as by bad-tempered and drawn-out haggling among representatives of member governments, of which the meetings at Nice in 2000, at Rome in 2003, or Brussels in June 2005 are only the most recent examples. Whenever integration has moved from (relatively) painless areas such as the removal of tariff barriers towards core attributes of sovereignty – the currency, immigration, defence, or even taxation, for example – it has encountered opposition from member states and deep misgivings among their populations; in the case of EDC, this happened as early as 1954. The naked assertion of national interest in the European arena by de Gaulle (in the Empty Chair crisis, for example) or Thatcher (over the budget) has been paralleled by the more discreet pursuit of national objectives by every

other member state. Despite this range of evidence to confirm their case, however, the realists face an obvious difficulty in accounting for the forward motion that has taken place: for surrenders of sovereignty under Mitterrand and Chirac that would have been unthinkable under de Gaulle, and even for the resilience of European institutions and their growth, over time, into something considerably more than those of an alliance or an intergovernmental organisation.

Liberal intergovernmentalists such as Andrew Moravcsik share many of the realists' perspectives, insofar as they approach Europe from an international relations perspective, and are sceptical of the importance and autonomy of supranational institutions. Like the realists, they focus on a Europe of big inter-state bargains. But they are less inclined to view states as unitary actors acting as a function of more or less permanent geopolitical interests. Rather, they see government preferences as more plastic, reflecting shifting balances of economic and political forces. They bring 'low politics' into the big bargains, placing significant emphasis on interest groups, and especially business groups, national but also transnational, in shaping the preferences of governments. In the EMU debate, for example, German policy-makers were continually pulled between the sound-money preferences of Germany's powerful central bank (and of public opinion, still marked by memories of the currency collapses that followed both world wars) and their industrialists' wish for a competitively-valued currency to assist exports. And Moravcsik's account of de Gaulle's European policy pays at least as much attention to the General's relationship with the French farm lobby as to the grander and more frequently analysed geopolitical concerns. Liberal intergovernmentalists have the capacity to explain movement in the integration process both through the changing world economic context (for example, the currency

instability caused by the American abandonment of Bretton Woods in 1971, or European worries about the slowing-down of international trade and member states' growth prior to the Single Act of 1986) and through changing balances of forces within member states. But European integration is not, for liberal intergovernmentalists, driven by its own momentum, structures, or leaders. Rather, they see European institutions – the Commission and the Court of Justice in 1957, the European Central Bank forty years later – as artifices devised to ensure that inter-state deals are respected once struck. The artifice may need to be permanent; but in the end, for liberal intergovernmentalists, the principals in the process remain states, while European actors are merely agents, created to do their bidding, whose freedom of action remains limited. Convincingly argued where the big (and very substantially intergovernmental) bargains are concerned, this case suffers from its relative neglect of the more humdrum activities of Europe, in which everyday patterns of co-operation are established, institutions bedded down, new needs discerned, apparently trivial but potentially far-reaching laws and regulations drafted, and significant bodies of case law built up by successive judgements of the European Court of Justice.

Interpreting integration (2): neo-functionalism, institutionalism (B-Head)

Neo-functionalists, by contrast, break with the international relations perspective to view the European Union as a nascent polity, an infant federal state. At times they have stressed the autonomy of the integration process to a degree that almost relegates the nation states to the background. The key concept of early neo-functionalists, such as Haas, was spillover. As European institutions are given new tasks, they argued, the need to perform the task well will draw them into seeking new, often

unforeseen, areas of control, thus moving the integration process further along still. Among élites, moreover, the educative process of working together facilitates further extensions of European competence. Many events in the integration process may be considered typical of spillover. For example, following the completion of the Common Market in 1968, many states tried to protect powerful domestic lobbies by imposing non-tariff barriers on imports, a form of protectionism by stealth; that practice generated pressure for the Single Market, with its new array of common European norms designed to phase out non-tariff barriers, along with the new European institutional procedures that their elaboration entailed. The Single European Act, in turn, was viewed as incomplete without monetary union. Although partly autonomous, spillover is not automatic; it is helped along, in the neo-functionalists' view, by leadership from those European institutions with most to gain from the integration process. This is true in particular of the Commission, an institution that becomes increasingly powerful and entrepreneurial as integration progresses, of the European Parliament (EP), and of the European Court of Justice (ECJ). With Jacques Delors, Commission President from 1985 to 1994, the Commission reached its ideal neo-functionalist type, entrepreneurial and ready to use the many opportunities available to press its own federalist agenda. Perhaps the most obvious evidence in support of the neo-functionalist case for European integration as a steady, incremental process is the fact that the process has never been turned back: no treaty has significantly reversed any provision of previous treaties. The neo-functionalists' problem, however, is how to explain those periods, like most of de Gaulle's presidency, when European integration has been stalled; when the Commission has been powerless to bully or cajole any further concessions of sovereignty from the states; or,

most recently, when the Commission has even lost much of its agenda-setting power.

Institutionalists, finally, share with neo-functionalists a focus on the internal forces driving the integration process. However, where neo-functionalists have tended to view Europe as a unique institutional experiment, institutionalists are readier to draw on perspectives of comparative politics, and to conclude that while the EU is not itself a state, the study of state systems, and particularly those of federal states, can shed valuable insights as to its functioning. At the very least, argue the institutionalists, the institutions of the EU ‘matter’, and the integration process cannot be adequately analysed without taking into account the path dependency arising from their existence: states are not free to conclude the bargains they wish. Indeed, European institutions, even if initially constructed on an inter-state basis, have acquired a life of their own which plays a crucial role in determining how Europe’s business is done. For analysts like Hix, Europe is neither an artifice of inter-state bargains nor a process *sui generis*, but rather a polity which, while far from identical to a nation-state, shares enough characteristics – legislative, executive, and judicial functions, a party system of sorts, an intense and thriving arena of interest group activity, a complex and active bureaucracy – to be compared with one. A profusion of studies of European policy-making, in areas ranging from telecoms to transport to agriculture, have focused on the complex processes of interaction between national and European policy-making systems, and (often) on the newness and malleability of the networks established. Other users of comparative politics approaches, such as Marks, have focused on the idea of governance – the messy, complex, networked process of running a polity, contrasted with older models of government stressing hierarchy and command – and stress the ‘multi-level’

character of most European policy-making, ranging from the EU to national to regional to local levels. This, argue multi-level governance theorists, tends to weaken the nation state by transferring some of its responsibilities upwards to Europe and others downwards to local and regional authorities, leaving national authorities 'hollowed out' to a greater or lesser extent. The difficulty with institutionalism, on the other hand, is that its arguments about institutions shaping particular balances of power and patterns of path dependency can be turned two ways; it may just as well be argued that these are even truer of nation states, all of which are older than the EU, and that these should be (re-)placed at the centre of analyses of European policy-making.

None of these approaches offers an exhaustive account of the development of what has probably become the most complex polity in human history. To some degree, indeed, they – or at least the liberal intergovernmental and the institutional perspectives – are complementary. Liberal intergovernmentalism offers a stronger account of the big bargains, struck at summits or intergovernmental conferences, which have periodically accelerated the integration process – as of the stalemates which have almost as regularly blocked it. Here, national players, in the form of heads of government (or, in the French case, the president) are most directly responsible for the outcome. European institutions, and in particular the Commission, may play a role as agenda-setters, but take a secondary role in the negotiations themselves. By contrast, the more humdrum business of European governance may be much more profoundly affected than the big bargains by European institutional actors – not only the Commissioners who table proposals to the Council of Ministers and who oversee their implementation, but the Commission officials who draft proposals, the parliamentarians whose power to amend them has grown

since the 1980s, the European justices who rule on compliance issues, as well as the ever-growing constellation of interest groups that find it worth their while to lobby at European rather than, or at least as well as, at national level. Moreover, it is at this level, in the detailed fleshing out of policies on agricultural markets, or competition, or environmental protection, that the pressures build that may generate demands that spill over towards further economic and political integration.

Such a division of labour – intergovernmentalist approaches for big bargains and neofunctionalism or institutionalism for the day-to-day workings of the EU – is, of course, an oversimplification. European actors, especially activist Commissioners and Commission presidents, have played major roles as agenda-setters for the major bargains. Governments, on the other hand, have a significant input at the day-to-day level, with their instructions flowing in a near-constant stream to the member states' permanent representations in Brussels, and working groups composed of national civil servants monitoring the activities of the Commission and forming a steadily more important underpinning of the Council of Ministers.

A final point about approaches to European integration is that they are not merely academic analyses. The 'Monnet method' of European integration – a paced succession of limited but practical steps, agreed between élites without excessive publicity, rather than a grander, more comprehensive, more public, but possibly unachievable programme – was practically predicated on spillover, and indeed on the creation of strong European institutions, explicitly with a federalist bias 'above' the concerns of nation states. Similarly, an intergovernmental Europe, with the role of European institutions downgraded to a merely technical and administrative roles, leaving member states firmly in charge both of the integration

process and of the day-to-day running of the Community, has been the strongly preferred goal of member states and politicians sceptical of the notion of supranationality. Such a member state, for much of the integration process, has been France.

France and the integration process (A-Head)

France's role in the integration process has been one of initiation (from the launch of the ECSC onwards), of acceleration (for example, of the customs union), of co-operation (notably with Germany) but also of obstruction (most obviously over institutional questions during the de Gaulle presidency, and most recently over the constitutional treaty) and of fairly consistent opposition to a fully federal project. The French have been Europeans, but of an intergovernmental stamp. The Janus face presented by France to the European project can be explained most simply in terms of a national view, fairly consistent over time, of benefits and costs; in other words, something close to a realist account. While such an account is not sufficient, for reasons that will be explained below, the consistencies in the French design on Europe remain important. That the French have been able to realise a substantial part of their goals was due, in part, to their special relationship with Germany. The dynamics of that partnership have changed since 1989, representing a corresponding challenge to France's role in Europe.

France and Europe: benefits and costs (B-Head)

France's often decisive support for European integration may be explained, in simplified terms, by four motives: two geopolitical and two economic.

Of the geopolitical considerations, none has been more important than France's relations with the Federal Republic of Germany. The European

project sought to break, not only with France's brief post-war preference for the permanent dismemberment of Germany, but also with the diplomacy of the preceding half-century, when attempts to contain France's eastern neighbour via more or less adversarial alliances had failed, both in 1914 and in 1939. For Europe's founding fathers – for Robert Schuman, whose native Lorraine had been transferred from French rule to German and back again twice in a single war-torn lifetime – European integration, from the Coal and Steel Community on, served to render another Franco-German war materially impracticable. Their approach was new in that it was centred on practical rather than merely diplomatic reconciliation. Since then, the Franco-German couple, reinforced by the Élysée Treaty of January 1963, has been a crucial motor of integration, as well as, more occasionally, an obstacle to European reforms. But if Franco-German reconciliation has been an important *leitmotif* of European integration, French policy-makers have still been anxious to contain a Germany whose economic, diplomatic, and even potential military strength have remained a source of concern. For German leaders, meanwhile, Europe in general and the alliance with France in particular have served as a means to engineer their country's slow reintegration into the (western) international community after 1945, a framework within which to pursue national goals without national assertiveness. The relationship, which will be considered in more detail below (p. 000), has never lacked critics on both banks of the Rhine, and has never been immune from breakdowns; yet it has clearly survived – sometimes to the dismay of other member states – well into the third millennium.

The second geopolitical use of Europe for France has been as a diplomatic lever. France's past great-power status had been based, first on its position as the largest state in Europe with the biggest population and

army, and then on her possession of the world's second largest colonial empire. By the early 1960s both of those assets had been lost. If France remained a great power, it was thanks to the legacy of the past, materialised in a permanent seat on the UN security council, and to the possession of a very small quantity of atomic, and then nuclear, weapons. In that context, Europe offered France what de Gaulle called a 'lever of Archimedes'. With Britain turned, until the early 1960s, largely towards its Atlantic and Commonwealth relationships, Germany both divided and diplomatically disabled by the legacy of World War II, and Italy too disorganised and the Benelux countries too small to aspire seriously to a leading role, the diplomatic leadership of Europe was France's for the taking. If only the Economic Community could be transformed into a political alliance, argued de Gaulle privately to his minister Alain Peyrefitte in discussing the Fouchet Plan, France might hope to 'regain the status she lost at the battle of Waterloo, as the first among nations', at the head of an 'imposing confederation' that would be dominated neither by the Soviet Union nor (crucially) by the United States. The French ambition of a strong European diplomatic and military identity, friendly towards but independent from the United States and with France playing a – indeed *the* – leading role, has punctuated the development of Europe and won a new lease of life with the end of the Cold War.

But for France to have embraced European integration for geopolitical reasons would have made no sense without the incentive of economic gains. The most tangible of these has been the Common Agricultural Policy (CAP). As Europe's biggest agricultural producer, whose farmers had, thanks to productivity improvements since 1945, been producing more and more food even as their numbers diminished, France has been the CAP's principal beneficiary, and farm exports a significant part of French

foreign trade. The CAP has been more and more the target of attacks on the grounds of its expense, its remoteness from market disciplines, its environmental costs, and the fact that it has benefited large farmers not small, producers not consumers, and the agricultural industry to the detriment of the environment. France remains, however, a vociferous defender of the CAP, with the generally consistent, if less and less enthusiastic, support of Germany. The details of France's addiction to the CAP, and the policy's partial transformation since 1990, will be covered in a later section (p. 000).

Altogether more controversial within France has been the broader free-trade thrust that has been central to European integration from the ECSC onwards. This has entailed a progressive break with France's protectionist traditions. Successive French leaders since 1957 have used the economic liberalism at the heart of the European project as a lever for economic modernisation within France. De Gaulle's decision to implement the provisions of the Treaty of Rome, signed 15 months before he returned to power in 1958 and ratified over the opposition of most Gaullist Deputies, was motivated in part by a simple equation: no great-power status without a world-class economy; no world-class economy as long as French firms remained, as they had been since the 1890s and beyond, sheltered by tariff barriers. Pompidou, on the eve of his election in 1969, stressed that France, having opted to liberalise trading relations with Europe, had no choice but to liberalise the internal economy as well. For Giscard, the monetary disciplines of the EMS were a necessary backdrop to Prime Minister Barre's economic austerity programmes aimed at restoring France's budgetary and trade balances while safeguarding the franc's value against the deutschmark. For Mitterrand, Europe replaced socialism as the central presidential project after the economic U-turn of March 1983: as an

accepted economic discipline, and as a justification for sacrifices imposed. The Single Market, and then the single currency, would offer a stable environment within which French business could thrive, and a framework for the construction of a European economic superpower to rival the United States. Nor was this merely a matter of government rhetoric: by the 1990s, 62 per cent of French exports went to EU countries, which also held 65 per cent of France's foreign direct investments. No member state has a more intense economic relationship with its EU partners.

Each of these benefits has been amply realised. Europe has given France a strong and predictable relationship with Germany, an enhanced role on the world stage, a subsidised market for farm exports, and a regulatory, monetary, and ideological framework for economic modernisation. None, however, has come without a price tag.

The most obvious cost of Europe, from the French viewpoint, is the affront that it represents to a long-standing tradition of national sovereignty reinforced by great power status. In this France resembles the UK, another old-established state, another former first-rank power. The contrast could hardly be greater, on the other hand, with the case of Germany – a newer state, but above all one with a post-war tradition of limited sovereignty, defined by division, foreign occupation, and federalism. For Germany, the integration process has coincided with the progressive recovery of much of the sovereign status lost in 1945. For France, on the contrary, it has proceeded at the price of sometimes painful surrenders of sovereignty, which French politicians – beginning with Mollet in the negotiations preceding the Rome Treaties – have sought to resist or limit.

European institutions are, moreover, quite alien in many ways to France's dominant state tradition. Jacobinism supposes a state that is unitary, hierarchical, and powerful. There is little place in it for the checks

and balances represented in other polities by an active judiciary, by a vibrant tradition of local and regional government with embedded constitutional rights, or by vigorous group representation within civil society. In the Jacobin scheme, as we have noted in earlier chapters, there is little place for judicial review; interest groups are regarded with suspicion; and clear chains of command reach from an all-powerful centre to citizens in the most remote periphery. Although the practice has been somewhat different, the power of the pervading myth should not be discounted, especially as Jacobinism reached its Gaullist apogee. Against this, Europe represents an impossibly (and increasingly) untidy picture: a conglomerate of interlocking and interdependent institutions, an exuberant hothouse of interest group activity, a world of messy compromises, package deals, side payments, activist and politically adept judges, and *ad hoc* coalitions.

These political challenges are compounded by an economic one: Europe's free-trade ethos has represented not only a spur to modernisation but also, by the same token, a powerful threat to the two French economic traditions, outlined in Chapter 1, of protectionism and *dirigisme*. The Common Market put an end to the one; the Single Market sounded the knell of the other. The losers (real, potential, or imagined) in each case, were not slow to draw attention to their plight: small businesses in the early 1970s, unemployed miners and steelworkers from the late 1970s, all manner of public sector workers from the 1990s, and small farmers and fishermen throughout.

In France's European heaven, these costs would be minimised even as the benefits were reaped in full. France's farmers would export ever-growing amounts of food with the subsidies of (other, mostly German) European taxpayers. The opportunities of the Single Market would in no

way threaten the protected status of France's public services or industrial national champions; indeed, French practices in these areas, as well as in social protection or taxation, would be uploaded to the European level. The single currency would ensure monetary stability and low interest rates, ending the old upsets of the franc-deutschmark fluctuations, but France's fiscal freedom would be unconstrained by the Stability and Growth Pact. The core attributes of sovereignty – defence, foreign policy, justice and home affairs – would remain under national control, but other member states would accept French leadership in forging a European identity clearly distinct from an American-led 'West' or an 'Atlantic community'. Infrequent big bargains would keep the integration process firmly under the control of heads of state and of government; the Council of Ministers would continue to run routine decision-making; spillover would be reined in, and the Europe's characteristically supranational institutions – the Commission, the Parliament, and the Court – kept weak. In short, as observers such as Menon have argued, France typically seeks a strong Europe – in the sense of having ambitious policies, whether internally or in relation to the rest of the world – but with weak institutions: the central ambiguity of French approaches to Europe.

This is not, however, to say that French leaders have always made European policy in the same way. They have not, for three reasons. First, European policy-making is played out in a wider international context – one which has made the ambiguity harder to sustain since the 1980s. Second, they have been beholden to different domestic constraints and constituencies, increasingly critical of the European project in the name of French sovereignty. Third, however, they have not, as individuals, been the passive tools of circumstance. As we have seen, French presidents when not constrained by cohabitation enjoy greater margins of manoeuvre than

almost any West European executives to place their own stamp on foreign, including European, policy.

Presidential perspectives (B-Head)

Alone among Fifth Republic presidents, de Gaulle viewed European integration, as defined in the Rome Treaty, as ultimately expendable. The phase of vigorous European activism of the first four years of his presidency achieved two significant goals – the first tariff reductions and above all agreement on the launch of the CAP. But having failed to secure clear French diplomatic leadership via the Fouchet Plan, he shifted his focus to the a wider world stage, and his actions from 1963 served to slow both deepening (the Luxembourg Compromise) and widening (the vetoes on UK entry). In private, he stressed his indifference to the future of the EEC, and would state in his memoirs that he had threatened to withdraw France and thus wreck the whole Community if a satisfactory arrangement on the CAP were not found. For Pompidou, such *hauteur* was an impossibility. As a presidential candidate in 1969, he had claimed to offer an ‘opening’ to Europe. In part this was for electoral reasons – he had to attract the support of pro-European centrists to win – but his reasoning was not merely tactical. As president, more sensitive than his predecessor to his country’s internal and external vulnerability, he viewed Europe as a means to protect France’s position in the world, as the necessary setting for the economic modernisation which, carried to a successful conclusion, could save France from a repetition of May 1968; UK entry as a means to counterbalance the growing economic power of West Germany; Economic and Monetary Union as a tool to protect the CAP from the impact of currency fluctuations. For Dyson and Featherstone, Pompidou was a ‘European of the head’, a prudent, reasoned supporter rather than an

outright enthusiast for the European project. This did not prevent him from sharing much of the traditional Gaullist antipathy to supranational institutions (a view always encouraged by traditionalists within his own party) and refusing any strengthening of the Commission or the Parliament; nor from rowing back from monetary union as its more unpalatable institutional and economic consequences became clearer.

By contrast, Dyson and Featherstone view both Giscard and Mitterrand, unlike their Gaullist predecessors, as ‘Europeans of the heart’, supporters of the European project for its own sake. Giscard and most of the non-Gaullist moderate right-wing groups that he coralled into the UDF were always less prickly than the Gaullists about transfers of national sovereignty. As Finance Minister, Giscard had favoured moves to monetary union as early as the mid-1960s, and the EMS stands as one of the major integrationist moves of his presidency. His second Prime Minister, Raymond Barre, had been a European Commissioner. Neither of the two institutional reforms of his presidency, direct elections to the European Parliament and the launch of the European Council, would have been possible under Pompidou. The former was blocked by the reluctance of Gaullists (including the President) to give a European institution the legitimacy of universal suffrage. The notion of regular summits suffered from suspicion from France’s European partners towards anything resembling a big-power directory or a revival of the Fouchet Plan – a suspicion that was much moderated once France had a non-Gaullist president. And Giscard’s post-1981 record, especially his chairmanship of the Convention for the Future of Europe in 2002–2003, testifies to his continuing European credentials. At the same time it would be quite false to present Giscard as an out-and-out federalist. With the exception of direct elections to the EP, the advances made in European integration during his

presidency were either outside the scope of Treaty institutions altogether, or of an intergovernmental stamp (the European Council, itself only recognised in a European treaty in the Single European Act, twelve years after its creation). The Giscard presidency saw neither a strengthening of the Commission nor any challenge to the Luxembourg Compromise. Moreover, the president was operating under greater constraints than his predecessors. Giscard's main European partner, Helmut Schmidt, had little time for supranational European institutions; the wider political environment, in the aftermath of the first oil crisis, did not favour new European initiatives that would tie the hands of national governments; and the Gaullist partners in Giscard's right-wing coalition were quick to attack any perceived sell-out to Brussels. Even a fully federalist president, therefore, would have faced difficulties advancing the integrationist project much further.

François Mitterrand's support for European integration, though underplayed during his 1981 election campaign, represented one of the few consistencies of opinion in the course of his career. He had, for example, backed the EMS project in 1978. And it is hard to imagine a de Gaulle or a Pompidou saying, as Mitterrand did in 1986, 'France is our *patrie*, but Europe is our future'. Mitterrand's creativity in accepting a large-scale liberalisation of France's economy (and in doing so, following a conservative-liberal consensus which had been growing in the Finance Ministry since the late 1970s), but harnessing it to a European project that was given the stamp both of neo-Gaullism (Europe as an economic pole independent of the United States) and of social democracy (Europe as a model of the social market economy) transformed an economic constraint into a political opportunity. At the very least, it was an impressive sleight of hand; arguably it was the major achievement of his presidency.

Mitterrand also had accomplices. Helmut Kohl, throughout a long chancellorship (1982–98), explicitly linked his ambitions for Germany to the development of Europe, and sought thereby to make them as non-threatening as possible. Jacques Delors had left his post as Mitterrand's Finance Minister to become the longest-serving President of the European Commission (1985–1994). Determined to make Europe a model of economic growth and of social justice, Delors was also keen to use the opportunities offered by the European agenda – notably the Single Act and EMU – reinforce the standing of the Commission generally and of his office in particular. Mitterrand did not share the quasi-federalist views of Delors, and in common with other European leaders was careful, in the Maastricht negotiations, *not* to link Europe's new areas of competence to big increases in the Commission's powers (hence the intergovernmental character of the second and third pillars of the new EU). But Delors was an important ally because of his ability to bend European rules in France's favour on occasion, his skill at reinforcing French networks in the Commission, and the reassurance he offered the public that integration was a French project. Like Delors, Mitterrand was in no doubt of the historic importance of what he was attempting. Of detractors who criticised him for tying the hands of future generations, he answered 'They understand perfectly. That is exactly what we have tried to do; to arrange matters so that no-one will ever be able to turn the clock back.'

There is a sense in which the Chirac presidency, in relation to Europe, has been everything that Mitterrand's was not. The first president of Gaullist family since Pompidou, Chirac had distinguished himself during the first direct European election campaign, in 1978–79, by a histrionic attack on the Giscardians as agents of a foreign power (by implication, Germany). This did not mean that Chirac's European views were a throw-

back to those of the General; indeed, he fought the 1984 European elections in tandem with the same Giscardians he had denounced five years earlier, supported the Single European Act, and after much hesitation threw his weight behind a Yes vote for the Maastricht Treaty (which, given the narrowness of the result, might be said to have saved the whole project). It would be more accurate to say that Chirac has approached Europe, like most political issues, as a tactician without excessive regard for consistency, but always with one eye firmly fixed on domestic politics, in sharp contrast to de Gaulle. In the 1995 presidential campaign, that meant setting himself apart from his orthodox rival Balladur by espousing a form of left-wing Euroscepticism, questioning France's obligations under the Maastricht Treaty and even calling for a further referendum before the final transition to the euro. No such referendum was held after Chirac's victory, and within six months he had effectively adopted the *balladurien* sound-money policies that he had attacked in the spring. With fewer fixed views, Chirac also lacked comparable partnerships to those of his predecessor. Kohl was politically weakened towards the end of his chancellorship, and would lose power in 1998 to a Social Democrat, Gerhard Schröder, for whom Europe was a lower priority. The replacement of Delors by Jacques Santer as Commission President, meanwhile, signalled the reining-in of the Commission as a leading actor, a tendency that would be confirmed when the Santer Commission resigned in 1999 after being investigated by the Parliament over corruption allegations. There were many reasons why the treaty negotiations of the 1997–2004 period – Amsterdam, Nice, and the constitutional treaty of 2004 – were more ill-tempered and nationally competitive than the SEA or Maastricht. They included the inherent difficulty of institutional reform to accommodate a much larger EU, France's long cohabitation of 1997–2002, and the rise of Euroscepticism

among many European electorates in the post-Maastricht period; but to these should probably be added the absence of a mutually trusting and confident core group of integrationist European leaders. Chirac's priorities were often defensive: preserving France's (near) parity of representation with Germany on the Council of Ministers, despite Germany's greater population (he achieved this, at the cost of much ill feeling, at Nice, though not in the 2004 treaty); ensuring that a Frenchman, Jean-Claude Trichet, would be the second governor of the European Central Bank; resisting Schröder's attempts, in the framework of the Agenda 2000 initiative, to cut Germany's net budget contribution; safeguarding the CAP, at least for a few more years. The opening of the debate on a European constitution, in 2000, saw both Chirac and indeed his Socialist Prime Minister Jospin cut very cautious figures by comparison with the more radical Germans, especially Foreign Minister Joschka Fischer. The one area in which Chirac might be identified as an innovator was in the Common Foreign and Security Policy, where he seized the opportunity presented by the British acceptance of an EU-linked defence structure to promote the constitution of a 60,000-strong Rapid Reaction Force dedicated to peacekeeping and peacemaking tasks in Europe. The CFSP remained, however, on a strictly intergovernmental footing, and the experience of the 2003 Iraq war, while it found Chirac deeply in tune with most European publics in his opposition to war, was also a striking display of continuing foreign policy divisions between France and Britain, the two leading European powers in terms of defence capability. But Chirac will be remembered above all as the president who called the referendum of May 2005 on the European constitutional treaty, again largely for tactical reasons, and lost it thanks to a combination of an unfavourable context (rising unemployment and an unpopular government), a vigorous No camp (given the unexpected

reinforcement of Laurent Fabius and a large wing of the PS), and a poor Yes campaign that alternated between silence and arrogant claims that the No supporters were irresponsible and anti-European.

French presidents vary in their commitment to European integration, but their freedom to translate such commitment into practice has also depended on context and on the backing of other member states. Even de Gaulle's refusal of supranationalism during the Empty Chair crisis won the tacit connivance of other governments, reluctant to see a too-powerful Commission. Presidents who have sought to further integration have always acted in partnership. Of the partners available, none has been more important than Germany. That relationship, though now less kind to France than in the past and less powerful itself in a larger EU, remains crucial to France's position in Europe.

The Franco-German partnership: reconciliation, collusion – and decline?

(B-Head)

There are three reasons for the centrality of the Franco-German alliance to the process of European integration. The first arises, simply, from the size and population of the two countries: with over 60 per cent of the inhabitants of the Six, any Franco-German partnership was bound to be the dominant one in the original EEC. Even in 2004, France and (united) Germany still had a very substantial 31 per cent of the EU-25's population. The second reason is that the partnership represents a union of opposites: compromises that satisfied these two states would usually (though not, as we shall see, always) be acceptable to most of the others too. Their oppositeness has had three dimensions. In terms of institutions, France's Jacobin tradition has tended to favour European policies that are intergovernmental and nationally-minded, while the Germans' federalism

at home, combined with the need, under the post-war Federal Republic, to share sovereignty in order to regain a parcel of it, has left them more comfortable with notions of federal government and divided or shared sovereignty at a European level. In terms of international relations, French governments have viewed Europe as an asset but also a possible constraint in their efforts to maintain France's rank in world affairs; for Germany, for most of the history of the EU, Europe has been a means to regain lost status. France sought to escape dependence on the United States during the Cold War; for Germany, geography made such dependence both inescapable and vital. Geography continued to differentiate perspectives in the two countries after 1989, with the Germans more obviously ready than the French to promote stability to the East by welcoming the countries of Central and Eastern Europe – Germany's historic back yard – as soon as possible, and the French more reticent. In economic terms, finally, French *dirigisme* contrasted with German 'ordo-liberalism': that is, a form of capitalism in which the state is expected to play a regulatory role, and firms to accept their social responsibilities, while employees expect to be involved and trusted, but where state ownership and planning *à la française* have little place. The German obsession with price stability, born of experiences of currency collapse after both World Wars and reflected in the charter of the Bundesbank, guardian of the deutschmark, differed sharply from France's relatively high tolerance of inflation before the 1980s. German industry demanded not only European outlets but relatively free world markets, since non-EU countries absorbed nearly 60 per cent of German exports in 1993; French agriculture demanded protection and subsidy. Any compromise on these wide-ranging political and economic differences, therefore, would usually represent a broad enough tent to accommodate the preferences of most other member states.

The third reason for the importance of the Franco-German partnership was that despite their profound and wide-ranging differences, the two countries have established and nurtured a special, bilateral relationship within, but distinct from, the structures of Europe. The symbolic and emotional underpinning of that relationship – reconciliation – and the fact that each was indispensable to the other for a peaceful and prosperous Europe, were complemented by other, distinct purposes for each country. For France, the ‘axis’ meant not only harnessing Germany’s economic power to promote French leadership of Europe, but also the ‘containment’ of its eastern neighbour, the assurance that Germany would neither return to its old expansionism (a remote prospect), nor try to carve out a new sphere of influence in Eastern Europe, nor drift into neutralism or an accommodation with the Soviet Union. On the German side, the alliance was the means to achieve a discreet return to the international arena, an avenue to make proposals without arousing the suspicions of other European partners, a balance to Germany’s all too dependent relationship with the United States, an assurance that France would not engage a full-scale *rapprochement* with the Soviet Union (with which de Gaulle had signed a treaty of friendship in December 1944).

What Haig Simonian called the ‘privileged partnership’ was enshrined in the 1963 Élysée Treaty. This included provisions for consultation in foreign policy and defence, on the model of the Fouchet Plans: Defence Ministers were to meet every three months, military chiefs of staff every two months, and the President and the Chancellor, every six months at least. These institutional arrangements were complemented by the creation of the Franco-German Economic Council and Defence and Security Council in 1988; from 2003 the two countries even began holding joint full government meetings. The treaty also provided for reinforced cultural co-

operation, from which tens of thousands of exchange students on both sides of the Rhine have benefited. In 2004, three Germans even graduated from ÉNA and joined the French civil service, while Chirac agreed with Schröder to reinforce the teaching of Germany in French secondary schools and *vice versa* in order to resist the growing popularity of English as an EU language.

The importance of the Élysée Treaty needs qualifying in five ways. First, the institutions have been less important in themselves (indeed, neither the two councils created in 1988 nor the joint programmes on specific policies supposedly linked to the joint government meetings have worked with the expected regularity) than as the basis for more informal relationships and networks, both at the civil service level and at the summit. Second, while this quite weakly institutionalised partnership has never been seriously endangered since 1963, its vitality has varied greatly according to both personalities and the international and economic contexts. The latent potential for Franco-German conflict, noted above, has surfaced most readily during the chillier relationships between the French president and the German chancellor – de Gaulle/Erhard, Pompidou/Brandt, or Mitterrand/Schmidt, or to a lesser extent Chirac/Schröder – and in times of economic difficulty. The failure of EDC in 1954 or of the Snake in 1976, or the setback of the Empty Chair crisis (with de Gaulle retrospectively accusing Commission President Hallstein of using his office to promote German interests) are all cases of such breakdowns. Third, it is also the case that determined opposition from other states may still block a Franco-German project: the Fouchet Plan was initiated by France, backed by Germany, and torpedoed by the Benelux countries. Fourth, it is even true that an excessive focus on the Franco-German tandem ignores the agenda-shaping capacities of other actors –

smaller states (which made much of the running in early negotiations leading to the Treaty of Rome), or (in the case of the Single Act), business, transnational networks, and even the Commission. Finally, within Europe, the Franco-German couple has no conventional, institutionalised power; it neither makes rules nor distributes money.

Despite all those caveats, the most successful Franco-German partnerships at the top have been extremely creative in terms of policy achievement: the implementation of the customs union and launch of the CAP for de Gaulle and Adenauer (Chancellor from 1949 to 1963); the launch of the European Council, directly-elected parliament, and the EMS for Giscard and Schmidt (Chancellor from 1974 to 1982); the Single Act and Maastricht for Mitterrand and Kohl, who met on an almost monthly basis from 1982. This string of successful joint initiatives testifies to the power of the couple, however informal, to shape Europe's agenda and institutions. Hence the (exaggerated) view that the partnership is an unstoppable motor of integration: that Franco-German initiatives always succeed. A more modest, and more realistic, version of the same view is that while the partnership cannot invariably dictate to Europe, it often can, and it also wields a veto power over major projects, such as large-scale reform of the Common Agricultural Policy. Either way, France's special relations with Germany have provided a formidable lever with which to exercise European leadership.

Relatively uncontentious for the first 30 years or so after the Treaty of Rome, this view of the Franco-German partnership has been open to challenge since, approximately, German unification. Three arguments may be suggested: that France's influence in the couple has declined; that the couple itself has diverged politically since 1989; and that the capacity of

the couple (as well as of France) to promote its own agenda and to sideline unwelcome initiatives has therefore diminished.

The decline of French influence within the couple is hard to dispute, at least in principle. Before 1989, as we will see in a later section, France had already been forced to make adjustments towards a German low-inflation economic model. German unification and the end of the Cold War provoked a more radical shift, to France's disadvantage, in the balance of Franco-German interests noted at the start of this section. This was not just a matter of Germany's greater post-unification population, which would translate in due course into greater representation in the European Parliament and, under the draft constitution, the Council of Ministers. More important was that with sovereignty as well as unity recovered at the closure of the post-war European order (the last Russian troops left the East German *Länder* on 31 August 1994, and on 8 September the forces of the Western allies left Berlin), Germany had less use for France as a partner for a return to the international community, and less of the pre-1989 republic's need to share sovereignty in order to regain it. In addition, France's nuclear weapons were of no very obvious relevance in the post-Cold War world, their possession therefore a trump card of dubious value, and French claims to European diplomatic leadership correspondingly less credible. Finally, it could be argued that the Germans, burdened as they were by the absorption of their own Eastern *Länder*, were no longer prepared to pay for the privilege of being led by bankrolling the EU budget, and in particular, by subsidising French farmers through the CAP. Each of these points, though, needs qualifying. If France was no longer the only political heavyweight in the duo, it remained Germany's main European partner, bound by decades of close co-operation and – still – by the fact that Germany can still not behave quite as if it was simply Europe's most powerful member state. In

the short term, German unification – despite Mitterrand’s initial but short-lived public misgivings – provoked an accelerated convergence between the two countries that gave much of its shape to the Maastricht Treaty. Chancellor Kohl was persuaded by Mitterrand into a definite commitment to EMU as part of the price of winning European (and especially French) acceptance of unification. And Mitterrand himself was readier to accept the political union sought by Kohl as a means of securing Germany’s links with Western Europe. A decade later, German attempts to shift the burden of CAP finance through the Agenda 2000 discussions in 1999 could still be outmanœuvred by the French, with strong leadership from President Chirac. Even in 2000, France was still not *behaving* as a junior partner.

There are also, however, arguments – aside from the budgetary point made above – to suggest divergence between the two countries in many policy domains. In foreign policy, a newly assertive Germany was quick to recognise and then to back Croatia in the Yugoslavian wars of the early 1990s; France’s lingering sympathies initially remained with Serbia. Germany, concerned to ensure stability beyond the new eastern border of the Oder-Neisse line, supported early eastward enlargement; France, alarmed at the budgetary implications, dragged its (or Europe’s) feet, helping delay the start of serious negotiations with Central and Eastern Europe till 1999. French attempts to give greater substance to a ‘social Europe’, based on the Social Protocol signed at Maastricht, received limited backing from Germany in the 1990s. At Amsterdam, attempts by the newly-elected Prime Minister Jospin (with rather little support from President Chirac) to build an ‘economic government’ into EU institutions to offset the power of the European Central Bank were all but rejected by Chancellor Kohl, aside from the face-saving device of a ‘jobs summit’ later in 1997. More generally, the half-baked character of the Amsterdam and

Nice treaties testified to the failure of the two countries to reach a strong joint position in advance of the intergovernmental conferences. At Nice, Chirac let it appear too readily that his main objective in negotiating pre-enlargement adjustments to EU rules was to preserve French parity with Germany on the Council of Ministers; he succeeded, but at the cost of bullying Chancellor Schröder in ways that did much to discredit the Treaty and the French presidency that had led up to it. The Germans' *bête noir* of 2004 was French Finance and Industry Minister Nicolas Sarkozy, described by Schröder as 'incredibly nationalist' for his refusal of a partnership between Siemens and the troubled French engineering firm Alstom, and for his support of a raid by the French firm Sanofi against the Franco-German pharmaceutical giant Aventis. Sarkozy, for his part, took to musing in public about 're-thinking the central core' of an enlarged EU, and stressing multilateral relations with other big European states, especially Britain, rather than the face-to-face dialogue with Germany.

The divergence argument, though, can also be exaggerated. The Franco-German couple is built, not on perfect harmony on all issues, but on the mutually beneficial transcendence of conflicts. From that point of view, the Sarkozy affair was no more than the usual stuff of trans-Rhenish dialogue (of which one variety is name-calling for the benefit of a domestic political audience). Contrasting diplomatic postures in the 1990s had been resolved with French acceptance of enlargement, military co-operation between the two countries in the Balkans (notably in Kosovo and Macedonia), and the common promotion of the CFSP. France and Germany were notably at one in their opposition to the Iraq war of 2003. The summoning of a constitutional convention in 2002 was preceded by a public dialogue, over the summer of 2000, between French and German leaders over the future 'final state' of Europe's institutions. Even the two

countries' budgetary policy converged, in 2003, when they both recorded budget and public sector deficits of over 4 per cent of GDP, 1 per cent in excess of the limit set by the Stability and Growth Pact of 1997. Finally, the central institutional reforms of the draft constitution – the election of a Commission President by the European Parliament, the election of a European Council president for two-and-a-half years, the creation of a single post of European Foreign Minister – arose from a Franco-German proposal, itself a characteristic compromise between French intergovernmentalism and German federalism. Whatever the ultimate fate of the treaty, this is not the behaviour of two countries that are cutting their mutual ties.

Evidence can also be presented for the declining power of the couple. Their bid to include ambitious provisions for 'strengthened co-operation' (or, effectively, a multi-speed Europe) at Amsterdam was watered down by smaller member states, anxious to avoid a Franco-German directory in the EU. Six years later, the flagrant disregard of both Germans and French of their obligations under the Stability and Growth Pact in 2003 led to their censure, first by the Commission and then by the European Court of Justice. At almost the same moment, the provision in the Convention's initial draft constitution that a vote on the Council of Ministers would be carried by a double majority of 50 per cent of member states and 60 per cent of the EU's population, provoked fierce opposition from Poland and Spain, which claimed that the two 'big countries' were downgrading their effective voting rights against the Nice Treaty. After the failure of the Rome summit in December 2003, it took the election of a new government of Spain in March 2004, and the raising of the thresholds to 55 per cent of member states and 65 per cent of the EU's population, for the revised draft to be accepted in June 2004. Under this arrangement, the Franco-German

couple would need, to carry a proposal on the Council of Ministers, to win the support of twelve more states representing a population of 154 million in addition to their own. Similarly, the veto power of the Franco-German couple should not be overstated; their joint support for the CAP, under strain in the 1990s, could not prevent its substantial (if belated) reform from 1999 on. More critically, perhaps, the EU's liberalising thrust, in the areas of both competition policy and regulatory policy, challenged both *dirigisme* and German *ordo-liberalism*, more than the leaders of either country could have expected when they signed the Single European Act and the Maastricht Treaty. From a neo-functionalist perspective, this is relatively easy to understand: the unanticipated energies released by the Single European Act, in particular, and channelled by successive competition commissioners in alliance with powerful transnational business groups, were too powerful even for the Franco-German couple to resist. With enlargement, the prospects of doing so will recede further because of the free-market public policy leanings of the post-Communist entrants of Central and Eastern Europe. Once again, though, this vision of a declining couple can be exaggerated. It is noticeable, for example, that the Commission's strictures on their infringement of the Growth and Stability Pact were only backed up by a minority of the ministers of the euro zone, and that the 'penalty' paid by France and Germany was not the fine threatened by the Amsterdam Treaty but the setting-up of a committee aimed at rendering the Pact more flexible. And the high content of Franco-German ideas in the draft Constitution hardly speaks of a couple in process of marginalisation.

Compared with the view of a near-omnipotent Franco-German 'motor', the current power of the tandem to shape the future of Europe is indeed limited. It is also the case that as Europe has enlarged, both France and

Germany have engaged a dialogue with a wider range of partners (France with Britain over defence questions, for example, or Germany and the Eastern countries over trade). Given their diminished weight in the Council of Ministers, they could hardly do otherwise, and this greater promiscuity will complicate the Franco-German relationship. The centrality of that relationship is not about to disappear, but its continued resilience will depend more than ever on a strong joint leadership sometimes lacking in recent years. It will also need to rely on both partners' success in coalition-building, both at the summit and at the day-to-day administrative level. It is to the apparatus for the co-ordination and furtherance of French public policy in Europe that we now turn.

Europe, the French state, and French public policy-making (A-Head)

It was, ironically, Chirac who, as Giscard's young Prime Minister in 1974, declared that 'European policy is no longer part of our foreign policy.' Even thirty years later, he was not quite right. European high politics remain – fully in 'normal' times, and to a significant extent even under cohabitation – part of the presidential *domaine réservé*, and the Quai d'Orsay, France's Foreign Ministry, still plays a leading role in much of France's European diplomacy under the watchful eyes of the Élysée. But France, like other EU member states, has faced a relentless process of adjustment to Europe: of creating the tools for adequate representation of the French position in European institutions and for the transposition of European directives into French law; of mobilising, not only the structures of central government, but also regional and local authorities and even interest groups to respond to and shape the widening spread of European interventions; of negotiating (and where possible limiting) the adjustments to French public policies required by European legislation. To some extent,

this is a task of co-ordination, of ensuring that ‘France speaks with one voice’: not straightforward, but hardly new either to the *énarques* at the heart of the French executive. In other respects, however, effective policy advocacy in Brussels demands the honing of less familiar skills: not only the forceful expression of a coherent national viewpoint, but the construction of wide-ranging, often loose, coalitions straddling networks in the Council of Ministers, the Commission, the European Parliament, even the Court of Justice, as well as the ever-growing number of lobbyists and interest groups attracted to the European capital. This untidy process poses a challenge to officials steeped, still, in France’s Jacobin tradition. The policy outcomes, moreover, now include directives that are less than enthusiastically received by policy-makers within France; hence, in part, a record of European policy implementation among the slowest in Europe.

Speaking with one voice? France and European policy-making (B-Head)

Europe’s institutions positively encourage fragmented, sectoralised policy-making. The Commission, though small compared with almost any national bureaucracy (about 25,000 civil servants), has regularly been described as a collection of baronies rather than a close-knit organisation; its directorates have often been inclined to deal, if they can, directly with the officials and interest groups that concern them directly in each member state. Moreover, while the Commission still enjoys (almost) exclusive rights to initiate legislation, the legislative role is shared by the Council of Ministers and, increasingly, the European Parliament, which is itself notably sectoralised. The lack of congruence in sectoral responsibilities as between the Commission, the Council of Ministers, the European Parliament, and member states is a further problem.

France enjoys clear advantages in negotiating this quagmire. The Republic remains, despite decentralisation, one and indivisible; sub-national authorities play a modest – though not negligible – role in European affairs compared to some of their European counterparts. Detailed parliamentary, or indeed press, scrutiny of the executive's foreign policy performance is very limited. Once the presidency has put its weight behind a policy proposal, no significant voices of dissent are likely to be heard within the governing majority, at least outside periods of cohabitation. Hence the French talent for grand European initiatives: they come more easily from Paris because the French president has greater freedom of action in this area than the prime ministers of most parliamentary democracies. It is true that France's core executive, like that of any member state, suffers from interministerial and intraministerial conflicts that are both structural and contingent, and that these are compounded in France by the twin-headed nature of the executive, by tensions between officials and *cabinets*, and by the often difficult relations between the ministers of Foreign Affairs and of European Affairs, especially when the latter has a direct line to the Élysée. On the other hand the machinery of co-ordination at the summit of the executive, in both the Élysée and Matignon, is well-oiled and, as we have seen in Chapters 4 and 5, usually works. Even at times of cohabitation, whatever the adversarial relationships between staffs (especially in 1986–88), presidency and government found a *modus vivendi* that allowed presidents to attend European summits in tandem with their 'adversaries' from the government – prime minister or foreign minister – without betraying significant disagreements to their European partners, whether on the European Council or at the more important of the meetings of the Council of Ministers. The French ambition – to be at the *avant-garde* of integration,

but on French terms – is underpinned at the highest levels by reasonably effective arrangements for policy co-ordination.

Much European policy, of course, is not decided at the summit. Europe's key legislative institution (though subject to competition, since the Maastricht Treaty, from the Parliament) remains the Council of Ministers. However, a mere 10–15 per cent of the business of the Council of Ministers is really transacted by ministers (and even this total does not exclude meetings of the Council of Ministers to which one or more member states, including France, send their most senior diplomat in Brussels, the Permanent Representative, instead of a minister). The rest is decided, either at meetings of Europe's Council of Permanent Representatives (COREPER), whose meetings account for some 15–20 per cent of Council business, or at working groups within the COREPER structure (some 70 per cent of Council business). It follows that the quality of a member state's input into Europe will depend significantly on the quality of its permanent representation in Brussels, and on that of the instructions and briefs that the permanent representation receives from the member state.

Here, too, France possesses some of the technically strongest machinery of co-ordination in Europe. France's permanent representation in Brussels, at some 160 people including 60 Grade A administrators, is one of Europe's largest – equal to that of the United Kingdom, smaller only than Germany's, and staffed with high-level Quai officials interspersed with experts from each of the technical ministries and, since 1989, attachés for relations with business. The permanent representation receives most of its Parisian instructions and briefs from the SGCI (or, to give it its full title, the Secrétariat Général du Comité Interministériel pour la Coordination Économique Européenne). Established in 1948 with the initial purpose of

organising co-operation with other European states receiving Marshall Aid, the SGCI operates under the responsibility of the Prime Minister (although the Minister for European Affairs reports to the Foreign Minister) and is the central government organ of co-ordination of EU business at a day-to-day level. With some 180 staff in 2000, the SGCI deploys an impressive mix of senior officials from every ministry and *corps*, though usually led by diplomats from the Quai (turnover is high, but SGCI high-flyers usually move on to influential posts elsewhere in the civil service). Its primary task is to supply officials and ministers in Brussels with negotiating briefs.

More precisely, it involves monitoring the opportunities and threats inherent in upcoming legislation; elaborating negotiating strategies; assessing possible trade-offs with other member states; ensuring that French positions are agreed in time for the Council or COREPER meetings concerned, and possibly arbitrating between different positions, with or without the Prime Minister's help, or that of his *cabinet*, depending on the importance of the issue; and foreseeing the national legal implications of Court of Justice proceedings. In 1992, according to Anand Menon, a daily average of five conflict-resolution meetings took place at the SGCI, preceded by lengthy telephone calls. The SGCI's divisions cover the whole gamut of European business, (Economy and Finance, the Common Agricultural Policy, juridical and institutional issues), in addition to others such as documentation, energy, regional transport, social affairs, trade, and relations with Mediterranean countries.

For the French, therefore, effective European policy-making depends to a great extent on the success of the SGCI at ensuring that French priorities are clearly formulated and uploaded as effectively as possible to the European level. The SGCI-Permanent Representation model for doing this is a centralised one – as are those of the British and Danes but not, for

example, the much less co-ordinated Germans, or other states like Austria, Belgium, or the Netherlands where the lead ministry on each issue is responsible for delivering a national position. In France, co-ordination is at a premium, and most observers agree that the SGCI-Permanent Representation tandem does its job well, at least in a technical sense. French positions are, in general, clearly formulated and consistent across ministries. The Permanent Representation works to its briefs from the SGCI – and the SGCI takes account of views from the Permanent Representation in formulating them. French officials in the Permanent Representation have a reputation as tenacious negotiators, with a preferred tactic of stating and restating the French position until partners are worn down.

That said, there are eight respects in which the French system has been open to criticism. First, co-ordination is good but not perfect. The ministries with the best-established European roles – Agriculture, Finance, Transport, or Foreign Trade – also have the best informal Brussels networks in Commission, Council, and Parliament, and deal directly with them (informal networks helped keep the system going during the first cohabitation, when the Chirac government sought to by-pass the SGCI that Mitterrand had left in place, and above all its highly political chief, Élisabeth Guigou). Individual ministers are also prone to take initiatives without sufficient consultation within the government. That prime ministers from Debré to Juppé have felt it necessary to send circulars stressing the requirement that all official French contact with Brussels should pass through the SGCI indicates the extent to which this rule is honoured in the breach.

Second, co-ordination is less well underpinned than in the UK by a culture of information-sharing between and within ministries, meaning that

early warnings of impending measures are sometimes missed. Thirdly, although the SGCI works to the Prime Minister, it sometimes lacks the authority to produce a real synthesis between the positions of different Parisian players. Sometimes, indeed, it simply reproduces them in microcosm. Disagreements may be resolved by splitting the difference rather than thinking strategically, or by producing a fairly general brief rather than the more detailed instructions normally expected in the British representation.

A fourth difficulty is the downside of the French interest in speaking with one voice. Several observers have remarked that France's smooth and co-ordinated system of representation, though very focused on the issues at hand, may lead to inflexible positions, in which opportunities for coalition-building with other member states, and the linkage of different sectors to produce package deals, is lost. These practices have become increasingly important with the spread of QMV on the Council, and with enlargement; no longer can the Franco-German axis be counted upon to carry the day; a close knowledge of other states' negotiating positions, at least, is of great importance. Paradoxically, the open, flexible, pragmatic and consensus-seeking style of the Germans, Dutch, or Swedes, however poorly co-ordinated compared to that of the French, may work better when it comes to building winning coalitions. A series of events in the early 1990s, including the McSharry CAP reform of 1992, the de Havilland incident (when a Franco-Italian consortium was prevented, by the Commission and in the name of competition, from acquiring a competitor), the attempt to agree 'voluntary' quotas on Japanese imports in 1991, or the reform of the Common Fisheries Policy in 1993, all showed the weakness of the traditional French style of negotiation. Inflexibility, moreover, is mathematically more effective at obstructing (by constituting a blocking

minority against a proposal) than at achieving (bringing together a qualified majority); it is therefore unsuited to a country seeking to carry a positive proposal, as France sometimes does.

Fifth, the French have been criticised as excessively reactive in their approach to European legislation. Instead of seeking to influence the (often relatively junior) officials who draft legislation in the first place, French officials in the past tended to engage with a legislative proposal only after it had taken official form, by which time it had been on the legislative agenda for weeks or months: too late to secure significant changes. The same is even truer of the implementation stage. The notion that ‘a phone call to Jacques Delors can solve everything’, common in the early 1990s among French officials and their business interlocutors, was probably unrealistic even during Delors’s Commission presidency, and has certainly become so since.

The sixth area of concern lies in the apparent difficulty of the French in making strategic linkages. Neither the SGCI nor the European Affairs Ministry possesses a strategic planning group. The traditional division (especially marked during cohabitation) between routine affairs, channelled through the SGCI, and sensitive political questions treated by the Élysée, has meant the needless exclusion of the undoubted expertise of the SGCI in the highest-level negotiations, as well as a lack of sensitivity to cases where a multitude of low-level negotiations may point to a larger political issue. This is probably compounded by the lack of frequency – monthly not weekly – with which France’s Permanent Representative in Brussels reports home to Paris. The low level of involvement of the SGCI in the Amsterdam inter-governmental conference, especially at the early stages, has been held up as an explanation for the uncertain French performance there.

Seventh, it is argued that although the French are good at winning high-level posts in international organisations generally, and the Commission in particular (a Frenchman, for example, has headed the Commission's Agriculture directorate since 1958), they have been less effective at securing influence in the lower levels of the Commission, to say nothing of other EU institutions like the Parliament, where other member states such as Britain and Germany have been considerably more active. There was also, for a long time, a lack of synergy between France's Commission officials and the administrative élite in Paris; indeed, it was only in 1990 that ÉNA began to give its future high-flyers a serious grounding in European affairs. This has changed somewhat in recent years: for example, France's permanent representation now has an official dedicated to the job of maintaining good relations with French staff working in the Commission (including via a newsletter) and, in liaison with Paris, of securing promotions for them at the right moment. But experience in Brussels is still less valued than experience in Paris for promotion purposes within the French administrative élite.

Eighthly and finally, the French have been slow, not least because of a traditional Jacobin mistrust of 'partial', intermediate interests, to involve interest groups in their European negotiations. This has had two drawbacks: the French negotiators by-pass not only the expertise, but also the access to Europe-wide policy communities that the groups may have to offer; and the groups feel no sense of responsibility for any legislation on which they have not been consulted. Again, there are signs that this changed, notably with Prime Minister Édith Cresson's creation of a *Cellule Entreprises et Communication* (CEC), and at the local level of *Groupes d'Études et de Mobilisation*, including senior civil servants, interest group representatives, and local elected officials, with the aim of improving

France's poor record on mobilisation of interest groups concerned with business relations from the 1990s, but this is not as far as some other member states have gone.

In short, there is a case for arguing with Menon that France, having been highly effective at shaping the early European Community to its own requirements, has been much less successful in adapting to the more complex business of policy-making in the newer Europe. Here, systems centred on member states have been complemented – even swamped – by a plethora of new players, whether from the Parliament, the lower levels of the Commission, the bureaucracy that has developed around the Council of Ministers, and above all interest groups, which national governments have had to incorporate as best they can into shifting networks and alliances. In this Europe, to speak with one voice is no guarantee of a favourable outcome.

Implementation: the slow man of Europe? (B-Head)

If the French appear to have lost influence, or at least their former preponderance, in the day-to-day making of European policy, they have not distinguished themselves either in its implementation at the national level. This is despite France's system of government undergoing a process of 'Europeanisation' comparable to those of other member states. Until the late 1970s, Europe was the business of a handful of ministries only: Foreign Affairs, Foreign Trade, Finance, Agriculture. Since then, all French ministries (except for the ex-servicemen's ministry, which has no counterpart anywhere in the EU) have acquired European sections, whether as divisions in their own right within the ministry (Foreign Affairs has had a *Direction de la coopération européenne* since 1993, as well as a ranking *ministre délégué* since 1984), or as a spread of units within a range of

existing divisions (Finance may send as many as eight different representatives to SGCI meetings). When the SGCI gives formal notification of upcoming European legislation to relevant ministries and (under legislation of 1990–94) to both houses of the French parliament, it opens a process of debate in which issues of transposition – the reformulation of general European directives into national legislation – are immediately raised and discussed, with a view to facilitating implementation once the European legislation is adopted. The SGCI now holds regular meetings with parliamentarians.

Despite these developments, France's record on the implementation of European policy is, to say the least, undistinguished. At the end of April 2004, France ranked fourteenth out of fifteen member states for notification (to the Commission) that national measures implementing European directives had been taken: only Greece had a poorer record, while Eurosceptical member states like the UK and Denmark were among the best implementers. This was, moreover, *after* French efforts to catch up: some twenty directives were quickly transposed into French law by decree in January 2004, after a package of fifty had received the same treatment under the Jospin government in 2000.

The significance of France's rank order in itself should not be exaggerated; the difference between an average level of notification of European directives of 98.43 per cent of the total and France's, at 97.57 per cent, is after all slight. But five other factors confirm an impression of French reluctance to implement European law. First, as we have seen in an earlier chapter, France's courts were slow to recognise the full import of the European treaties: it took the Cour de Cassation 17 years to agree that European law had primacy over national law, in 1975, (in the *Cafés Jacques Vabre* case); the Conseil d'État waited until the *Nicolo* case of

1989 to come to broadly the same conclusion. Second, France's record has been consistently poor since the 1990s. Only Italy, over the five years from 1998 to 2002, received more formal notices of infringement of European directives from the Commission than France. No other member state, over the same period, was referred so often to the European Court of Justice for infringements: indeed, the total number of French referrals, at 138, stood at two-and-a-half times the EU average. Thirdly, the French record of implementation has been poorest in core areas of EU activity: it is in the fields of competition policy and the Single Market, the environment (where France has hardly legislated at all without being told to by the EU, and then only late and unwillingly), and employment and social affairs, that France's record has been the furthest below the European average. Fourthly, some at least of the failures to implement have been highly political. The 1979 European wildfowl directive remained without any satisfactory translation into French law for two decades because of pressure from the bird-shooters' lobby and its political wing, CPNT. There were also delays in liberalising the telecoms and energy markets, in both of which French public-sector monopolies had reigned supreme for half a century. The EU directive opening the market for electricity distribution was transposed into French law in February 2000, a year after the official deadline, and envisaged a fully competitive market for domestic users only in 2007. Even then, the French legislation cushioned the position of the national monopoly, EDF, by requiring firms operating in France to respect French public-sector salary and benefit rules. None of this prevented subsidiaries of EDF from competing for shares of the energy market in member states that had liberalised earlier: in 1998, 48 per cent of nuclear-produced electricity consumed in the EU was of French origin. Legislation on telecoms liberalisation was only put onto the French parliamentary

timetable in February 2004, years after France Telecom had purchased the British mobile telephone operator Orange. Indeed, Maire McLean has argued that French firms have systematically benefited from late liberalisation, exploiting opportunities offered by early liberalisers abroad while resisting deregulation at home. Fifthly, slowness to implement has been paralleled by an occasionally cavalier attitude to European commitments freely entered into by France, the most extreme example being the Stability and Growth Pact. In September 2003, as France crashed through the 3 per cent ceiling on public-sector deficits specified in the pact, Prime Minister Raffarin stated that ‘My first duty is to French jobs, not to producing accounting equations or to solving mathematical problems in order to satisfy some office in some other country’. Four months later, the Commission referred France, along with Germany, to the Court of Justice for infringement of the pact.

France’s leaders have regularly presented their country as being at the forefront of European integration. France disposes of one of Europe’s most impressive (though by no means unproblematic) bureaucracies at the domestic level and at the domestic-European interface. French governments enjoy an enviable capacity to legislate at speed when they want to. Moreover, both politicians and senior officials in Paris have periodically seen Europe as a lever with which to impose modernisation on what they see as France’s antiquated state structures – while being able to blame the costs for affected groups on Brussels. Despite this, France’s record of engagement with the day-to-day realities of European policy-making often appears more characteristic of a weak state passively accepting, with ill grace, measures imposed from outside. One reason for this is that the liberalising thrust of much European legislation since the Single European Act directly challenges the *dirigisme* to which successive

French governments, both of the Left and (less intensely, but with a weather eye to public-sector unions) the Right, as well as large sections of the voters, remain attached. Ideologically, the French notion of public service can be seen as an expression of Jacobin beliefs in equality through uniformity: the equality of citizens as users of public services is guaranteed, in principle, by the same services being available from a single provider across the national territory. Doubtless such ideological attachments would wear thin if France's public services were believed to have performed poorly. Such has not, however, been the case; polls in 2001 recorded satisfaction levels of 74 per cent or more for hospitals, postal services, and EDF and France Télécom. And the penetration of foreign markets by French public-service monopolies is more often a source of satisfaction than a subject for political debate in France. In this context, French governments have embraced some liberal legislation (in the case of the SEA) or accepted it from a minority position (in the case of some later competition legislation), but have rarely – with the exception of the Right in 1988 – presented it as a positive good. Nor have they – or French EMPs – been successful in creating a European rampart against further liberalisation by promoting *le service public à la française* as official European policy. Attempts to persuade either the Commission directly or the Parliament to adopt a standard European framework for public services that would allow competition to be limited and subsidies to be freely given have so far proved inconclusive, as have similar efforts to include precise notions of public service in the draft Constitution.

Discernible in the implementation record, in short, is the impression of a European agenda escaping France. This impression is considered in more detail in the next section.

France and European policies (A-Head)

Controlling the European agenda is valuable for a member state because it offers the chance to upload national policies to Brussels – to transform national policy into a universal model for Europe. To achieve this, as Yves Mény argues, the successful state will need to be able to engage with the policy at the earliest moment of formulation; to sell a policy paradigm capable of widespread recognition to the point of dominance; and to demonstrate a competitive advantage in its own way of doing things. The main attraction of such uploading is that it is other states, and their companies, that bear the costs of adjusting to Europe in the policy area concerned. France has successfully uploaded in the past; it has had more difficulty since the mid-1980s.

This section considers France's ability to secure Europe-wide acceptance for a French agenda in three policy areas: agriculture, the complex series of changes involved in the Single European Act and Economic and Monetary Union, and the Common Foreign and Security Policy. It opens with the Common Agricultural Policy, a prime example of successful uploading for France. The CAP corresponded to the interests of France's strongest agricultural constituency, the larger farmers who controlled the FNSEA, and to a French policy model. By the 1990s, however, that model was challenged and then largely discredited both outside Europe and by many of France's partners. French success, with German help, in keeping the CAP alive in its old form beyond 2000 should not obscure the policy's longer-term vulnerability. France's relationship to the Single Act and Economic and Monetary Union was more complex: both were sought actively by Mitterrand and his governments, although both arguably opened up unanticipated and unwelcome consequences for France. The third case, the Common Foreign and Security Policy, is a case

of a policy central to France's view of the proper (ambitious) role of Europe, but one in which the French have so far had great difficulty in imposing their views.

The Common Agricultural Policy (B-Head)

If anything could justify the German description of the EU as *ein Französischer Garten* (a French garden), it is surely the Common Agricultural Policy (CAP). The Rome Treaty of 1957 has sometimes been described as a bargain between Germany's industrial exporters and France's agricultural ones. That is partly true, though with the important rider that the CAP, and especially the subsidies central to it, were fixed at a high level in order to accommodate politically influential German farmers, whose efficiency was lower than that of many of their French counterparts. What is crucial, however, is that the Mollet government was determined to secure the inclusion of a common market in farm produce in any treaty (the CAP appears in articles 32–38), and that de Gaulle was equally resolved on the implementation of such a market. As the General argued in the memoirs of his presidency, France had enough farmland to feed twice its population and therefore needed export markets; but for farmers to export at world prices while simultaneously enjoying a decent standard of living would require subsidies that no French government could afford to pay alone. Hence the 'relentless efforts' deployed by France in the early years of the EEC – including threats to sabotage the whole EEC project – in order to secure acceptance by the Six of a common market in foodstuffs within which the burden of farm subsidies would be shared – in other words, a Community which maximised France's advantages as an agricultural producer while spreading the costs among all member states.

If France's success in achieving this owed much to de Gaulle's persistence, it was also due to the widespread recognition within Europe that agriculture was a unique type of economic activity, for four reasons. First, memories of wartime and post-war privations served as reminders of the unique importance of secure food supplies. Second, the rural world remained both central to the identity of most European states and politically over-represented in all of them. Third, the market in farm produce is intrinsically unstable because supply is dependent on the weather and demand is inelastic; this leads to extreme price fluctuations, with the attendant risks of ruin for farmers or penury for consumers, unless the market is regulated. Finally, the multitude of small producers typical of the farm sector cannot respond quickly to changes in demand, of which they might in any case be only barely aware. For all of these reasons there was a European consensus that agriculture required intervention to stabilise markets sufficiently for the necessary investments to be attractive to farmers. Added to that was a liberal argument that a European market for farm produce would both be more stable than national ones, and would better guarantee improved productivity. This was a highly favourable context for French negotiators to press for a French-style subsidised and protected agriculture to be uploaded to the European level. They also found a strong ally in Belgian Foreign Minister Paul-Henri Spaak, who chaired the committee that drew up the initial Common Market proposals.

The declared aims of the CAP in the Rome Treaty were to increase agricultural productivity through technical progress, to ensure decent living standards for farmers and farm workers, to stabilise markets, to ensure secure food supplies for Europe, and to bring food at reasonable prices to the tables of consumers. The mechanisms were underpinned by three principles: market unity (farm produce could circulate as freely within the

Community as industrial goods), Community preference (or protectionism vis-à-vis non-EEC producers), and solidarity (the Guarantee Fund would be Europe-wide, not national). The last two principles were victories for France, which effectively required other member states to provide markets for French produce and to pay for the privilege. The essential mechanisms of the CAP were, firstly, a system of price-fixing for each product, centred on the notion of a target price (set sufficiently high for less efficient farmers to make a living) and an intervention price (a floor at which surplus produce would be bought up with money set aside for the purpose in a European Agricultural Guarantee Fund); secondly, a system of variable import levies, corresponding to the difference between the costs of imports and the intervention price, ensuring that imports could not compete on price; and thirdly, subsidies that would allow EC producers to export at world prices (usually lower than European ones) while receiving the same income as if they had sold into Europe.

As it came into operation for cereals in 1967–68, and for a range of other products (rice, milk, butter, sugar beet, sunflower oil, beef, olive oil, wine) shortly after, the CAP had significant merits. Above all, it gave European farmers the incentives to modernise and raise productivity to such an extent that the Six were self-sufficient in most food products by the early 1970s. The objectives of improved productivity, stabilised markets, and secure supplies were thus rapidly achieved. Moreover, the PAC was for a long time the only truly common European policy. As such it offered a source of hope for federalists frustrated at the progress of integration, an opportunity for European governments to collaborate on a day-to-day basis, albeit in one sector, and a paradigm for how joint European policies might look in other areas.

Yet the dysfunctions of the CAP became equally clear over the decade following its launch. In the first place, productivity improvements rapidly led to over-production uncorrected by market mechanisms: the open-ended promise of the CAP meant that surplus production was simply bought up by the Guarantee Fund and stored, at the taxpayer's expense, in what became known as wine lakes and butter mountains. Secondly, consumers also subsidised farmers by paying prices above world rates for their food; in this sense, the CAP objective of bringing food to consumers at reasonable prices was not achieved. Thirdly, the principle of the single market in farm produce was undermined by the impact of currency fluctuations and the measures taken to adjust for them. The notion of single Europe-wide prices for farm products was inevitably threatened by the devaluation of any member state's currency, beginning with that of the franc in August 1969. The corrective mechanisms adopted – 'green' currencies, with different values from those of the everyday currencies they shadowed, for the calculation of farm prices, and monetary compensatory amounts payable when goods passed between member states – hampered the free movement of goods, and vastly complicated the working of the CAP, raising its administrative costs and leaving the true volume and distribution of subsidies unclear to all but specialists. Fourth, the opacity of the policy's workings were an invitation to a series of grey practices or straightforward fraud under which Community produce was subsidised twice, or imports were disguised as European goods, in order to attract guarantee money.

The fifth problem lay in the sheer size of CAP funding, which ran at some three-quarters of the total EEC budget through the 1970s, with no clear indication as to how it would be controlled as long as subsidies were linked to production and production was limited neither by market

mechanisms nor by regulation. As the budgetary constraints faced by member states grew in the 1970s, the open-ended nature of CAP finance attracted growing criticism. But the EEC's agricultural spending still doubled – and more – between 1975 and 1990, against a 48 per cent growth in member states' GDP. Sixthly, the predominance of the CAP in the EEC budget enshrined a system of unequal financial returns from the EEC. Big agricultural producer countries, especially France, were net beneficiaries of the EEC budget. Industrial nations tended to be the biggest net contributors. Within the original Six, this meant West Germany first and foremost. For the Germans, this was long relatively uncontroversial, once the negotiations of the 1960s had been completed, because of the other benefits that the Federal Republic drew from the EEC. The British, by contrast, were less tolerant, and Margaret Thatcher sought a rebate on the UK net contribution within a year of coming to office in 1979, obtaining it on a lasting basis by 1984. Seventh, the distribution of CAP funds was as unequal between producers as it was between nations. As long as subsidies were directly linked to production, the CAP would favour the largest farmers: in the 1980s, the Commission estimated that about 20 per cent of Europe's farmers received some 80 per cent of subsidies under the CAP. Poverty among small farmers persisted, compromising the farm income objective of the CAP. While farm populations fell throughout the EEC, Commissioner Sicco Mansholt's proposal, made in 1970, to redirect subsidies away from production towards income support for farmers leaving the land was only minimally followed (just 7 per cent of the CAP budget was allocated to this 'guidance' fund in 1995). Indeed, critics of the CAP such as Wyn Grant have argued that the policy is of less benefit to most farmers than to those in ancillary occupations: to suppliers of farm goods (machinery, fertilisers, and pesticides), to financiers of farm debts, to

owners of food storage facilities, to food processors, and last but not least to professional frauds. Eighth, the CAP increasingly distorted world trade in foodstuffs. Third World countries, backed by left-wing friends in Europe, attacked the destructive effects on their economies of agricultural dumping through export subsidies. Europe's developed rivals, especially the United States, complained of the CAP's combination of export subsidies and internal protectionism. At the opening of the Uruguay Round of world trade talks in 1985, the United States placed agriculture firmly on the agenda for tariff reductions, as it had not been in previous rounds of the General Agreement on Tariffs and Trade (GATT). European resistance to this demand risked wrecking a new round of reductions and depriving European industrial and service firms that stood to benefit from freer world trade. The final criticism of the CAP, of which consumers and green groups became increasingly aware in the 1980s, was of its environmental and health impact. The 'productivism' inherent in the CAP rewarded intensive, high-volume agriculture with large inputs of fertilisers and pesticides and the attendant ills of torn-up hedgerows, destruction of animal habitats, and exhaustion or pollution (or both) of water supplies; payments to tobacco growers and vineyards subsidised lung cancer and alcoholism.

France has been a staunch defender of the old-style CAP. The broad economic reasons appear obvious. The CAP had enabled France to become the world's second exporter of farm produce, processed and not, with exports equivalent to some 75 per cent of those of the United States by the early 1990s, most of them in subsidised products such as wheat, meat, butter, or milk powder. It had encouraged the development of a world-class food processing industry in France, of which the dairy giant Danone was the emblem. And even in the 15-member Europe of 1995–2004, France

attracted nearly a quarter of all guarantee revenues, for 15 per cent of the EU's population. But there were other, more political reasons as well. The quasi-corporatist relations between the FNSEA and French governments – unsuccessfully challenged by the Left between 1981 and 1984 – and the domination of the FNSEA by large producers, long ensured France's devotion to a productivist, high-input model of agriculture that rewarded large-scale units. Finally, Jacques Chirac's symbiotic relationship with the FNSEA, dating from his period as Agriculture Minister between 1972 and 1974, ensured that the leading farm union had a more or less unconditional advocate in one of France's two leading right-wing politicians.

France could not, of course, carry Europe alone in its commitment to the old CAP. The Germans, with their own marginal farmers, well-organised in a politically pivotal lobby, were the key partners, but Spain (the third major beneficiary after France and Germany), and even efficient and export-driven countries like Denmark and the Netherlands, also gave frequent support to French positions – or at least, were not consistent supporters of reform. Of course, the old CAP did not exclude modest adjustments under pressure. Thus the Fontainebleau summit of 1984 settled the most pressing concerns by setting up a long-term rebate on the UK budget contribution, and by limiting production for the first time through the introduction of dairy quotas. Four years later, a special European Council meeting in Brussels fixed future increases in agricultural funding at 74 per cent of the overall increase in the European budget, and greatly expanded non-agricultural regional spending, ensuring that the CAP's share of the total European budget would fall to 'only' half in the 1990s and roughly 40 per cent by 2005. Neither reform, however, changed the CAP's essential characteristics: in the late 1980s, Europe's farm policy still

appeared locked into a pattern largely dictated by de Gaulle a generation earlier.

It was unlocked in 1992–93, largely under pressure from the Uruguay Round of world trade talks organised under the auspices of the General Agreement on Tariffs and Trade (GATT). At France's insistence, agriculture had been left out of all previous GATT rounds of tariff reductions. By the early 1990s, however, it had become clear that Europe's trading partners would make significant reductions in agricultural subsidies a condition of any new GATT agreement. That determined the 1992 reforms to the CAP, bearing the name of Agriculture Commissioner Ray MacSharry, which in turn allowed an eleventh-hour Uruguay Round agreement the following year, incorporating a reduction of 36 per cent in export subsidies over six years. The events of 1992–93 were a turning-point for the CAP, less because of their short-term consequences for European farmers (indeed, the CAP budget rose and most French farmers enjoyed a significant rise in incomes up to the mid-1990s) than in two political breaches that were opened. In the first place, the MacSharry reforms uncoupled some farm subsidies from production for the first time, by establishing payments to farmers who set aside a proportion of their land from production. Such direct payments to farmers, it was argued, distorted trade much less than price subsidies. Necessary to a GATT agreement, this step created a dangerous precedent for the old CAP, for subsidies once dissociated from the price mechanism became more transparent and more vulnerable to political attack. Second, the GATT negotiations, despite the concessions won by the Europeans at French behest (the Americans drastically scaled down their demands for cuts in farm subsidies from 90 per cent to a third), ensured that European agriculture would no longer be the preserve of a small and largely

autonomous agricultural policy community. Henceforth a wider group of stakeholders, including European heads of state and government and commissioners for trade and industry, were to consider agricultural policy as part of their legitimate concerns insofar as it affected their wider political objectives. Finally, the French agricultural policy community, if not precisely sidelined, was left fighting a rearguard action against reforms that it had neither wanted nor shaped nor even really prepared for. The MacSharry reforms, in other words, could be identified as the moment when the farm policy successfully uploaded by France to Brussels some thirty years earlier became officially open to challenge from all sides.

The mismatch between France's attachment to the old-style CAP and the changing priorities of France's European partners continued for much of the 1990s. Post-Uruguay Round Brussels began to consider a wider variety of approaches to agriculture, ranging from the liberalism of countries like the UK, chiefly preoccupied with cheap food for the consumer, to a range of more recent concerns such as food quality (a growing worry in the aftermath of a series of food crises of which BSE was by far the most serious), animal welfare, and 'multifunctionality', a notion that embraced the social and environmental role of agriculture. Meanwhile the FNSEA, and to a significant extent French governments before 1997, remained attached to a traditional view of the CAP and above all to France's share of the guarantee budget, and sceptical of new objectives. The French ability to veto change in farm policy, however, was somewhat reduced, for three reasons. First, as institutional views of the EU would predict, what was possible for a single large state in a Europe of six, or even nine or ten, and unanimous voting became more difficult in a Europe of fifteen where a qualified majority could change the policy. Second, France's allies in defence of the CAP were less reliable, whether because

of concerns to limit the policy's cost before the big eastern enlargement of the EU or, in the case of Germany, because of a wish to limit contributions to the EU budget, and an interest in the notion of 'renationalising' CAP payments to do so. Third, France's own FNSEA-led policy community became significantly weaker in the 1990s, both because there were fewer farmers (of the 1,017,000 French farms of 1988, only 664,000 survived in 2000, a drop of a third in twelve years) and because the FNSEA was weakened within the sector. Support for the alliance between the FNSEA and the CNJA (the young farmers' confederation) at elections to Chambers of Agriculture dropped from 62 per cent in 1989 to 56 per cent in 1995 and 52 per cent in 2001, while votes for the left-wing Confédération Paysanne, the farmers' union most critical of productivist agriculture, rose from 18 per cent in 1989 to 27 per cent twelve years later. At the same time the FNSEA also faced criticism from within its own ranks without precedent since the 1960s, and from a CNJA increasingly reluctant to play the role youth of the FNSEA's youth branch. Inside the FNSEA, the larger cereal and dairy producers, increasingly allied to the food processing industry in a system of vertical integration, have seen their hegemony questioned by smaller farmers, ready to contemplate a greater emphasis on quality products with higher added value, and on environmental protection. These tensions have spilt over into the FNSEA's links with right-wing parties, now somewhat more distant than in the earlier days of the policy community.

This contributed to a period of remarkable fluidity both in Europe's agricultural policy and in France's relationship to it. At the European level, a series of reforms, undertaken in 1999 and 2003, and planned for 2005, have had a common thrust: to uncouple subsidies from production, thus rendering the CAP compatible with the world trade agreement expected to

emerge from the Doha Round of talks begun in the new millennium; to align European prices progressively on world prices, maintaining only a (low) European floor price for each product; to compensate farmers for losses of sums received as price supports; but to replace these compensation payments progressively by payments to sustain projects such as rural development, conversion to organic farming, or the switch of agricultural land to forestation or permanent meadows; to make subsidies dependent on the fulfilment of environmental conditions; and to give member states more autonomy in the application of this new 'second CAP'.

The relationship of French governments to the new CAP divides partly, but only partly, on Left/Right lines. The Jospin government's 1999 *loi d'orientation agricole* embraced the multifunctional thrust of the new policy, seeking a speedy build-down of compensation payments and the conclusion with farmers of *contrats territoriaux d'exploitation* that would include socio-economic and agro-environmental objectives to be achieved over five years in return for subsidies. Jospin's agriculture ministers, Louis Le Pensec and Jean Glavany, also succeeded (where their left-wing predecessors of the early 1980s had failed) in ending the FNSEA's *de facto* monopoly on dialogue with the government and broadening access to include the Confédération Paysanne, consumer groups and even environmental campaigners; significantly, too, the *loi d'orientation* won the support of the CNJA, despite its former allegiance to the FNSEA and the Right. Even Raffarin's right-wing government, though it quickly suspended the *contrats territoriaux d'exploitation* in favour of a cheaper alternative, accepted a measure of environmental conditions for farm subsidies, and a transfer of some aid to rural development; nor has there been any return to the old FNSEA monopoly. At the same time Chirac,

both during and after the 1997–2002 cohabitation, was capable of intervening in European agricultural policy, using traditional methods – deals with the German chancellor – to secure more traditional French aims. At the first of these meetings, in 1999, he both succeeded in limiting Chancellor Schröder’s budget-cutting ambitions and reduced the scope in the revised CAP for the build-down of compensation payments (and also, therefore, the money available for ‘multifunctional’ priorities). At the second, in 2002, the Chirac-Schröder tandem agreed, much to the irritation of Prime Minister Blair, that the CAP should be perpetuated at current levels of finance until 2013 and that new member states should be admitted to a full share of its benefits only gradually.

From one point of view, France has maintained an impressive grip on agricultural policy. The CAP budget remains undiminished (even as the number of farmers, French and European, continues to fall); France’s share of it remains at a quarter, with East European farmers being admitted gradually; the scope of innovative provisions for ‘multifunctionality’ has been limited, with the most prosperous farmers in France retaining the bulk of national income from subsidies even after the basis of those subsidies changed. Two things, on the other hand, have been lost, in ways that point to a longer-term transformation. One, at the European level, is the *automatic* character of the old CAP; its successor is open for renegotiation every five or six years, in fundamental aspects including its overall size and purpose, as well as mere details. At the national level, meanwhile, the policy community which underpinned the old CAP has been eroded, whether in terms of the numbers of farmers or the FNSEA’s unity and hegemonic position. Despite Chirac’s best efforts, therefore, the old élites of the FNSEA cannot be expected to dominate France’s agricultural policy-making indefinitely, nor can France expect to do the same within Europe.

France in future years will face choices over both alliances (the Franco-German tandem, or a more varied group of agricultural countries including new member states like Poland or Hungary), and the strategies deployed by such alliances (retaining as much as possible of the old CAP, or embracing the social and environmental goals of multifunctionality, or accepting the liberalisation sought by the OECD or the World Trade Organisation (WTO)). The nature of the choices made will not only determine the shape of French agriculture but, given that one half of France's farmers are due to retire by 2015 and may not be replaced, whether France will retain a significant agricultural population at all. The outcome will also reflect France's ability to maintain, under a new form, what was always the clearest reflection in Brussels of French economic priorities.

France, Europe, and the neo-liberal paradigm change (B-Head)

A major external source of transformation of the CAP was the neo-liberal paradigm shift observed in all developed Western nations from the early 1980s onwards and outlined in Chapter 1. This change affected France's whole economy, not just its farmers. More unpredictably, it transformed France's relationship to Europe.

Under the first three presidencies of the Fifth Republic France succeeded to a significant degree in squaring the European circle. Although the Fouchet Plan had failed, France's diplomatic role in Europe, underpinned by the special relationship with Germany, was second to none, with European Political Co-Operation an opportunity rather than a constraint. In institutional terms, the Europe of the 1960s and 1970s remained overwhelmingly intergovernmental. Walter Hallstein's activist Commission of the early 1960s had been successfully reined in by the Empty Chair episode. The Luxembourg Compromise safeguarded

unanimity on the Council of Ministers. Though Giscard was the ‘most European’ of the first three presidents, the development of the European Council during his presidency had given a further intergovernmental tilt to the institutional balance, only partially compensated by the direct election of the European Parliament. France’s own institutions remained relatively unaffected by Europe. The EEC remained a division of foreign policy, and the primacy of European law over the law of member states was not yet fully recognised within France. For most of the French, this was a low-impact Europe. Over its first generation, Europe’s direct effect was felt in few lives outside the thinning ranks of French farmers, in few ministries outside the Quai d’Orsay and Agriculture.

The EEC’s economic record, too, conformed broadly to French objectives. The CAP, which suited France’s governing élites very well, was the only truly European policy. More broadly, the disappearance of customs barriers had furthered the type of economic modernisation which the Gaullists would have sought anyway. What was important for de Gaulle, and above all for Pompidou both as Prime Minister and as President, was to marry France’s *dirigisme* to the new European economy: to accelerate the construction, often through state-sponsored mergers, of ‘national champion’ firms that would compete at the highest level in a tariff-free Community and in the wider world.

By 2004, on the other hand, France had accepted or even actively promoted a series of transfers of political sovereignty and of economic autonomy that would have been unthinkable to the policy-makers of the Gaullist era. Europe’s institutions had been given a significant supranational tilt by the general extension of QMV on the Council of Ministers, and of the co-decision procedure involving a greater role for the European Parliament; and France’s long-standing parity of representation

with Germany in the Council of Ministers had been signed away (subject to ratification) in the European Constitution of 2004. The core attributes of sovereignty into which France had accepted extensions of European intervention included immigration and asylum policy under the Maastricht and Amsterdam treaties; the invasive competition policy of the Single European Act, pregnant as it was with dangers to France's public services and nationalised industries. EMU embodies the surrender of monetary sovereignty; a measure at least of budgetary autonomy was lost with the Stability and Growth Pact. France's supreme judicial bodies, the Cour de Cassation and the Conseil d'État, had both accepted the primacy of European over national law. The low-intensity, intergovernmental Europe of the first generation gave way to a Europe whose impact on the government machine was no longer limited to the ministries of Foreign Affairs, Finance, and Agriculture, but extended to every government department and to regional and local authorities as well; a Europe that engaged French interest groups, divided parties, and even, on occasion, mobilised citizens, permanently upsetting the delicate equilibrium hitherto achieved. This qualitative leap in the integration process from the mid-1980s had multiple causes, including the neo-liberal paradigm shift; the end of the Cold War and the resulting transformation of France's diplomatic position, and especially of Franco-German relations, noted above; successive enlargements; and – for the constancy of French policies should not be overstated – the decisions of France's own leaders since the 1980s, all of whom have drawn inspiration from the Gaullist approach to Europe rather than following it in every detail.

But the process would be inconceivable without the fall-out from the economic crises of the 1970s. These crises had two main origins: the release of inflationary pressures resulting (largely but not wholly) from the

oil price rises of 1973–74 and 1979–80; and the break-up, in August 1971 of the Bretton Woods system of fixed exchange rates between the currencies of the developed capitalist world. These developments called into question France's *dirigiste* model, and brought in their train a switch to economic orthodoxy that found expression in the European initiatives of the 1980s.

Dirigisme had served France well for most of the post-war boom years of the *trente glorieuses*. French GDP growth regularly exceeded rates in the UK and the United States by one or even two per cent, the OECD average by a smaller one, and even (narrowly, at the end of the period) Germany's. But two characteristics of *dirigisme* made France especially vulnerable to the crisis. The first was what Élie Cohen has called the inflationary social compromise. France's growth in the *trente glorieuses* was, in a real sense, financed by inflation, as state-controlled banks paid negative real interest rates to savers and supplied cheap capital to firms whose debts then shrank from year to year in real terms. The loss of competitiveness resulting from inflation triggered periodic monetary adjustments within the Bretton Woods system: there were eight devaluations between 1944 and 1958, and while de Gaulle held the franc's value for a decade, the higher wage costs conceded in May 1968 forced him into desperate measures (including tough exchange controls) to hold its parity the following November before leading to a new devaluation under Pompidou in August 1969. Secondly, Cohen has characterised *dirigiste* France as 'capitalism without capitalists'. France's national champions, whether state-owned or not, were seriously under-capitalised by Anglo-Saxon standards. They prospered thanks to the efforts of the state, which paid for research in publicly-owned laboratories, supplied low-interest loans (to favoured firms) through the big publicly-owned banking

sector, placed domestic orders with attractive advances (through state-owned firms such as Air France for Concorde, the SNCF for the high-speed train, or Électricité de France for the nuclear industry), prospected foreign markets through the Quai d'Orsay, guaranteed major export deals such as arms contracts or big civil engineering projects, and – in the crisis years after 1974 – stood ready with a bail-out for champions in trouble. Meanwhile, the tissue of small and medium-sized firms, increasingly important to the economies of Germany or Italy, had suffered underdevelopment under *dirigisme*. Officially viewed as backward and narrowly protectionist, they were increasingly marginalised from government policy-making and from its benefits (hence, in part, the attraction of militant small business groups like Gérard Nicoud's CID-UNATI); by the late 1970s, France's small and medium firms (with fewer than 500 employees) received a total of 3.5 per cent of state subsidies for research and development.

Thirdly, as a country without significant natural energy resources of its own, France immediately suffered the consequences of oil price rises in terms of inflation (up to 15 per cent in 1974), the balance of external trade (a surplus of \$773 million in 1973 became a deficit of \$3.9 billion in 1974), and the demand for public spending (which rose from 35 per cent to 43 per cent of GDP in the Giscard presidency). Fourth, devaluation became a vastly riskier tool of economic adjustment to inflation, both because, in the post-Bretton Woods world, exchange rates were fixed by markets rather than by governments, and because any devaluation would further increase the cost of imported oil and gas, which was paid in dollars, with the risk of a self-perpetuating spiral if no effort was seen (by the markets) to be made to bring inflation under control. Fifth and finally, in the aftermath of May 1968, governments were highly reluctant to place additional burdens on

wage-earners. The effect of May 1968 was compounded by Giscard's very narrow victory over the Left in 1974, and by the poor relationship between the two major parties of the Right – each keen to blame the other for unpopular measures – thereafter. Real wages continued to rise through the Giscard presidency, with the costs of adjustment being borne by business (employers' social security costs rose by the equivalent of 3.7 per cent of total French GDP), and by the unemployed.

An obvious liferaft in this newly dangerous environment was improved monetary co-ordination with European partners, already planned in the 1971 Werner Report on monetary union. The attraction of the Snake and, later, of the EMS, was that by linking European currencies to one another, with modest room for fluctuation, they offered some of the security of Bretton Woods, albeit in a single region of the developed capitalist world. Their drawback, noted by Pompidou as early as 1971, was that they tied the French franc to Europe's strongest currency, the deutschmark, and thus to a monetary guardian, the Bundesbank, whose constitutionally-defined anti-inflationary mission was at the polar opposite to France's post-war economic practices. The cost of (relative) exchange rate stability, therefore, would be the partial or total subordination of French economic and monetary policy to Bundesbank requirements: in other words, a concerted attempt to tackle inflation even at the price of high real interest rates, low or zero growth and rising unemployment with the political unpopularity that would result. The reluctance of France's governments to go down this road is illustrated by France's erratic record in the Snake, with the French franc in at the start in 1972, out in January 1974, back in in July 1975, and finally out in March 1976. France's record in the EMS was more consistent, but Barre's attempts to bring inflation down after 1978, although they brought him, and ultimately Giscard, unpopularity in plenty,

were undermined by the political legacy of the inflationary social compromise.

The crisis of March 1983 was caused by the collision between the French tradition of inflation and devaluation – accelerated but not initiated by the Socialists’ victories of 1981 – and the German-dominated anti-inflationary logic of the EMS. With the franc under intense pressure from the markets, despite two devaluations in 1981 and 1982, Mitterrand faced a stark alternative, to leave the EMS or to seek another monetary realignment within it. Each choice entailed much broader implications. Advocates of an exit from the EMS suggested a whole alternative economic strategy based on protectionism, for example by invoking the emergency clauses of the Rome Treaty that allowed temporary protectionist measures in the event of a balance-of-payments crisis. In the long term, this would barely have been compatible with continued EEC membership. The choice (which Mitterrand eventually favoured) to devalue but to remain within the EMS, on the other hand, effectively required convergence with West German economic and monetary policy. This was all the more the case as when Mitterrand sought France’s third monetary realignment in three years, he aimed to achieve this by a small devaluation of the franc (limiting the franc’s fall against the dollar, and thus the rise in imported energy prices) coupled to a revaluation of the deutschmark and other strong European currencies like the Dutch florin. The Kohl government’s conditions for accepting such a realignment were that France should adopt effective measures on interest rates and public spending that would reduce inflation and limit the need for further devaluations. The outcome of the March 1983 crisis – reinforcing, it is true, a growing neo-liberal conviction among much France’s administrative élite, starting with the Trésor division of the Finance Ministry – was to develop a consensus, across parties and

governments of Left and Right, in favour of low inflation and a strong franc. But cutting inflation removed one of the key motors of France's post-war economic system by depriving major French firms of their old sources of inflation-fuelled finance. Henceforth they would begin to seek capital on international markets – with the encouragement of governments, concerned to keep their own spending down. Reforms to the (formerly sluggish) Paris bourse were undertaken within a year of the March crisis to facilitate this; the privatisations undertaken by the 1986–88 Chirac government, though still effected within a highly controlled, statist framework, represented a big *rapprochement* between French firms and international capital markets.

The developments in France's European policies that followed from the 1983 crisis were both greater and slighter than might have been expected from the immediate turning-point. They were greater because Mitterrand chose to embrace Europe, instead of socialism, as the centre-piece of his policy: no member state was more instrumental than France in accelerating the pace of integration in the decade after 1983. They were slighter because, although the anti-inflation policy removed one mainspring of *dirigisme*, no government attempted or wished to sweep the whole structure away. No member state was more concerned than France to preserve state-owned monopolies in public services, or to retain the power to bail out major firms in difficulty, or to head off moves towards a fully federal Europe.

French priorities in Europe under Mitterrand, in short, remained as ambiguous as those of earlier presidencies. But in the changed post-1983 context, the stakes of treaty modifications to achieve further integration were higher. Among possible projects, the Single Market was the idea for a relaunch of Europe that commanded the widest support among member

states in the mid-1980s, certainly more than Delors's ideas about Social Europe. General European concerns about non-tariff barriers were complemented by more specifically French ones about German barriers squeezing out French goods, as well as by a belief that a unified European market would reinforce the position of European-based multinationals against American competition, and a wish to further free trade in financial and other services – this in the name both of French exports and of French access to capital markets. Remarkably, Mitterrand's government supported the goal of QMV on internal market matters, an acknowledgement of the slow progress made on the single market since it was first tabled in the EEC in 1968. In order to achieve these goals, however, the French had to accept encroachments on political and economic sovereignty.

Institutionally, the most obvious change was the introduction of QMV, which itself set in train a significantly more supranational legislative process with a greater role for the European Parliament. Economically, the 280-plus Single Market directives adopted by the end of 1992 included restrictions on common, long-standing French practices – state-promoted mergers producing monopoly firms, government subsidies to national champions, anti-competitive public procurement policies. The SEA provisions did not, it is true, affect everything: telecommunications and energy, for example, were initially left out. And there was always room for exceptions; with the SEA in force for a decade, EU member states were still subsidising economic activities – industry, services, agriculture, transport and mining – to the tune of 49 billion euros for the year 2002. But this figure had dropped by 27 per cent in five years, as the Commission scrutinised aid projects and cut them, refused them, or subjected them to conditions. The agreement in 1995 to a French government subsidy to Air France was given on the understanding that there would be no more. The

historically large bail-out Crédit Lyonnais package of 1996 was made conditional on the bank's privatisation. In 2004, partly in response to the government help given to the troubled engineering firm Alstom (in the shape of the purchase of 31.5 per cent of Alstom's shares by the state), the Commission fixed as a general rule that any major firm should pay half the cost of any restructuring package itself before government aid became acceptable. In the long run, then, the existence of a competition policy with teeth, the inevitable corollary of the Single Market, represented a direct challenge to *dirigisme*.

Maastricht was at the same time a logical extension of the Single Market, with monetary union supported from the late 1970s by a small but influential intellectual community; a more specifically French initiative aimed at softening some of the rigours of the EMS; and a German project intended to reassure European partners in the wake of unification, even at the sacrifice of the deutschmark. Like the SEA, it entailed substantial costs and adjustments for France. For post-1983 French governments, EMS membership had meant being tied to the anti-inflation mission of the Bundesbank. The Buba translated its mission into policy with an eye, not to wider European conditions, but to events in Germany – which meant, after 1989, a fierce struggle to master the highly inflationary consequences of unification and of the Kohl government's political decision to accept East German marks at parity with the deutschmark. And where the Buba led, notably in the matter of interest rates, other, weaker, currencies of the EMS had to follow – with an added premium on the rate to ward off a new, and always unpredictable, attack from the markets. According to the leading French economist Jean-Paul Fitoussi, real French interest rates ran at 5–8 per cent for over a decade. This was a formidable constraint on investment, growth and employment. For eighteen years after 1983, joblessness never

fell below 9 per cent of the French labour force. It was the voters' main worry and the single most important cause of their propensity to throw out governments whenever they had the chance. If only, reasoned Mitterrand and his Finance Minister Bérégovoy, French bankers could sit alongside German and other colleagues at the table where Europe's monetary policy was decided, the verdict would be given with at least some thought to conditions in France. But that could only be achieved by monetary union. And the Germans would not concede monetary union – the dilution of post-war Europe's most successful currency with others of distinctly less promising pedigree – without stringent conditions. The European central bank, like the Bundesbank, must be quite free from political control. And to adopt the single currency, member states would need to respect the Maastricht convergence criteria – ceilings on inflation, interest rates, public-sector borrowing (no more than 3 per cent of GDP in any one year) and public-sector debt (not more than 60 per cent of GDP in total) – and its perpetuation as the Stability and Growth Pact at Amsterdam in 1997.

From the French point of view, then, the two big European initiatives of the 1980s, the Single Market and EMU, were part of a wider process of adjusting to the new, liberal, political economy as it took shape in the world of the late 1970s and beyond. For that reason it is hard to separate the specific effects of European policies from what might in any case have been undertaken at national level to respond to the constraints of a global marketplace. That process has not been the disaster predicted by its gloomiest opponents. Indeed, the remarkable improvements in French business competitiveness over the period since 1983, analysed in detail by observers such as McLean and Schmidt, is reflected in a number of economic indicators. Over the eleven years preceding the entry into force of the Single Market on 1 January 1993, France had run an average trade

deficit equivalent to 0.93 per cent of GDP; the eleven years from 1993 to 2003, on the other hand, saw an average trade *surplus* of 1.79 per cent. If this does not prove a relationship of cause and effect (falling oil prices also helped), it at least indicates that France was capable of holding its own in a free-trade Europe. Similarly, France enjoyed three years of unusually strong growth – above 3 per cent – in the period immediately before and after the final fixation of European exchange rates in January 1999.

It is also clear that an element of flexibility was in practice built in both to many Single Market provisions and to the Stability and Growth Pact. We have already noted that the tendency of the Commission has been to bear down steadily on anti-competitive practices rather than to halt them at a stroke. Its rulings have certainly affected individual cases (though the Commission has never forced a major French firm into bankruptcy by refusing an aid package), but since French governments had themselves taken a much more restrictive attitude to bail-outs after 1983, it is uncertain that the Commission had a major impact on the policy *in general*. Competition policy has also, as noted above, had a limited effect on French public services, with France complying late but benefiting from open markets in other member states. Similar remarks can be made about the overall impact of the Maastricht convergence criteria and then the Stability and Growth Pact. In the eleven years from 1981 to 1992, France's public-sector debt grew from 21.8 per cent of GDP to 39.6 per cent; by 2004, it had reached 64.7 per cent of GDP. In the Maastricht negotiations, the French had ensured that any decision to fine a member state for infringement of the criteria would be politically determined; when (with Germany) they infringed the criteria (on both deficits and debt, in 2003), they duly escaped the fines. If Maastricht has acted as a straitjacket on

government borrowing, it has been a rather loose one – probably not much tighter than basic financial prudence would have imposed.

Despite this record, there are three reasons why the SEA and Maastricht signalled a transition from a low-impact Europe to an EU which was seen to have a direct – and often negative – effect on the lives of all French citizens. The first is the economic climate in which the two measures bedded down as central components of French economic policy. Between 1990 and 1997, French growth rates averaged a mere 1.4 per cent, including negative growth (-0.9 per cent) in 1993. Over the same period, France lost half a million jobs; even after the good years 1998–2001, total employment growth over the thirteen years 1990–2003 was a modest 6.8 per cent. In industry, employment fell from 4.3 million in 1990 to 3.6 million in 2003, an almost continuous fall amounting to 16 per cent. This record had a variety of causes, including a world recession in the early 1990s, affecting Britain and the United States as well as the euro zone states, and the long-term tendency of developed western states to shed industrial jobs and to replace them with employment in the tertiary sector. Nevertheless, France's economy suffered all the more because this transition towards the euro was marked by a paroxysm of the franc-deutschmark relationship, as the Bundesbank imposed high interest rates on Germany to damp down the inflationary consequences of unification and the other central banks of the future euro-zone had to follow, with a further premium, or risk devaluation and the destabilisation of the euro project. It was this setting of real interest rates, in the name of the *franc fort*, at levels without precedent since 1945, and the resulting low growth and high unemployment, that fixed the association between Europe and the gloom of the French economic climate in the early to mid-1990s.

The second reason for the wider impact of the SEA and Maastricht was political. The attacks on EMU of left-wing and right-wing Eurosceptics are resumed in a single phrase, Jean-Pierre Chevènement's claim that 'the choices of Maastricht are the choices of unemployment'. Chirac's announcement, in October 1995, that France required an austerity plan to cut deficits 'if only to be able to join the single currency, to which we are committed' was an equally striking example of the unenthusiastic endorsement of EMU by a notionally 'favourable' leader (who had, it is true, run a distinctly Eurosceptical presidential campaign six months earlier). In both cases, 'Brussels' was transformed into a foreign scapegoat for domestic austerity policies – as it was by Raffarin in 2003.

Thirdly, the neo-liberal constraints of the SEA and Maastricht were never balanced to any commensurate degree by the 'social' Europe, or indeed the European industrial policy, sought by French governments, especially of the Left. This is not to say that neither has existed. EU regulations, especially under the European Social Charter, launched in 1989 and incorporated into the Treaty of Amsterdam in 1997, cover a range of employee concerns including health and safety, maternity benefits and parental leave, the organisation and limitation of working time, and the rights of temporary, disabled, and young employees. But the social policy has been very far from generalising the French provisions on the working week, the minimum wage, social protection, or redundancy provisions at the European level. Indeed, the European Council's special meeting on employment at Lisbon in March 2000 set out an agenda for raising employment levels in the EU that reflected neo-liberal (especially British) approaches in both form and content: not regulation but loose voluntary co-operation between member states, not ambitious programmes of European public works, a favourite theme of Delors, but the emphasis on training and

labour market flexibility preferred by the Blair government. European industrial policy has suffered a similar fate. True, an array of European-level research projects has been set up with French backing – Eureka and Race (advanced telecommunications), Euram and Esprit (information technology), Brite (industrial technology). Airbus, the Toulouse-based aerospace giant, is a prime case of a ‘European champion’ firm able to confront its American rival Boeing on equal terms. But Airbus is a unique case: no other enterprise, nurtured (and subsidised) by the public authorities on the French model, has risen to carry the torch of national champions to a European level. The research programmes have failed to create or safeguard any future for a European electronics or computer industry. And European competition policy has on occasion infuriated the French by preventing (in the case of de Havilland, where a Franco-Italian aerospace consortium was prevented from making a further acquisition in 1991) or hindering the development of major European groups.

Like the earlier treaties, the SEA and Maastricht were agreements by European leaders to tie their hands. Both were new departures in the firmness of their commitments. Both were also, however, in close continuity with earlier policies. The SEA was a deepening of Common Market provisions in a changed context. The EMU project had been discussed since the 1960s and was an extension of France’s attempts to escape from the worst constraints of linking the franc to the deutschmark. Both had consequences that were substantially unforeseen or at least underestimated at the moment of agreement: the competition policy for the SEA, and the combination of high German-led interest rates and a world recession with the implementation of the convergence criteria for Maastricht. Neither was flanked by the type of social or industrial policy that the Social Charter or the various research programmes had appeared to

promise, despite the attempts to further them of successive French governments, especially of the left. As the EU impinged on the lives of the French in the 1990s, therefore, it was in a highly restrictive role, as an entity that enforced competition policy or demanded government spending cuts or tax increases in the name of an abstract liberal orthodoxy that was easy for its opponents to attack and hard for its advocates to justify. Europe as the creator of new social rights or the motor of new world-class industries was far less visible, either on the ground or in political discourse. Nor did the EU offer a focus of loyalty for its ability to cut a distinctive European figure in the world; the early steps towards a European foreign policy remained deeply hesitant.

The Common Foreign and Security Policy (B-Head)

French governments have consistently aspired, certainly under the Fifth Republic and even, to a degree, under the Fourth, to a measure of strategic independence from the United States. This is most readily explained in terms of a desire never to repeat France's total dependence, during World War II, on American military power for the liberation of national territory: an experience that contrasts radically with the British experience of partnership with the United States, albeit on increasingly unequal terms, over the same period. The notion of a 'euro-atlantic world', common currency in Britain or Germany, has enjoyed only minority recognition in France. France's aspiration to independence found expression in the launch of an atomic bomb programme in 1954, and its amplification into the development of a full, if small, nuclear arsenal during the de Gaulle presidency; and in the progressive withdrawal from the NATO integrated command between 1959 and 1966.

The most potentially attractive framework for the furtherance of France's aspiration, however, was Europe. Even a nuclear-equipped France could never expect to rival the superpowers' military strength. But a European defence structure led by France might reasonably aim to stand up to Washington (and to Moscow). This was the sense of the Fouchet Plans of 1961–62: a European foreign and security policy, centred on and led from Paris, linked to the Atlantic alliance but with a stronger and more independent voice within it. The plans were rejected by France's partners for two (well-founded) reasons: they (and especially the Benelux countries) feared both a Franco-German directorate over the nascent EEC and (especially with the continued exclusion of the UK) a loosening of Western Europe's ties with NATO. Even the residual treaty with Germany, signed in 1963, was only ratified by the Bundestag with a rider (included after vigorous lobbying from the United States) that the treaty would in no way affect Germany's commitment to NATO; for the West Germans, placed in the front line of the Cold War, the United States would always be preferred to France as an insurance policy against a Soviet move West.

The setback over the Fouchet plans meant, not that de Gaulle scaled down his aspiration to independence, but that Europe henceforth formed no part of it. As a nuclear power outside the NATO integrated command (though within the Atlantic Alliance, and maintaining basic working relations with NATO through the Ailleret-Lemnitzer agreements), with permanent membership of the United Nations Security Council, good relations with non-aligned states, and a sphere of influence in its former African colonies, France under de Gaulle and after was still able to play a unique world role: as frequent critic of American foreign policies as they affected the Third World, as occasional broker between East and West (the Vietnam peace talks opened in Paris in May 1968), and as robust supporter

of the United States at moments of Cold War confrontation – over Berlin in 1961, over Cuba in 1963, and over Euromissiles in the early 1980s. To this world role, Europe was of secondary importance. This was true even after the foundations of European political co-operation (EPC) were laid at The Hague in 1969 (significantly, after de Gaulle's resignation). Tested in the Yom Kippur War and the 1973 oil crisis that followed, EPC was wholly unable to prevent European states from scrambling to secure their own oil supplies with whatever means lay to hand, and with little more than formal reference to a joint European policy. When President Giscard d'Estaing met the Soviet President Brezhnev in Warsaw in 1980 during the last downturn of the Cold War, he barely informed his own Foreign Minister, let alone his European partners.

The end of the Cold War changed this largely ornamental status of political co-operation. The events of 1989–91 presented Western Europe with a series of opportunities and threats that appeared to point, in many ways, to the type of European foreign and defence policy that France had long sought. In the first place, the end of the Soviet threat removed acute dependence on the United States of the West European countries, West Germany first among them, for their security; indeed, the ensuing decade would see the American troop presence in Europe drop from 300,000 at the height of the Cold War to 100,000. Europeans could henceforth envisage, in principle, an independent future for defence and foreign policy. There was even an organisation apparently ready to take on this role: the Western European Union (WEU), created in 1948 as an alliance between the UK, France, and the Benelux countries, eclipsed by NATO the following year, briefly revived in 1955 as a vehicle to accommodate West German rearmament, but largely dormant from then till the mid-1980s. For some Europeans, the WEU appeared an altogether more attractive organisation

for collective security than NATO, whose purpose might be seen to have ended with the Soviet threat; and it was altogether too easy, in the aftermath of 1989, to underestimate the extent to which the United States, victors of the Cold War and the only remaining superpower, was committed to the reinforcement and extension, rather than the liquidation, of NATO. Second, among Germany's European partners, especially the British and French, German reunification generated a (largely misplaced) alarm and a desire to tie Germany in to Western Europe to ensure a continuation of Germany's stable and non-assertive foreign policy. Chancellor Kohl was broadly willing to accept such demands as a means of winning acceptance for reunification, claiming that he wanted a 'European Germany, not a German Europe'. Third, the end of the Iron Curtain raised the question of the future of former Communist states and their relations with Western Europe. One aspect of this was the question of their future entry into the EU. However, the question of the EU's Eastern approaches was posed with the greatest urgency in 1991, when civil war broke out between the central authorities in Belgrade and the secessionist states of Croatia and Slovenia (and, later, Bosnia-Herzegovina) – the first war on Europe's mainland since 1945. Each of these elements highlighted the glaring absence of a common European approach: Helmut Kohl's rapid recognition of Croatia and Slovenia, for example, provoked Mitterrand's public disapproval.

This was the context for the inclusion (strongly supported by France) of the CFSP as the new, second pillar of the Maastricht Treaty. But the early CFSP was an extremely weak institution, little more than a codification of EPC, for two main reasons. Firstly, there was a general consensus that it should be wholly intergovernmental rather than *communautaire*, with unanimous voting, no role for the Commission, and

almost none for the Parliament. This view was shared as much by the French, reserved about surrendering core attributes of sovereignty, as by the British, who rejected outright any Europeanisation of foreign or defence policy. Second, the Franco-German concept of a CFSP linked to a European defence framework constituted by the WEU was not realised; other member states, especially the Atlanticist British and Dutch, were alarmed by any prospect of a transformation of the EU into a defence organisation that might seek to rival NATO. The Maastricht Treaty merely suggested that the CFSP 'might in time lead to a common European defence'. In the meantime, however, the CFSP's role was limited to joint actions varying from humanitarian assistance to political or economic sanctions, election monitoring, and the formulation of 'common positions' – unanimously decided – on zones of instability such as Sudan, Haiti, or Rwanda. The nucleus of a possible European defence force existed in the Franco-German brigade formed in 1987, and expanded into the Eurocorps – officially 50,000 strong from 1992, and including troops from Spain, Belgium, and Luxembourg; but this had no treaty status.

The poor practical record of the early CFSP was most evident in the case of former Yugoslavia, where European actions proved unco-ordinated and, aside from some humanitarian assistance, largely ineffective; only the military and diplomatic engagement of the United States (through NATO, for the military strikes) secured a peace settlement in Bosnia-Herzegovina in 1995. Against that, the successful EU monitoring of Russian elections was a relatively minor achievement. Nor were habits of consultation between member states noticeably improved by the CFSP; President Chirac's unpopular decision to resume French nuclear testing in May 1995 was taken without any consultation with European partners. In retrospect, however, a failure at least as great as the EU's inability to secure peace in

the Balkans without American help was its incapacity to engage rapidly and closely with its Eastern neighbours. De Gaulle's rhetorical flourish about 'Europe from the Atlantic to the Urals' was belied by considerable French reluctance, once the opportunity was there, to welcome the countries of Central and Eastern Europe into the EU. President Mitterrand had set the tone in June 1991, when he had offered a rather ill-defined European Confederation to the countries of central and eastern Europe but insisted that their full incorporation into the EU would take 'decades and decades'. Europe's foot-dragging over enlargement, in which France (far more than Germany) played a leading role, contrasted sharply with the actions of NATO, of which Poland, the Czech Republic, and Hungary became full members in 1999. The fact that the United States was quicker than the EU to organise the return of the countries of central and eastern Europe into the ranks of the developed Western nations was to have a lasting impact on the loyalties of these states even after EU enlargement finally took place.

The outcome of the Bosnian conflict effectively set the seal on this first phase of the CFSP by establishing that NATO would continue to be the central arbiter of European security and that any attempt to set up a rival European security organisation was doomed to failure. From the mid-1990s, therefore, the French aspiration to a stronger European defence role became centred on the development of a 'European Security and Defence Identity' (ESDI) *within* NATO, not on the building up of a more or less independent WEU linked to the CFSP (indeed, the WEU was finally dissolved in 2000). That supposed a *rapprochement* between France and NATO, which was effectively engaged after the election of Chirac to the presidency in May 1995 (Chirac quickly announced, for example, that France was resuming its full place at meetings of NATO Defence Ministers

whenever they were held). The high point of the early ESDI was the 1996 Berlin summit of NATO, at which the United States gave its blessing to Combined Joint Task Forces in Europe – military forces that could operate in Europe under NATO auspices but without full NATO participation. But the Berlin summit was slow to produce concrete results, for three reasons. Firstly, it was long on principles but short on ways and means of constituting the CJTFs. Secondly, Britain, with France the strongest military power in Western Europe, still refused to contemplate a serious defence role for the EU. Thirdly, France's *rapprochement* with NATO was short-lived. Negotiations expected to lead to the return of Chirac's France to the integrated command were mishandled on both sides and ended in disagreement over whether a French officer should be given NATO's southern command. In this context, the creation, under the Amsterdam Treaty of 1997, of a 'Monsieur PESC', a high representative for the CFSP who would also be secretary-general of the EU's Council of Ministers, still appeared to be more about style than substance, even if the first appointee, Xavier Solana, was a former NATO secretary-general.

What gave the CFSP and the ESDI a minimum of consistency was a change of British policy after the Labour victory of 1997. Tony Blair's conversion to a defence role for the EU within a year of his election stemmed chiefly from his alarm at the lack of autonomous European resources to handle even a limited European crisis such as the one that developed in Kosovo late in 1998, as well as from the British defence industry's need for a viable partner outside the United States. It found expression, in a Franco-British summit at St-Malo in December 1998, in a joint declaration calling for 'a full and rapid implementation of the Amsterdam provisions on the CFSP' and stressing 'the responsibility of the European Council to decide on the framing of a common defense policy of

CFSP' and the need for 'the Union [to] have the capacity for autonomous action, backed up by credible military forces and the means to decide to use them ... to respond to international crises.' The Saint-Malo summit, endorsed by the whole European Council at Cologne the following June, also agreed that the EU should possess a Rapid Reaction Force, based on the Eurocorps, deployable within sixty days, and capable of undertaking a range of tasks including 'humanitarian and evacuation missions, missions for maintaining peace and missions using combat forces in crisis management, including missions for the establishment of peace'; the target level of the force was set at the Helsinki summit of December 1999 at 50,000–60,000 troops, 4000 aircraft and 100 ships. The momentum was continued by the Nice Treaty of 2000, which established, within the Council of Ministers, new permanent political and military structures: a Political and Security Committee and a Military Committee, as well as a staff of military experts seconded by the member states to the Secretariat of the Council of Ministers. This institutional panoply and the existence of what looked like an embryonic European army might appear to lay the foundations of a more independent foreign and security policy for Europe.

Four problems, however, stand in the way of such a full-fledged policy being developed. The first concerns the military means available, especially by comparison with the world's leading military power, the United States. At the end of the Clinton presidency in 2000, the United States defence budget stood at nearly 300 billion dollars, or four times the combined budgets of France and the UK. The gap widened dramatically under George W. Bush; with European budgets already under strain from the burden of ageing populations, there is no realistic prospect of its being significantly narrowed. Moreover, the spending disparities underestimate the difference in military might: the Americans have the advantage of

standardisation, a long experience of projecting military power across the globe, and a larger share of total military spend devoted to research and procurement (and less on men in uniform). Thus according to François Heisbourg, the Europeans in 2000 mustered less than one-fifth of the Americans' airlift capacity and less than one-tenth of their strength in strategic reconnaissance and in precision-guided air-delivered weapons. These differences have practical consequences. In the 1999 Kosovo war, American aircraft delivered 80 per cent of the weapons dropped. The credibility of any independent security policy must be limited as long as the Europeans lack the capacity to take on an adversary the size of Serbia without help. One might add that important items in France's military budget – a fifth of which (down from nearly a third in the 1990s) is still spent on the nuclear deterrent – appear redundant to most of the threats Europe is likely to face. Though Europeans are increasingly aware of many of these difficulties and are making progress in such areas as common defence procurement policies, Europe remains an underdeveloped military power.

Second, the relationship of European defence to NATO remained largely unclear. For Jospin's defence minister Alain Richard, the development of the ESDI opened the possibility of three types of European military operation: fully NATO-run, as in Kosovo; European-led but with NATO planning, logistical, and other support; or fully European, without NATO support (and implicitly not requiring NATO approval). Quite aside from the question of means, however, France's enthusiasm for such a 'third option', and thus for a genuinely independent European defence capability, found limited echoes elsewhere in Europe. Again, the issue has practical consequences. Making a 'third option' workable would mean developing an independent European defence planning capability alongside that of

NATO, a project that would be certain to generate tensions with the United States and which, for that reason, has been less than warmly welcomed by France's European allies.

The third difficulty in the way of a common foreign and security policy lies in the flagrant inability of the European powers to define a common position in relation to the 2003 Iraq war. The EU included both America's most acerbic opponent in the developed world in Chirac's France, supported by Belgium and, crucially, by Germany, and its staunchest ally in the UK, backed by Spain (until the 2004 elections), Italy, and most of the Eastern accession countries. That difference, famously defined by Secretary of State Rumsfeld as 'old' versus 'new' Europe, reflected attitudes not only to the war but also to the United States of George W. Bush. To that extent they were likely both to last and to spill over into a wide range of foreign policy issues.

Finally, the structure of the CFSP lacks the institutional leadership necessary to overcome such divisions. Centred on the European Council (and thus depending on the six-monthly rotating presidency), requiring unanimity among member states, placing each member state on a footing of formal equality (and thus ruling out any possibility of a 'directory' of larger states), excluding the Commission as a force of proposition, dividing EU responsibilities between a Commissioner for foreign relations and the High Representative, the structures of the CFSP are too cumbersome to permit anything like the swiftness of diplomatic decision-making in a member state. The draft EU Constitution, upgrading the post of High Representative to that of Foreign Minister (who would simultaneously be Vice-President of the Commission), as well as stabilising the European presidency, would certainly address some of these issues. Whether they

would suffice to overcome the formidable difficulties noted above and develop a CFSP that was more than rhetorical remains uncertain.

As Jacques Chirac cajoled and bullied Europe's leaders into accepting the voting rights on the Council of Ministers enshrined in the Nice Treaty, a German diplomat complained that 'Europe is the continuation of France by other means.' Recent developments in European policy do not, on the whole, bear this out. The CAP, the most thoroughly French-inspired of European programmes, has been slowly prised away from its former impregnable position, in particular with the progressive uncoupling of subsidy from production; Chirac's skilful defence of the policy's main past beneficiaries has every appearance of a rearguard action. The CFSP, a French aspiration for nearly half a century, has barely advanced beyond a rudimentary, rhetorical existence; Chirac's observation that the Eastern European countries supportive of United States policy in Iraq had 'missed a good opportunity to shut up' reflects a sense of frustration at this outcome. Comparable arguments could be advanced for other policy areas. The social charter has lacked the scope of Europe's competition policy and the strict deadlines and requirements of EMU. Demands, articulated especially by the Jospin government in 1997, for an 'economic government' to counterbalance the European Central Bank's role in managing the single currency, found expression in regular meetings of the euro-zone finance ministers, but left the ECB's independence intact.

And as we have seen, Europe's competition policy has been resisted by France, with some consistency, by means of delays in transposing directives into French law. Part of this reflects a liberal turn in European affairs which the French helped effect but for which they were not fully prepared; part, too, France's central EU dilemma: ambitious goals for a proactive Europe in social, industrial, economic or foreign affairs require,

for their realisation, more supranationalism than France has traditionally been ready to accept. The ambiguity applies not only to politicians, but also to ordinary French voters.

Voters, parties, and Europe (A-Head)

In many ways the behaviour of governments towards European issues reflects the views of the French electorate. In some ways these views are unremarkable. French public attitudes towards integration are situated close to the European average: the French are neither curmudgeonly Eurosceptics like the British or Danes, nor unconditional Euroenthusiasts like the Italians or Spanish. In over two decades of *Eurobarometer* polls, French answers to the questions of whether their country's membership of Europe was a 'good thing' or a 'bad thing' never varied from the European average by over 10 percentage points; the variation has more frequently been 5 points or less (Table 14.2). The general movement of backing for integration has been comparable in France and across Europe: a steady rise in support during the 1980s, peaking in the second half of the decade (*Eurobarometer* recorded 74 per cent of the French taking a positive view of their country's EEC membership in 1987) before dropping sharply in the post-Maastricht period of the early 1990s. While the popularity of integration, in both France and the rest of Europe, has varied somewhat with the economy, the brief recovery towards the turn of the millennium was short-lived, and never brought support back to the levels of the late 1980s. Thus while at least half of French respondents took a positive view of EEC/EU membership in every poll from 1981 to 1995, the figure reached 50 per cent in only one-third of polls between 1996 and 2004. Heroic leadership in Europe in the late 1980s corresponded to a degree of public optimism; for political leaders to attempt the same a decade later

would be much more hazardous. At the same time, support for European integration varies, in France as in the rest of the EU, both with age and with levels of education and income (Euroenthusiasts thus tend to be young and educated, or else elderly – having known the war years – and retired). Better-educated respondents are likely to be more informed about and more supportive towards the EU; they are also somewhat more likely to be better-placed on the employment market and less personally vulnerable to the risks of heightened competition entailed by integration.

Table 14.2 Attitudes to European integration in France and Europe, 1980–2004 (answers to questions: ‘Is your country’s membership of the EEC/EU been a good thing/bad thing?’ and ‘Has your country benefited from EEC/EU membership?’)

	Good thing		Bad thing		Neither good nor bad	
	France	EEC/EU	France	EEC/EU	France	EEC/EU
1980-84	55	54	8	14	30	25
1985-89	69	63	5	10	23	22
1990-94	59	62	11	11	26	23
1995-99	50	52	15	14	31	27
2000-2004	47	51	15	14	34	29
	Has benefited		Has not benefited		Don't know	
	France	EEC/EU	France	EEC/EU	France	EEC/EU
1986-89	58	54	22	29	20	18
1990-94	48	51	31	30	21	19
1995-99	46	46	34	34	21	21
2000-2004	49	48	30	31	21	20

Source: Eurobarometer

But it is where French opinions diverge from European averages that the ambiguities of France’s role, discernible among the political élite, are most clearly reflected among the public. Like their leaders, the French take a more ambitious view of Europe, in some respects, than other European citizens. This is notably true of questions of defence and foreign policy. As early as 1987, 20 per cent of French respondents, against an EEC average

of 9 per cent, said they thought of the EEC's international role when they thought of Europe. In 2004, 52 per cent of French respondents, against 45 per cent across the 25-member EU, supported defence decisions being taken by the EU, and not national governments or NATO. On a wide range of measures linked to the CFSP, including the need to reach common foreign policy positions, to have a single European foreign minister, and even to move to a single European representative on the UN Security Council, French support for integration was higher than the European average. At the same time French respondents remained more worried than the European average by a whole series of concerns closely linked to the French economic and social model: job losses to cheap-labour East European countries, the downgrading of social benefits, or new difficulties for farmers (Table 14.3). These concerns helped make the French public more opposed than any in Europe to Eastern enlargement, and while these misgivings had moderated by the spring of 2004, they remained more intense than among most of France's partners.

Table 14.3 French fears of Europe, Spring 2004 (% agreeing in each case)

	France	EU15
Fear loss of power of nation states	51	41
Fear increase in own country's budget contribution	68	57
Fear loss of social benefits	64	46
Fear European economic crisis	57	45
Fear job losses to cheap-labour countries in EU	83	69
Fear greater problems for farmers	73	58
Confident that EU can control effects of globalisation	21	27
Opposed to the 2004 enlargement	47	40

Source: Eurobarometer 61, 2004.

On the face of it, therefore, it appears that there is a more or less perfect fit between voter attitudes and what the behaviour of mainstream French

politicians in relation to European integration – grandiloquently warm towards the principle, deeply cautious about the material implications. The impact of Europe on French politics is, however, less predictable than such an observation would suggest. Europe has affected French politics and even the French party system, but in largely indirect ways.

Table 14.4 Turnout at European elections in France and EEC/EU, 1979–2004, as % of registered voters

	1979	1984	1989	1994	1999	2004
France	60.7	56.8	48.8	52.7	46.8	42.8
EEC/EU	62.4	60.7	56.2	56.7	49.6	44.2

In the first place, the French, like other Europeans, are not actively engaged with Europe from day to day, and this inevitably affects their behaviour at European elections. Only 12 per cent of French poll respondents in 2004 took the view that the European parliament had a substantial effect on them personally, against 34 per cent for the French government and 28 per cent each for the National Assembly and their regional council. This fairly dismissive attitude to the EP again reflects that of French politicians, who tend to treat European elections as a beauty contest for political parties and personalities rather than as a process designed to give some 700 MEPs a democratic mandate to legislate. By 2004, thanks in part to their habit of multiple office-holding, French MEPs had a worse attendance record than those of any other EU country. Almost every senior French politician, including Chirac and Juppé, Hollande and Fabius, has won election at one time or another to the European parliament, in order to achieve a good personal or party score, only to resign a few weeks after the poll; with limitations on the *cumul des mandats* in force, a

town hall and a National Assembly seat have almost invariably proved more vital assets than a seat in Strasbourg (Bernard Tapie, the exception that proved the rule, hung onto his Strasbourg seat so as to claim parliamentary immunity and stay out of prison). Rare, too, have been the mainstream parties that have campaigned on European rather than national issues. This is an invitation to voters, themselves uncommitted to the institution of the European parliament, to vote with their spleen or not at all. French turnout at European elections (Table 14.4) has followed a fairly steady downward path, usually at levels 2–4 per cent below the (similarly declining) European average.

Secondly, as we have noted in Chapter 9, the behaviour of those of the French who do vote at European elections differs from that of French voters at most presidential or legislative elections; and proportional representation ensures that this is reflected in the results. Although the first European elections, in 1979, gave an outcome roughly within the framework of the bipolar quadrille (though with an unprecedented showing for an ecologist list, which won over 4 per cent of the vote), every vote since then has produced surprises. These have included:

- in 1984, the emergence of the FN at over 10 per cent of the national vote, and a big new fall in support for the PCF, on top of that of 1981
- in 1989, a rebellion of younger politicians of the mainstream Right (the *rénovateurs*) during the campaign, the success of Antoine Waechter's Verts in winning over 10 per cent of the vote, and the first electoral outing of the *Chasseurs*
- in 1994, the historically low score of the PS with a mere 14 per cent, the zenith of the Radicals under the mercurial leadership of Bernard

Tapie, and the emergence, for once on European themes, of the Eurosceptical Left (under Chevènement, whose list achieved a mere 2.5 per cent) and the Eurosceptical Right (under Philippe de Villiers, who managed a more impressive 12.4 per cent)

- in 1999, the split and defeat of the mainstream Right, with the Eurosceptical Pasqua/de Villiers list winning 13.1 per cent against a mere 12.7 for the ‘official’ Sarkozy-Madelin list; the split and defeat of the Front National; strong performances for both the *Chasseurs* of CPNT and their enemies Les Verts; and the arrival of the Trotskyist far Left in the Strasbourg parliament
- in 2004, under a more restrictive regionalised semi-proportional system, the defeat of the governing UMP, reduced to a mere 16.6 per cent of the vote and flanked by competitors of the Centre (the UDF) and the Eurosceptic Right.

More generally, European elections have tended to produce very fragmented results; in 1999, for example, twenty lists ran nationally, of which nine passed the 5 per cent threshold to win seats. To some extent these results should be treated as inconsequential, a ‘rite of passage before serious business starts’, as the UMP Deputy Pierre Lellouche described European elections. Or as Philippe Méchet observed in 2000, ‘Every five years, France becomes Italy, but always returns straight afterwards to the specificities of its own system’. Yet the dispersal of votes that this type of election has encouraged has tended, with time, to spill over into electoral behaviour at national elections, most obviously to the presidency in 2002 (see above, p. 000).

The French electorate has also had the chance to affect Europe's future more directly, in the three referendums of 1972 (on enlargement), 1992 (on the Maastricht treaty), and 2005 (on the European constitutional treaty). Each referendum has seen an unexpectedly good mobilisation of the Eurosceptical camp. In 1972 this led to a strong Yes result but high abstention, largely thanks to the Socialists. In September 1992 the Yes won by barely half a million votes – 51 per cent to 49 – despite having led the polls by 69 per cent to 31 the previous June. In May 2005 the Yes camp, having led by the same margin six months earlier, was in a minority of barely 45 per cent on polling day.

One reason for these unexpected results is that the fuzzy pro-European sentiments of some voters have not withstood exposure to the more concrete stakes of Europe as presented in the referendum campaigns: as we have seen, Europe has become the focus of many French fears. Another reason has been that the presidents who initiated each referendum have done so, at least in part, for reasons of narrow and above all ill-calculated political advantage. Each was intended to place the president centre-stage and enhance his standing with a victory at the polls – in Pompidou's case in order to refocus attention on himself rather than his prime minister Chaban-Delmas, in Mitterrand's and Chirac's to recover from a period of deep unpopularity. In no case did they succeed in this. The Yes vote at the referendum of 1972 was too lukewarm to help Pompidou, that of 1992 too close to reinforce Mitterrand, while Chirac saw his popularity plummet to new lows after his defeat in 2005. On the other hand each referendum was also meant to split the opposition, and in this respect presidents have met with growing, but increasingly dangerous, success. In 1972, the Socialists and Communists agreed to differ (the Communists voted No, the Socialists abstained), and simply resumed their march towards the Common

Programme after the poll. Twenty years later, the Gaullist RPR rebelled against Chirac's support for the Maastricht treaty: Charles Pasqua and Philippe Séguin mobilised some two-thirds of RPR voters against it. But the right-wing opposition regrouped within a fortnight of the poll, going on to win a resounding victory in the March 1993 parliamentary elections. Similarly, when Chirac announced on 14 July 2004 that the European constitutional treaty would be submitted to a referendum he certainly aimed to divide the left-wing opposition, and especially the Socialists, who had scored impressive victories at elections in March (to regional councils) and June (to the Strasbourg parliament). In this he was probably more successful than he wished; it was the unexpected opposition to the treaty of clear majorities of Socialist and Green voters (Appendix 5, p. 000) that handed victory to the No camp.

Underpinning these presidential strategies has been the fact that the positions of French voters, and indeed of French parties, over European issues cut right across habitual party divisions. Whereas some West European countries, like the UK since the late 1980s, have a broadly pro-European Left and a more Eurosceptical Right, and others, especially the Scandinavian countries, are more Eurosceptical on the Left than on the Right, the French graph of support for Europe against the Left-Right division is (like those of Belgium or Germany) an inverted parabola. The far Left opposes European integration because of a deep-seated suspicion of the economic liberalism central to the European project. The far Right opposes it for nationalist reasons, out of hostility to anything resembling a transfer of sovereignty. *Most* parties between centre-Left and centre-Right support integration, but, elements of them may be persuaded to join the Eurosceptical extremes depending on the context.

This pattern, and its variable nature, were clear from the parliamentary votes on ratification of ratify the European treaties of the 1950s. Thus the ECSC, carried in 1951 by the mainstream parties of the Fourth Republic – Socialists, Christian Democrats, Radicals, and most conservatives – was unsuccessfully opposed by Gaullists, Communists, and a minority of conservatives. These usual Eurosceptical suspects were joined in the 1954 EDC vote by a further contingent of conservatives, the Jacobin left wing of the Socialists, half the Radicals, and even a handful of Christian Democrats, the most consistent pro-Europeans on the French political spectrum; a combination big enough to sink EDC for good. Forty years later this distribution was reproduced, approximately but by voters not Deputies, at the Maastricht referendum. The FN had replaced the Gaullists on the far Right of the spectrum, and the Yes vote was skewed leftwards (and the No rightwards) because it was Mitterrand had called the referendum. But the resemblances to the pattern of the early 1950s remained striking. The No won majorities among supporters of the PCF (88 per cent), the RPR (69 per cent), the FN (93 per cent) and those with no party preference (64 per cent); the Yes vote was concentrated chiefly among supporters of the PS (76 per cent) and to a lesser extent among those of the two Green parties (57 per cent) and the UDF (59 per cent).

These figures pose the question of the emergence of a ‘European cleavage’ in French politics that durably structures the behaviour of parties and voters. The answer to such a question should probably be negative, for two reasons. Firstly, voters’ rejection of Europe has tended to go hand in hand with a wider opposition to the political establishment generally, and with a range of ‘anti-universal’ (ethnocentric and authoritarian) values: Euroscepticism (or for that matter Euroenthusiasm) has proved hard to isolate from these other traits. Secondly, there is little evidence that a

European cleavage is a powerful structuring agent in election after election, in the same way as the Left/Right distinction clearly is. In March 1993, for example, when the French returned to the polls to elect their Deputies just six months after the Maastricht referendum, the Left/Right pattern fell back into place, with plenty of help from France's institutions: the RPR and the UDF, despite European differences, ran joint candidates in most seats and even Socialists and Communists cobbled together a second-ballot withdrawal agreement.

Nevertheless, even if the notion of a cleavage should be rejected, it is clear that European issues have affected the French party system. They have led to splits, albeit limited ones, within the PS and the UDF (both in the aftermath of Maastricht) and the RPR (after the Amsterdam Treaty). They also highlighted long-term fault-lines even within the surviving big parties. Within the PS, for example, there had always been tensions between the statist, Jacobin wing of the party and the more Girondin, reformist wing, long led by Rocard and more inclined to delegate state power to Europe, regions, and civil society. A similar division operated on the moderate Right, coinciding partly but not perfectly with the division between the UDF (with its big contingent of Christian Democrats) and the neo-Gaullist RPR. While the Eurosceptic parties that emerged from these splits tended to be small or ephemeral, they were not negligible either: Chevènement's presidential candidacy, for example, could certainly be said to have cost Jospin, if not the presidency itself, then at least his place at the run-off in 2002. Moreover, if Europe did not establish a new and distinctive cleavage pattern, it still demonstrated a capacity to modify electoral behaviour durably. This is indicated most tellingly, perhaps, by the loss of PS support, after the Maastricht referendum, among those social groups – the less educated, and blue-collar and white-collar workers –

which had constituted significant electoral reserves for the PS but which were among the most reluctant to vote for the treaty signed by Mitterrand. The PS voter of the 1990s and after had an increasingly bourgeois aspect, embarrassingly for a party that aimed to redress inequalities in society.

This was the context of the campaign for the 2005 referendum. Both history and circumstance made it wholly predictable that the treaty would be opposed by the FN (Le Pen had campaigned for France to leave the EU in 2002), by the ‘sovereignist’ wing of the moderate Right (de Villiers, but also a fraction of the UMP led, since Pasqua’s and Séguin’s effective withdrawal from politics, by Nicolas Dupont-Aignan), by the PCF (whose leader, Marie-Georges Buffet, saw an opportunity to regain some of the radical credentials her party had lost in government before 2002), by the far Left, and by the much reduced Chevènement forces. What was crucial, though, was the capacity of the No camp to attract personalities and voters from the parties of the centre. This was assisted, firstly, by the nature of the treaty itself. Though much simplified by comparison with the European treaties it was intended to replace, the document distributed to the voters was, at 448 articles and over 80 close-packed pages (plus as much again in annexes and additional protocols) distinctly longer, more technical and more obscure than the constitution of, say, the Fifth Republic. Easy to pick at and criticise, it was much harder to present as offering an attractive vision for Europe’s future.

On the Right, objections to the document itself focused chiefly on the end of the Maastrichtian distinction between the economic ‘pillar’ of the EU, governed by qualified majority voting on the Council of Ministers, and the other two pillars, covering the regalian branches of state activity (justice, home affairs, foreign policy, defence) and still requiring unanimity for legislation to be adopted. If the treaty came into force, justice and home

affairs would now, with few exceptions, fall under the qualified majority régime, and a range of policies on asylum, immigration, and citizenship would be decided at European rather than national level. At least as important as this, however, was the way in which the debate on the treaty itself was paralleled – or polluted – by another, on the admission of Turkey. This was premature. Although Turkey began formal negotiations for entry to the EU in December 2004, the European Commission had made it clear that Turkey would enter, if at all, only after a decade and more of negotiations and convergence – a long delay for a country that had been an associated state of the EEC from 1959, and an official entry candidate since 1987. And the adoption, or not, of the constitutional treaty would not affect the Turkish issue one way or the other. But Chirac, conscious of public misgivings, had promised that once Bulgaria and Rumania (due to join in 2006) had entered, France's acceptance of any further EU members (meaning Turkey among others) would be conditional on a Yes result in a referendum. This provoked an immediate debate in the National Assembly in October 2004, and a rash of opinion polls. The political debate blurred not only traditional party boundaries but also France's normal divisions over Europe. As early as 1963, de Gaulle, no enthusiast for enlargement in general, had spoken of Turkey's 'European vocation' (in a rather more welcoming tone than he used for Britain in the same year); forty years later, his successor Chirac was one of Turkey's foremost advocates. By contrast, the UDF, the most 'European' party but also the most attached to Europe's Christian legacy, was largely opposed; while the Communists, outright opponents of Maastricht in 1992 and of the Constitution in 2004, still favoured Turkish entry on grounds, officially, of internationalist solidarity. Whatever the party divisions, however, the French voters were full of misgivings, with between two-thirds and three-

quarters of poll respondents ready to vote No at a (distant) referendum on Turkish entry. That reflected a widespread view that Turkey was too big, too poor, too Asian and too Muslim to be a comfortable European partner; it was a favoured theme of de Villiers, whose campaign linked it clearly, and misleadingly, to the constitutional treaty.

But it was from (some of) the ranks of the Left that the loudest objections were raised in the months after the European Council adopted the Constitution in June 2004. These objections were far from unanimous: for some, including François Hollande, Lionel Jospin, Michel Rocard, Élisabeth Guigou or Martine Aubry, the EU offered the world's best chance to resist an unrestricted 'Anglo-Saxon' capitalism, and the constitution, whatever its faults, offered an indispensable reinforcement for Europe's institutions. For others even within the PS, for left-wingers like Henri Emmanuelli and Jean-Luc Mélenchon but also for former ministers like Paul Quilès, Pierre Joxe, and above all Laurent Fabius, – the Constitution was 'incompatible with socialism'. Its long series of articles (III-130 to III-166) systematising long-standing European bans on most imaginable obstacles to free trade and fair competition, contrasted with a much shorter sequence (III.167 and III.168) setting out possible exceptions (such as public subsidies for disaster areas, underdeveloped regions, or major joint European projects). Meanwhile, the industrial relations and worker protection policy set out in the constitution was defined in general terms, and explicitly excluded minimum wage levels, or the rights of association, the right to strike, or the right to lock workers out – making any 'levelling up' of worker protection impossible, according to the Constitution's left-wing critics, and encouraging a 'race to the bottom' between European states from which French wage-earners would suffer. The notion of public services, with their indispensable guarantee of equal

access to all, received only brief and general mention in the text. As Olivier Duhamel (a Socialist member of the Convention, and a vigorous supporter of the Constitution) wrote, getting public service into the text at all was a struggle, won at the price of abandoning any reference to what services should be covered or what principles should govern them.

For Duhamel, Hollande, or Jospin, this was better than nothing and certainly no worse than the status quo of the existing treaties. But a key argument among Socialist opponents of the draft Constitution was that by supporting a text that contained so few of the guarantees of jobs, public services, and social protection that they had sought, the PS would cut itself off permanently from those groups – the blue and white-collar working class, especially in the public sector – which were central to its identity as a left-wing party. By refusing a constitutional treaty proposed by Chirac on the basis of a draft submitted by a convention chaired by Giscard, on the other hand, the PS would be putting clear water between itself and a right-wing, and highly unpopular, president and government, and sending a clear message to workers that their support mattered.

Among PS members, the Yes camp won the argument, and, by a margin of 56 to 44 per cent, the internal party referendum on the treaty held in December 2004. This, assumed most observers from Chirac down, would guarantee the solidity of the pro-treaty forces at the centre – PS, UMP, and UDF – and thus a successful referendum. Three elements proved them wrong. First, the leaders of the No camp in the PS took no account of their party's vote and went on campaigning against the treaty, some (like Mélenchon) in open and effective partnership with the PCF and the far Left. Their party leader Hollande, no doubt wishing to hold the PS together, did nothing to stop them. Second, the No camp made the most of a wave of industrial unrest, linked to pay demands and to government

measures to introduce 'flexibility' in the application of the 35-hour week, that affected France during the first quarter of 2005. Third, the so-called Bolkestein directive (known after the Dutch commissioner responsible for it) on the single market in services added further grist to the No camp's mill, as it suggested that suppliers of services across the EU could work under the labour laws of their country of origin, not of the state where the services were supplied. This allowed the treaty's opponents to conjure up a mythical image of the 'Polish plumber', who would take advantage of the directive (and of the treaty) to undercut his French competitors on their home ground. Chirac's sudden message to the Commission that the directive was 'unacceptable in its present form' (he had signed it without misgivings in 2002) was too late and too tactical; the damage was done. The second week of March 2005 saw both a big demonstration on pay and the 35-hour week and the peak of the controversy over the Bolkestein directive. Within days the Yes camp's lead in the polls had evaporated. Its fate was sealed by the ineptitude and disorganisation of the Yes campaign, which alternated between quietism, arrogance (the claim that it was impossible for pro-Europeans to vote No) and incomprehension (a disastrous television broadcast in which Chirac faced the hostile questions of a group of young people); and by the attempts of the Raffarin government to suppress a public holiday, Whitmonday, just a fortnight before polling day.

The salience of these concerns about social protection, and the fact that it was a right-wing president who had called the referendum in the first place, gave the No vote a leftward skew. The extremes – 95 per cent of PCF voters and 96 per cent of FN supporters – were solidly, and symmetrically, against the treaty. The moderate Right was kinder to it than it had been to Maastricht: both UMP and UDF supporters voted Yes by a

margin of three to one. More remarkable, however, was the rejection of the treaty by a clear majority of the moderate Left – 64 per cent of Green voters and 59 per cent of Socialists. Most striking of all was that class, an increasingly poor predictor of voting on the Left–Right spectrum, became a rather good one for the referendum. The No camp attracted 81 per cent of the blue-collar workers who voted, 60 per cent of the white-collar workers, 55 per cent of the small business vote, and 54 per cent of technicians and lower management; managers and professionals, voters with a university education, and the retired were the only groups that showed a majority in support of the treaty (Appendix 5, p. 000). Compared with Maastricht, all categories moved towards the No camp (except for small business owners, who remained stable); the strongest shifts were among the old blue-collar working class, and among public-sector wage-earners – favourable to Maastricht, and believing their jobs secure, in 1992, but hostile to the constitutional treaty, which they viewed as a threat to their livelihoods, in 2005.

The previous No majority at a French referendum had signalled the end of an era; de Gaulle was gone within less than 24 hours of the result, true to his belief that office without the voters' support was not worth keeping. Chirac, for his part, merely sacked his prime minister. This did not prevent the president, as well as Raffarin, from being a casualty of the referendum; his poll ratings dropped to a record low in the following weeks. He could take some consolation from the damage done to the PS and in particular to its leader François Hollande, whose successful record in 2004 was wholly eclipsed by the referendum result; but not from the reinforcement of Sarkozy, who had remained discreet in the referendum campaign and who was now invited to combine party and government office. Beyond France, the No vote produced few of the results its supporters had hoped for. In

particular, the chances of a renegotiation of the treaty to include more of the social provisions dear to the French left, held out by the No campaign as a real possibility, appeared more remote than ever a month after the referendum. France's role in Europe was damaged, temporarily at least; at the Brussels summit that followed the débâcle Chirac was not even, quite, able to rally twenty-three more states against the British budget rebate. The EU, meanwhile, though not thrown into crisis – the Nice, Amsterdam, and Maastricht treaties remain its framework of governance – suffered a lowering of horizons, comparable to that of the later de Gaulle period: able to continue on a day-to-day basis, but hardly to progress, still less to lead.

Concluding remarks (A-Head)

Having influence in Europe matters. It matters partly for geopolitical reasons, as a multiplier of national influence on the world stage, but above all, as Anand Menon has observed, for the economic advantages of being able to upload national policy to the level of Europe, with its market of 400 million.

Yet if Europe, as Mitterrand said, is France's future, it appears to be a future of declining French influence. We have already noted several signs of this. The CAP has been dethroned from its pre-eminent place among EU policies. The CFSP has not so far furthered a European foreign policy, still less a substantial defence capability, enjoying any great degree of independence from the United States: the French stance on Iraq, though shared by several governments (notably the German and Belgian) and by a majority of European citizens, was still not a European policy, rather to Chirac's frustration, and the chances of reinforcing France's political identity in world affairs were badly damaged by the defeat of the constitutional treaty. The French tradition of public services is threatened

by competition policy, France's predilection for deficits by the Stability and Growth Pact. Disputes with the Commission over subsidies and mergers, and over the size of the French deficit, as well as France's slowness to transpose European legislation into national law, testify to a difficulty, or reluctance, to adjust even to EU measures consented by France. Three other signs, of a more trivial kind, can be mentioned.

- *The achievements of France's European presidencies.* France's presidencies of the European Council in 1984 and 1989 were both sumptuous (the latter especially, coinciding with the celebrations for the bicentenary of the 1789 Revolution) and successful. The 1984 presidency achieved a settlement to long-running budget disputes, opening the way to the relaunch of Europe in the mid-1980s. That of 1989, in many ways the high point of *mitterrandien* European leadership, agreed the Social Charter and the convening of an intergovernmental conference on EMU for the following year (both decisions, significantly, reached against British dissent). By contrast, the 1995 presidency, cut in half by the French presidential election, accomplished little, and that of 2000 achieved the widely-derided Treaty of Nice, besides giving the French on both sides of *cohabitation*, and especially European Affairs Minister Pierre Moscovici and Chirac himself, a reputation for amateurism, arrogance and bullying.
- *France's commissioners.* Although Commissioners take an oath to shed national loyalties and represent only European interests once in office, the capture of important positions on the College remains a focus for intense competition, linked to prestige, among member states. France has boasted some of Europe's most illustrious Commissioners, including two presidents (François-Xavier Ortoli, and above all Delors)

as well as leading figures such as Pascal Lamy, Delors's former chief of staff and Foreign Trade Commissioner from 1999 to 2004. The appointment to the rather lowly Transport portfolio in the 2004 Barroso Commission of Jacques Barrot, a Christian Democrat of solid national rather than European reputation, was widely seen in France as a setback – the price of Chirac's refusal to re-appoint Lamy – especially as 2004 saw large countries limited to just one Commissioner for the first time.

- *Language.* For its first fifteen years, the EEC was above all a French-speaking organisation. The entry of two Anglophone member states – Britain and Ireland – signalled the end of that predominance. By 2002, 29 per cent of documents produced by the Commission were drafted in French, against 57 per cent in English. In the Council of Ministers, a mere 18 per cent of documents originated in French in 2002, against 42 per cent as recently as 1997. The Commission's economic studies are *only* published in English, while in the European Parliament English has acquired the status of a *lingua franca*. Only the minutes of Commission meetings and the decisions of the Court of Justice remain as strongholds of French expression; but not necessarily for long.

While France remains one of the leading players, as a founder state and one of the four largest countries, it has indubitably lost the pre-eminent position it enjoyed until the early 1990s. One obvious interpretation of this decline is that all member states taken individually, France among them, have seen their influence diminish with the reinforcement of the EU. As the EU has taken on a more constraining and state-like role, adopting QMV in more areas, strengthening the role of the Parliament, and reinforcing a legal order headed by the Court of Justice so all national sovereignties have been

eroded, as they were meant to be. And as the EU has accepted successive enlargements, its early clubbish style has given way to altogether more rule-bound and bureaucratic operating procedures; the Permanent Representatives' lunch, for example, traditionally an excellent informal setting for settling differences between member states, has now succumbed, as it was bound to beyond a certain size, to the usual paraphernalia of interpreters and microphones. The difficulty with this view, however, is that other states, notably the UK, appear, on the contrary, to have gained European leverage as the EU has enlarged. The explanations of France's decline lie rather in the change in the balance of power and policy preference within the new EU, and the manner in which different member states have reacted to them.

Three external constraints, all dating from the early 1990s, go some way to accounting for France's changed position. The first is the changing balance of Franco-German relations after 1989. The enhanced position on the European and world stages that France drew from the 'privileged partnership' always depended on Germany's acceptance of a politically subordinate status that was at variance with growing German economic strength. A consequence of the defeat of 1945 and of the Soviet threat, and thus inevitably temporary, this political subordination was (largely) thrown off, with unexpected speed, after unification and the break-up of the Soviet Union.

The second external development that worked to France's disadvantage was spread of the neo-liberal world economic order which has taken shape in parallel with European integration. Not only has trade liberalisation been central both to the EEC and to the EU; both have constantly interacted with global trade liberalising measures ever since the Commission negotiated in the name of all the member states in the Kennedy Round of tariff

reductions undertaken within the framework of the GATT in the mid-1960s. What has changed since 1989 has been the acceleration of this process, as outlined in Chapter 1, with the disappearance of a Communist bloc and the consequent arrival of new countries within the global trading system and the WTO, the diminution of technical obstacles to free trade, and the extension of the range of economic activities within the WTO's purview. This had inevitable consequences for the EU: most directly, the increased pressures on the CAP. More broadly, given the impossibility of opting out of the world trading system (unthinkable for France after the decisions of 1983, let alone for the UK, Holland, or Germany), it required the EU countries to adapt to a vastly more competitive environment. For France, as a country with a long-standing preference for *dirigisme* and protectionism, ready to liberalise but at a measured pace, this posed particular problems of adjustment.

The third and most recent development has been the eastward shift of the EU's centre of gravity with the admission of the states of the former Eastern bloc in 2004. This is likely to prove more than a mere geographical shift. Most of the new members were vigorously Atlanticist and supported the 2003 Iraq War, much to Chirac's irritation; most were also strong supporters of Thatcherite neo-liberalism; and most were historically part of an Austro-German sphere of economic influence to which they returned after 1989. The position in the EU of countries like France, which sought independence from the United States abroad and safeguards for social protection at home, was correspondingly weaker.

France's loss of influence, however, has also arisen from national difficulties in rising to these challenges. Two in particular are worth highlighting. One is that France's traditional approaches to interacting with partners have been much less effective in the 'new' Europe of the 1990s

and after than they were in the old one. An American observer, Charles Cogan, has argued that French negotiators tend to value the forceful exposition of their own position, and the wearing-down of the opposition, rather than systematic attempts to understand and test the opposition's viewpoint and to work towards compromises from an early stage. Effective in a small European Community in which unanimous voting was still the norm, it becomes a much less helpful approach, even to the single member state practising it, in a larger EU where all action requires the patient building of coalitions and where the national veto is the exception not the rule. Similarly, the *petits arrangements*, the gentle rule-bending with which the French have regularly softened the sharper edges of the Jacobin state at home, and which Delors applied to European policy during his Commission presidency, have been harder to secure in the larger and more rule-bound Europe of the 1990s and beyond.

A second French difficulty, noted at the start of this chapter, lies in the long-standing ambiguity at the heart of French preferences for a strong Europe with weak institutions. This contrasts with, for example, the readiness of German governments to accept greater concessions to supranationality for the sake of an activist Europe, or the British reluctance to see either a reinforcement of European institutions or an extension of Europe's spheres of activity.

Yet it can be argued that the art of French presidential leadership in Europe – a leadership less politically constrained, at least outside cohabitation, than that of any European head of government – has consisted, precisely, in finding a point of balance on the ambiguous French continuum, and in articulating it clearly. This was done rather restrictively by de Gaulle, more pragmatically by Pompidou, and in altogether more ambitious terms by Mitterrand until 1993. Chirac has so far been unable to

achieve such a balance. To do so would not have been easy. The President was more or less shackled for five years by cohabitation, and has faced an electorate prone, since the Maastricht referendum, to accesses of euro-pessimism and unwilling, as the strikes of 1995 demonstrated, to accept sacrifices in the name of the convergence criteria or the Stability and Growth Pact. Some of Chirac's difficulties, though, arise from his own long-term tendency to see European issues through the same tactical prism with which he views domestic politics, and thereby to lose sight of longer-term goals. He followed his referendum defeat of 2005 with a vigorous attack on the British budget rebate combined with an equally fierce defence of the CAP: these were old and tried values for the President's home voters, but hardly an exercise in European leadership.

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