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FRENCH-GERMAN COOPERATION IN THE EUROPEAN UNION IN 2007-2013¹

1. The Constitution for Europe and the Lisbon Treaty

The Bundestag election campaign in the second half of 2005 overlapped with a serious crisis in the European Union that resulted from the failure to implement Germany's coveted project of the Constitution for Europe. The Treaty, pushed by the SPD-Greens coalition government, and especially by Chancellor Gerhard Schröder and Foreign Affairs Minister Joschka Fischer, was signed on 29 October 2004 at the Roman Capitoline Hill and needed to be ratified by the European Parliament and parliaments of EU Member States. After its ratification by the German Bundestag and Bundesrat (12 and 27 May 2005), the finale of the referendum campaign in France was monitored by Germany with great concern as the number of opponents of the European constitution was on the rise in France. The pessimistic scenario came true, and on 29 May 2005 the French (54.87%) rejected the Constitutional Treaty which led to a political upheaval in the European Union. The explicit, though expected, French vote of no confidence for this project disappointed Brussels and puzzled Berlin. After the French referendum, the position of President Jacques Chirac notably weakened in French politics. His political instinct clearly failed him, as his decision on holding the referendum and the assumed victory of supporters of the European Constitution was intended to strengthen his position on the French political arena, which did not happen².

The direct consequence of the unsuccessful referendum was the dismissal of the government of Jean Pierre Raffarin and the appointment of the cabinet of Dominique de Villepin (31 May 2005). In the *exposé* of the new Prime Minister, delivered to the National Assembly (8 June), Chirac's closest collaborator proposed a union between

¹ Article written as part of a research project: *German-French Leadership in the European Union in the 21st Century. Problems and Challenges* (National Science Center UMO 2013/09/B/HS5/00433).

² B.Koszel, *Nierówne partnerstwo?. Niemcy i Francja w Unii Europejskiej (1993-2013)*, Piła 2013, pp.173-174.

Paris and Berlin to act jointly in selected areas. In the face of the failure, that meant taking „the hard core” approach and creating „a union within the union”. In the Opinion of de Villepin, German-French cooperation should have concentrated on the EU Foreign and Security Policy, education and research and social issues. In the French government statement, however, the French Prime Minister did not provide details of the proposal. „Frankfurter Allgemeine Zeitung” newspaper criticised his speech, and stated that after the failure of the constitutional referendum, France intended to slide into protectionism and build „a European fortress” which was not in line with German interests³.

As expected, Berlin’s reception of de Villepin’s proposal was very cold. Chancellor’s spokesperson Bela Anda stated that the French ideas were not up-to-date. Gerhard Schröder, who arrived in Paris on 10 June, also expressed his negative opinion without providing much explanation. In that situation, the Minister of Internal Affairs and potential successor of Chirac in the 2007 presidential elections, Nicolas Sarkozy, suggested that French-German cooperation could be an obsolete idea. On 27 June 2005 he told the French press that „enlarged Europe cannot be propeller solely by a two-stroke engine”⁴.

In the second half of 2005 and in the first half of 2006, the key issue for both states was to find a solution to the constitutional deadlock after the negative results of the French and Dutch referenda and to outline the limits on the EU expansion. German politicians, occupied with the election campaign, were relieved to hear the European Commission’s suggestions to give EU Member States one year to consider the future of the Constitutional Treaty and prepare concrete proposals on that issue. Chirac, devastated with the unsuccessful constitutional referendum and accused of fraud committed when he was Mayor of Paris, gradually withdrew from public life. At the same time, Germany, after the parliamentary elections of 18 September 2005, experienced a political crisis. After many weeks of arduous negotiations, Christian and Social Democrats reached an agreement on establishing a government of CDU-CSU-SPD wide

³ K.-D. Frankenberger, *Deutsch-französische Feste. Die Idee des neuen Premierministers de Villepin verdient das Mißtrauen der Europäer*, „Frankfurter Allgemeine Zeitung”, 12-13. 06. 2005. For a positive assessment of the French proposal see: S. Schwarz, *Die französische Eigenwille in der europäischen Politik*, in: J. Franzke (Hrsg.), *Europa in der Denkpause. Wege aus der Verfassungskrise*, Potsdam 2005, p. 74.

⁴ *Frankreichs Innenminister Sarkozy attackiert Chirac. Politiker wirft dem Präsidenten Zaudern vor*, „Die Welt”, 13.01. 2006.

coalition with Angela Merkel as Chancellor. Gerhard Schröder gave up and announced that his intent to withdraw from politics. Minister of Foreign Affairs Joschka Fischer decided to do the same.

The German election results disappointed France, as Social Democrats and the Greens were considered better partners in dealings with both the USA and Russia. It was also taken into account that the new cabinet of Angela Merkel would attempt to rebuild the strained by Chancellor Schröder relations with Washington and would not be susceptible to French suggestions, in terms of both keeping its distance from the USA and the future of the French-German „twin engine” on the EU arena⁵. It should be underlined that in the CDU, CSU and SPD coalition agreement signed on 11 November 2005, there was no mention of any French-German „union” and not much space was devoted to Franco-German bilateral relations. In the document, it was underlined that Franco-German cooperation „cannot be questioned as it creates an important impulse and will respect the interests of our EU partners”. Generally, it was announced that Germany’s European policy will be continued and more active in selected areas⁶.

On 23 November 2005, right after her appointment as Chancellor, Angela Merkel paid her first official visit to Paris, putting an end to speculations about any cooling trend in French-German relations. The French hosts took all efforts to reassure their guest that France, despite the unsuccessful referendum on the European Constitution, would diligently build a unified Europe, and that close cooperation between France and Germany would give Europe a new impact. At a joint press conference, when speaking about Franco-German relations, Chirac declared that the German-French friendship „that has its source in the heart and mind, is truly at the core of French foreign policy”. Such a statement was not delivered by Germany. Unlike Gerhard Schröder who preferred the company of EU „big boys”, especially Tony Blair, Angela Merkel displayed more reservation and made it clear that in the area of shaping EU policies, she

⁵ B. Koszel, *Was gut für Deutschland, ist auch gut für Europa. Eine Bilanz der Europapolitik der Regierungen Merkel*, „WeltTrends. Das außenpolitische Journal”, nr131/2017, p. 37.

⁶ *Gemeinsam für Deutschland – mit Mut und Menschlichkeit. Koalitionsvertrag zwischen CDU, CSU und SPD*, Berlin 11.11. 2005 (reprint).

would be more independent and open to dialogue and to interests voiced by other, especially smaller, EU Member States⁷.

It was beyond doubt that from Angela Merkel's perspective, from May 2005 to May 2007 President Chirac was a shamed and insignificant politician but Berlin refrained from critical comments. In the Chancellor's speech on European politics, given on 8 November 2006 to the German Council of Foreign Relations (DGAP) in Berlin, France was not mentioned at all. Her speech resounded heavily in the whole European Union⁸.

German leadership of the Council of the European Union in the first half of 2007 was subjected to the reanimation of the Constitutional Treaty and the celebration of the 50th anniversary of the Treaty of Rome. On 14 December 2006, Chancellor Merkel presented the goals and key points of German EU leadership in the first half of 2007 to the German Bundestag. On 17 January 2007, the Chancellor presented Germany's proposals to the European Parliament in a notably modified form and a more emotional tone. Angela Merkel acknowledged that the old continent needed a constitutional treaty since the world and Europe kept changing rapidly and the treaties in force did not provide for further enlargement. While she spoke, it could easily be seen that the head of the German government put Germany's and her own authority at stake to achieve notable progress in the work on the European Constitution during Germany's six-month Presidency, and – most importantly – without having to start the whole debate from point zero⁹.

The Chancellor's Office assigned the outmost priority to the European Constitution and undertook actions to probe and persuade EU Member States to adopt the project, so far strongly supported by Germany. This took place in the shadow of the French election campaign and attempts to win Poland's support for German proposals. The French presidential elections were held at the time of difficult German negotiations with Warsaw and other EU Member States. Like his predecessors, Nicolas Sarkozy, who was then Minister of the Interior, often expressed anti-German views in the presidential

⁷ M. Wiegel, *Lange Zeit falsch eingeschätzt*, „Frankfurter Allgemeine Zeitung“, 24.11.2005; *Paris-Berlin. La grande inconnue*, „Le Figaro“, 15.10. 2005.

⁸ G. Müller-Brandeck-Bocquet, *Deutsche Politik unter Angela Merkel*, in: G. Müller-Brandeck-Bocquet, (Hrsg.), *Deutsche Europapolitik von Konrad Adenauer bis Angela Merkel*, Wiesbaden 2010, p. 326.

⁹ *Rede der Bundeskanzlerin vor dem Europäischen Parlament. 17.01.2007. Presse und Informationsamt der Bundesregierung*. Pressemitteilung No. 20, <http://www.auswaertiges-amt.de/diplo/de/EU-P/EU-P.html>; B. Koszel, *From the Constitution for Europe to the "Reform Treaty"* „Przegląd Zachodni“, nr 1/2014, p.41.

campaign. At his meetings on the 30th of March in Nice, and especially on the 17th of April in Metz, Sarkozy recalled that France was never lured by totalitarianism, did not terminate any nation, did not invent the Endlösung and did not commit genocide¹⁰.

On the 22nd of April, and later on the 16th of May in the second presidential round, Nicolas Sarkozy won the presidential elections, and Germany was forced to revise its ideas about Franco-German collaboration. One should admit that Chancellor Merkel cooperated quite well with Chirac until the end, although he was already a disgraced politician then. In Merkel's relation with Chirac's successor, the so-called „political chemistry” was missing. The cool and reserved Merkel kept her distance from the impulsive and emotional hyperpresident, *speedy Sarko* or *Monsieur 1000 Volt*, as the press called Sarkozy. Sarkozy did pay a short and hasty visit to Berlin at the beginning of his presidential term but on numerous occasions he implied that his meetings with German officials of various levels were a tedious obligation. Sarkozy reportedly told famous French playwright Yasmina Reza that every journey to Berlin was „hell” for him, and that he felt „terrorised” by his hosts in Berlin and Frankfurt am Main. His milieu could hardly be classed as German-friendly. That refers to Jean-David Lévitte, his political advisor and Henri Guaino, the author of the French President's speeches. Charles Pasqua Philippe Séguin and Claude Guéant were his other old collaborators¹¹.

The strained prestige of Paris as a half of the European decision-making duo obliged President Sarkozy to present a plan of overcoming the constitutional failure and a new, feasible and serious offer for the other EU Member States. Prior to his successful election, Sarkozy promoted the project of a Mini-Treaty or simplified treaty (*traité simplifié*) which boiled down to his proposal to adopt those fragments of the Constitutional Treaty that could be saved. Undoubtedly, Chancellor Merkel appreciated Sarkozy's efforts to break the deadlock and adopt the *traité simplifié*, but the French President's attempt to dominate the European Council's meeting of June 2007 crowning

¹⁰ „La France n'a jamais cédé à la tentation totalitaire. Elle n'a jamais exterminé un peuple. Elle n'a pas inventé la solution finale, elle n'a pas commis de crime contre l'humanité, ni de génocide”, *Quand le candidat Sarkozy était accusé de “germanophobie” en 2007*, „Le Monde”, 5.12.2011; J. Altwegg, *Antideutsche Klischees in Frankreich. Euro statt Wehrmacht*, „Frankfurter Allgemeine Zeitung”, 06.12.2011.

¹¹ A. Grosser, *Sarkozys Außenpolitik: über Widersprüche und Irritationen*, „Die politische Meinung” no. 52/2007, pp. 28-32; B. Koszel, *Merkel-Sarkozy. About the „political chemistry” between Germany and France*, in: B. Horodecki, J. Wiśniewski, P. Wiśniewska, (ed.), *Around the European Culture*, Poznań 2012, p. 69-78.

the German Presidency, caused embarrassment. Though President Sarkozy recognised Germany's success, he underlined that it was also the success of France and his personal conciliatory efforts, just like he did in his Strasbourg speech of 2 July 2007. Merkel was not impressed by Sarkozy's praise of the „holy” Franco-German friendship, nor by him speaking about his everlasting friendship with Merkel on the occasion of awarding the Charlemagne Prize to the German Chancellor in Aachen in May 2008¹².

Solutions adopted at the Brussels summit on 21-22 June 2007 and the congruent French-German cooperation on overcoming Poland's veto against the EU Council decision-making system (the Treaty of Nice system until 2014 and later the introduction of the so-called double majority) soothed tensions between Paris and Berlin. Both France and Germany unanimously supported the Portuguese Presidency of the European Union that resulted in the signing of the Lisbon Treaty on 13 December 2007.

2. Union for the Mediterranean¹³

At the beginning of Sarkozy's presidency, France made an attempt to reshuffle its foreign policy priorities and strengthen its position in relation to Germany. This policy was to be based on two pillars: France's activity in Europe and Africa, and the tightening of relations with the USA and NATO. The need for strengthening France's presence in the Mediterranean Basin, strongly underlined already during the presidential campaign, was a bold and risky idea. The future of the „Barcelona Process” launched in 1995 was still doubtful. (The Barcelona Process was to constitute an institutionalised form of cooperation between Mediterranean countries and the European Union.) Sarkozy decided to develop France's sphere of interests that would be beyond Germany's control, in a way recalling the historical colonial presence of France in North Africa.

On 23 October 2007 in Tangier, President Sarkozy invited leaders of all Mediterranean countries to join a summit of the leaders in France in July 2008. A union for the Mediterranean was to comprise only the countries of that region, but the project was to

¹² J. Schild, *Sarkozys Europapolitik. Das zunehmende Gewicht der Innenpolitik*, „Integration” no. 3/2007, pp. 238-250.

¹³ More about this initiative see: B. Koszel, *The Union for the Mediterranean in the policy of France and Germany*, „Rocznik Integracji Europejskiej”, nr 8/2014, pp.s.63-80.

be financed by the whole European Union. Already at that point the President openly stated that this was a political project aimed at creating a French zone of influence in the Mediterranean Basin. It was supposed to counterbalance the privileged position of Germany in Central and Eastern Europe¹⁴.

From the very outset, Merkel did not conceal her scepticism as she believed that the French union would only replicate the Barcelona Process that had been launched earlier on and criticised by the German government. Merkel argued that the Mediterranean union might divide the European Union into „interest zones” with Germany’s sole interest in eastern Europe, and France’s in the South of Europe. Merkel also criticised the limitation of the list of possible participants in the new initiative to those from the Mediterranean Basin¹⁵.

Since the beginning of 2008, the German government, with the support of the mass media, had attempted to torpedo the French initiative, as it considered the Union for the Mediterranean to be unfavourable for the European Union. German opposition in the European Council and the European Parliament brought about the desired effects. The tough stance of the German government, backed, inter alia, by Prime Minister Donald Tusk, forced Sarkozy to revise his plans. At the French-German summit in Hannover, held at the beginning of March 2008, the French President consented to include all 27 EU Member States in the French initiative. Poland undoubtedly benefited from that conflict as it won the support of Berlin for the Eastern Partnership which Poland promoted¹⁶.

Officially, the French initiative was adopted on 12-13 March 2008 at the European Council meeting in Brussels and was formally named „The Barcelona Process: Union for the Mediterranean”.¹⁶ On 13 July 2008, at the summit in Paris, attended by

¹⁴ C. Demesmay, *L’Allemagne face à l’Europe de Nicolas Sarkozy*, „Politique étrangère” no. 2/2008, pp. 373-384.

¹⁵ *Merkel und Sarkozy in Hannover. Abendessen mit Krisenstimmung*, „Süddeutsche Zeitung”, 3.03.2008; A. Jünemann, *Zehn Jahre Barcelona-Prozess. Eine gemischte Bilanz*, „Aus Politik und Zeitgeschichte” 45/2005, pp. 7-13.

¹⁶ D. Schwarzer, I. Werenfels, *Formelkompromiss ums Mittelmeer*, „SWP-Aktuell” no. 24/2008, pp. 1-8; H. Stark, *Die französische EU-Ratspräsidentschaft 2008 – zwischen aktuellem Krisenmanagement und strategischen Weichenstellung*, „Integration” no. 3/2008, p. 235-240.

representatives of 43 countries, the launch of the new project, whose name was shortened already in November to the „Union for the Mediterranean”, took place¹⁷.

The European Union’s priorities were listed in the declaration adopted at the summit. They included de-pollution of the Mediterranean, improvement of maritime and land highways, civil protection, alternative energies: Mediterranean solar plan, higher education and research, and the Mediterranean Business Initiative. The German Ann Lindh Foundation involved in this project was interested in cultural exchange and cooperation between institutions supporting the development of civil society. The German government expressed its interest only in the construction of solar energy plants and wind farms in North Africa. In July 2009, in Munich, twelve German companies and concerns signed an agreement on their joint construction of solar energy plants in the Sahara that would supply electricity to German households. The Desertec project is to cost EUR 400 million, and its implementation might take 10 years¹⁸.

3. Problems in bilateral cooperation

The energy and climate policies led to a divergence of opinion between Berlin and Paris. At the 2007 EU summit in Brussels, held during the German Presidency, the EU adopted a challenging plan to reduce GHG emissions by 20% by 2020 (against the 1990 baseline), increase the share of EU energy consumption produced from renewable resources to 20%, and improve the EU’s energy efficiency by 20%¹⁹. In his first speech as a state leader delivered at the June G-8 summit in Heiligendamm, Nicolas Sarkozy spoke favourably of the climate and energy policy plans and supported the German Chancellor promising joining her attempts to exert pressure on Russia and the USA in this area. Controversies arose when the discussion moved on to the details. The French opted for new nuclear plants and increasing the share of nuclear power in the EU, with a view to free the EU from raw material supplies

¹⁷ M. Delgado, *France and the Union for the Mediterranean: individualism versus co-operation*, „Mediterranean Politics” no. 1/2011, pp. 39-57.

¹⁸ *Niemcy planują budowę elektrowni słonecznych na pustyniach Afryki*, „Gazeta Wyborcza”, 9.06.2009; For more on the functioning of the Union for the Mediterranean between 2008-2011 see: *Union pour la Méditerranée. Union for Mediterranean*, <http://www.ufmsecretariat.org/en/>; <http://www.auswaertiges-amt.de/DE/Europa/Aussenpolitik/Regionalabkommen/EuroMedPartnerschaft-node.html> .

¹⁹ *European Council in Brussels, 8-9 March 2007. Presidency Conclusions*, <http://www.consilium.europa.eu/uedocs/cms-data/docs/pressdata/PL/ec/93142.pdf>..

from Russia and the Middle East. In Germany, the society increasingly approved of the „green” opposition’s demands to shut down all German nuclear power plants by 2023. The French were particularly vexed by Siemens’ decision to leave its nuclear plant construction partner Areva, the French national nuclear group, and launch cooperation with the Russian nuclear giant Rosatom to construct a nuclear plant in Bulgaria among others²⁰.

During the French EU Presidency in the second half of 2008, Germany agreeably cooperated with France on climate change, migration and asylum issues, which helped the French Presidency. After Ireland rejected the Lisbon Treaty in its referendum, both France and Germany forced Dublin to repeat the Irish vote. They threatened Ireland that they would block EU’s further enlargement. Chancellor Merkel loyally supported Sarkozy’s preparation of a peace plan to end the Russia-Georgia war of August 2008. She did not begrudge the French leader basking in glory of the success of his peace plan. Neither was she jealous when he attempted to transform the French Presidency into what the press called a *one-man show*²¹.

In 2009, the cooperation on European safety and security was gradually tightened. On 11 March 2009, France officially announced its return to NATO’s Integrated Military Command Structure, which was warmly welcomed by Germany. The appointment of Bruno La Maire, highly regarded in Berlin and well acquainted with German political realities, as Secretary of State for European Affairs was also welcome in Germany. However, as early as in June 2009, he was replaced with Pierre Lellouche, a tougher politician and supporter of transatlantic relations, strongly involved in the development of the EU Common Security and Defence Policy (CSDP)²².

France wanted to make the CSDP more active and to establish efficient, well-equipped and high readiness military forces. The Germans expressed their support for that position. In November 2010, together with the Swedes, they endorsed a project for intensifying

²⁰ *Siemens steigt bei Atomkonzern Areva aus*, „Die Welt”, 26.01.2009; *Siemens bleibt Atom treu – nur Areva nicht*, „Handelsblatt”, 23.01.2009; *Rosja kusi Niemców atomowym sojuszem*, „Gazeta Wyborcza”, 3.02.2009.

²¹ *Sarkozy verabschiedet sich mit großem Eigenlob*, „Die Welt”, 16.12.2008; J. Schild, M. Koopmann, *Der Sarkozy Moment politische Führung in der EU am Beispiel der französischen Ratspräsidentschaft*, „Integration” no. 3 2009, pp. 266-281.

²² M. Stürmer, *Zurück in der Nato: Frankreich verfolgt nur sein nationales Interesse*, „Die Welt”, 18.03.2009.

the EU Member States' military cooperation. In December 2010, the Foreign and Defence Ministers of the Weimar Triangle states addressed the High Representative of the EU for Foreign Affairs and Security Policy, Catherine Ashton, postulating, in writing, to take concrete decisions aimed at improving the functioning of CSDP mechanisms during the Polish Presidency in the second half of 2011. The main issues were: training, logistics, division of competences, and the command structure. For France, which demanded establishment of highly effective forces with immediate deployment capacity, that was definitely not enough. It was hardly surprising that France began pushing the UK for cooperation then. The UK shared France's views on the development of the European defence capability. On 2 November 2010, the two states signed two treaties, one on security and defence cooperation, the other on joint defence nuclear facilities²³.

The Arab Uprisings in Tunisia, Egypt, Libya and Syria between 2010 and 2011 additionally deepened the split between the allies and exposed the lack of efficacy of the Common Foreign and Security Policy and the European Security and Defence Policy. Diverse positions of major EU Member States quickly became visible. While France, the UK and the US, within and beyond NATO structures, actively supported (with arms and food) rebel forces fighting dictatorial regimes, Germany showed restraint limiting its actions to moral support and a group of German officers who worked as NATO logisticians. The events of 2011 in Libya, where France was actively engaged in the overthrowing of Muammar Gaddafi, boosted further misunderstandings between Germany and France, as Berlin remained neutral. In March 2011, the Representative of Germany to the UN Security Council abstained from voting on the resolution supporting NATO operations in Libya. The Germans were widely criticized in France, Great Britain the U.S. and even among their own political elites. The fact that the representative took the same stance as Germany's new allies –Russia, China, India and Brazil rather than their old allies was outrageous. The Germans claimed they suspected

²³ B.Koszel, *Germany in the Face of 21st Century Security Threats: A „Soft” Power or Leader of European Politics?*, in: A. Podraza (Ed.), *A transatlantic or european perspective of World Affair: NATO and European Union towards Problems of international security in 21st century*, Madrid 2017, p. 87.

that France, Great Britain and the USA already agreed on a military solution and that Berlin had been deliberately excluded from the decision making process²⁴.

On 27 September 2009, after German parliamentary elections, the second cabinet of Angela Merkel was formed in coalition with the liberals (FDP). In the coalition agreement signed by the CDU, CSU, and FDP on 26 October 2009, relations with France were given roughly the same amount of space as relations with Poland. They were confirmed to be exceptional in their scope (*in seiner Breite und Tiefe einzigartig*) and promoting further European unity. Readiness to intensify cooperation in education and space research, as well as on climate protection and security and defence policy was confirmed²⁵.

Care was taken to make Merkel-Sarkozy relation appear close. It followed that Sarkozy and Merkel started to be perceived as inseparable and teasingly called „the Merkozys”. The French President participated in the celebrations of the 20th Anniversary of the Fall of the Berlin Wall and the German Chancellor came to Paris on 11 November to celebrate the anniversary of the end of World War I. The French intended to cooperate with the new German government more intensely. It was the abovementioned French Secretary of State and Government Plenipotentiary for German Relations, Pierre Lellouche, who headed a special ministerial team working on that project since September 2009²⁶.

In fact, on 4 February 2010 in Paris, the 12th joint meeting of both cabinets took place – the first one since the emergence of the CDU/CSU-FDP Government and after EU’s ratification of the Lisbon Treaty. Paris wanted to underscore the symbolic meaning of the French-German engine for the EU. The Franco-German 2020 Agenda adopted at the meeting read that „the closest possible cooperation bears significant value for both countries” and emphasised that France and Germany shared the same vision of Europe’s future until 2020. The ten-page-long document with proposals advancing French-

²⁴ C.Demesmay, C. & K. Sold, *Reaktionen auf den arabischen Frühling. Kleinster gemeinsamer Nenner statt innovativer Kompromisse*. in: C. Demesmay., M. Koopmann. & J. Thorel (Eds.), *Die Konsenswerkstatt. Deutsch-französische Kommunikations- und Entscheidungsprozesse in der Europapolitik*. Baden-Baden 2013, p.79.

²⁵ *Wachstum. Bildung. Zusammenhalt. Der Koalitionsvertrag zwischen CDU, CSU, FDP. 17. Legislaturperiode*, <http://www.cdu.de/doc/pdfc/091026-koalitionsvertrag-cdu-csu-fdp.pdf>.

²⁶ S. Lehnartz, *Sarkozy will Frankreich jetzt zur Weltmacht machen*, „Die Welt”, 24.09.2009

German cooperation encompassed six large areas: economy, energy and climate, research, foreign policy and defence, tighter cooperation between the two nations, more contacts between citizens and tighter institutional cooperation²⁷.

The number of joint undertakings (80) was indicative of France's willingness to deepen the cooperation, but the German response did not meet French expectations. The Germans concurred with the opinion that French-German relations were exceptional but decided to stick to the current formula of collaboration with France, which they found satisfying. Chancellor Merkel did not seek to boost the symbolism of the Berlin-Paris relations, as she believed it could be perceived negatively, i.e. as an attempt to dominate the whole of the European construct. It could also lead to limiting Germany's room for manoeuvre to form alliances with other EU Member States, especially with Poland whose importance in the German policy kept growing constantly²⁸.

4. The financial crisis of the eurozone

In 2008, Europe experienced the first symptoms of the economic breakdown triggered by the bankruptcy of US banks and credit institutions of a scale unprecedented in the 20th century. That took place under the French leadership of the EU and, somewhat automatically, Nicolas Sarkozy took initiative. On 4 October 2008, the summit of European G8 leaders was held in Paris. It was joined by President of the European Central Bank Jean-Claude Trichet and President of the Eurogroup Jean-Claude Juncker. France spoke in favour of the Dutch proposal to follow the example of the USA and design an umbrella fund (EUR 300 billion) for EU Member States threatened with bankruptcy. Germany instantly rejected the proposal as it considered common actions to be superfluous and proposed that each case would be considered on an individual basis, and solely in the case of emergency. German Minister of Finance Peer Steinbrück argued that the establishment of a European aid fund would force Germany to contribute the lion's share without having much control over its actual expenditure.

In the face of the financial crisis which arrived from across the Atlantic in 2008, and spread over the eurozone, Germany initially made erroneous assumptions. The German premise was that the countries that had led light-hearted budget policies in terms of their

²⁷ *Deutsch-französische Agenda 2020*, [http://www.bundesregierung.de/Content/ DE/Artikel/2010/02/2010-02-04-deutsch-franzoesische-agenda-2020.html](http://www.bundesregierung.de/Content/DE/Artikel/2010/02/2010-02-04-deutsch-franzoesische-agenda-2020.html).

²⁸ B.Koszel, *Nierównie partnerstwo...* p.277

internal debt (Greece) or inconsiderate credit policies (Ireland, Spain, Portugal and Cyprus) had brought the crisis upon themselves and they should get out of trouble on their own, applying austerity policies. International aid was to be granted as the *ultima ratio* under numerous conditions. Albeit logically justified, the German prescription did not take into account the severity of the financial trouble suffered by some countries, it raised the threat of the crisis spreading to further countries and put a question mark over the survival of the entire eurozone²⁹.

Germany's position changed somewhat after the next emergency summit held in Paris on 12 October 2008. It was attended by the Eurozone members and the UK. Shocked with the news coming in from the USA, summit participants agreed to undertake focused action aimed at saving European banking systems. Banks were to receive state warranties that debts would be repaid, the state was to ensure capital influx while the ECB was to strictly supervise the banking system.

Soon after, on 17 October, the Bundestag adopted a special act on the „stabilisation of financial markets”, under which it agreed on the EUR-500-billion bailout package. The example of the Federal German Republic was followed by France, which assigned EUR 360 billion to this end. The Brussels EU summit of 15-16 October 2008 approved the agreed solutions. However, Germany made it clear that it considered the situation to be exceptional and not to happen again³⁰.

French ideas how to rescue fiscal systems of EU Member States were followed by another proposal of the French leader, which had not been consulted with Germany. On 21 October 2008, in his speech to the European Parliament, Sarkozy proposed to establish a European economic government. Sarkozy also suggested that industries of Member States should be nationalised in part. His other idea was to establish national investment funds in EU Member States. Those funds would acquire shares of financially-challenged companies. Federal Minister of Economy Michael Glos (CSU)

²⁹ H. Enderlein *Die Krise im Euro-Raum: Auslöser, Antworten, Ausblick*, „Aus Politik und Zeitgeschichte”, Bd. 43/2010, pp.7-12.

³⁰ D. Bohnenkamp, *Deutsch-französischer Dissens. Die EU sucht Wege aus der Wirtschafts- und Finanzkrise*, „Dokumente. Zeitschrift für den deutsch-französischen Dialog”, no. 1/2009, p. 508.

recognised Sarkozy's ideas as incompatible with the German economic philosophy and rejected the French proposals³¹.

The last meeting of the European Council under the French leadership was held in Brussels on 11-12 December 2008 and ended with a partial success of France. EU Member States approved the economic bail-out plan amounting to about 1.5% of EU GDP, that is EUR 200 billion. Due to Germany's resistance, this amount was lower than Sarkozy expected. In the conclusions of the summit, it was underlined that in the face of the financial crisis and looming recession, „In these exceptional circumstances, Europe will act in a united, strong, rapid and decisive manner to avoid a recessionary spiral and sustain economic activity and employment. It will mobilise all the instruments available to it and act in a concerted manner to maximise the effect of the measures taken by the Union and by each Member State³².

It was only natural that the French Presidency of the EU Council drew Europe's attention to Paris and President Sarkozy. Sarkozy certainly made many efforts to minimise the consequences of the global financial crisis that hit the European Union. He put forward numerous proposals of enlivening European economy, and his hyperactivity in that area won respect of German experts and political commentators. The problem was that Sarkozy repeatedly did not consult his plans and endeavours with his German partner, or informed of his intentions too late or too vaguely. Making the Federal Republic of Germany appear to be of secondary importance in the EU resulted in another cooling down of the Franco-German relations, which resembled the situation after the 2000 Nice summit³³.

In April 2009, the International Monetary Fund (IMF) warned that the crisis might also affect developed European countries and trigger very deep economic recession and huge unemployment. The Economic and Monetary Union of the European Union (EMU) faced enormous challenges, and it soon became apparent that its weakest Member States might upset its whole structure. Greece, which in 2001 slipped into the Monetary Union

³¹ S. Stroß, *Das deutsch-französische Duo im Spiegel der Zeit – aktueller Impulsgeber oder überholte Allianz?* „Integration“ no. 2/2011, pp. 172-177.

³² *Rada Europejska w Brukseli 11 i 12 grudnia 2008. Konkluzje prezydencji*, <http://www.consilium.europa.eu/pl/european-council/conclusions/>.

³³ G. Müller-Brandeck-Bocquet, *Deutsche Politik unter Angela Merkel...*, p. 329.

through the “back door” having forged some convergence statistics, was heavily criticised. In October 2009, Greek Finance Minister Giorgos Papakonstantinou informed that Greece’s national debt increased, which deepened the financial markets’ mistrust in Greek and hence unwillingness to purchase Greek bonds. The purchase of Greek bonds, despite their high interest, was so risky that few ventured to acquire them. Greece’s creditworthiness was lowered to the level of „trash”³⁴.

Only the deep crisis of public finances in Greece, and the unprecedented social protests and manifestations in Athens and other cities it generated, made Germany realize the necessity to come to the rescue. Chancellor Merkel had hitherto feared that generous financial aid allowed to Greece would make other EU countries – Ireland, Portugal and Spain – line up for their share. She was against granting the aid to an indebted Greece under the system of coordinated loans given by states within the single currency zone. In her opinion, the best solution was for Greece to limit consumption and take drastic austerity measures. On the other hand, the Chancellor was concerned about the stability of the euro and German interests in Greece. Its bankruptcy would harm German banks first, as they had bought Greek bonds for ca. EUR 40 billion³⁵.

In March 2010, Greece, alongside other countries of the eurozone, was forced for the first time to apply the Financial Support Mechanism and turn to the European Central Bank (ECB) and International Monetary Fund. Germany did not want to accept credit obligations towards Greece as, first, this would burden the German budget too heavily (ca. EUR 4 billion), and, second, the ECB did not have such resources or the appropriate authorization to grant loans. It was somewhat awkward for Germany to have pushed for commercial loans (at a rate of ca. 5%) to be granted to Greece. Granting loans to Greece and saving its financial credibility thereby took a long time. The reason for that was the strict position of the German government and Angela Merkel³⁶

It was with great reluctance that Germany got involved in the process of saving the

³⁴ J. Krakowski, *Kryzys finansowy świata zachodniego i kryzys euro*, „Sprawy Międzynarodowe” no. 2/2011, p. 31.

³⁵ F.-J. Meiers, *Germany’s role in the euro crisis, Berlin’s quest for a more perfect monetary union*, Heidelberg–New York–London 2015, p.63.

³⁶ E. Cziomer E., *Rola Niemiec w kryzysie strefy euro po 2009*, Kraków 2013, p.72.

states under threat. Among the instruments of financial aid created, the Greek Loan Facility (GLF), European Financial Stabilisation Mechanism (EFSM) and European Financial Stability Facility (EFSF) were launched. As of 2012, the main source of financial aid for the eurozone was the European Stability Mechanism. Under all these programs, in May 2010, Greece received a financial package of EUR 110 billion, followed by another EUR 109 billion in July 2011. In November 2010, Ireland received EUR 85 billion; in May 2011, Portugal obtained EUR 78 billion and in March 2013 Cyprus was given EUR 10 billion.

It was beyond doubt that there were still discrepancies between Germany and France on further EU actions concerning economy and finance. Nicolas Sarkozy rightly argued that the Economic and Monetary Union and the ECB's leadership would definitely not suffice as the EU lacked a common macroeconomic policy. Sarkozy maintained his previous offer of establishing „an economic government” (*gouvernement économique*) of Eurozone states and granting it broad powers. Chancellor Merkel rejected those proposals. She favoured *gouvernance économique*, i.e. strict coordination and cooperation encompassing all 27 Member States. Merkel did not want to divide the European Union into two groups and she was concerned that „the economic government” would have a negative impact on the German economic model and violate the autonomy of the European Central Bank³⁷.

During the German-French consultations in Deuaville in October 2010, it was decided that the current crisis management mechanism should be replaced with a new, much stricter one and that the new mechanism should be included in the Treaty provisions. The witty Secretary-General of the French President Nicolas Sarkozy's Office, Xavier Musca, and EU Affairs Adviser to the German Chancellor, Uwe Corsepius, led the expert debate and reached an agreement on the methods of punishing EU Member States for failing to comply with EU fiscal requirements. In order to reach the compromise, Chancellor Merkel abandoned the previously defended postulate to impose sanctions automatically without the consent of the Council of the European Union. In return, Nicolas Sarkozy supported Germany's requests concerning amending

³⁷ C. Gammelin, M. Kläsger, *Ein Brief, zwei Welten*, „Süddeutsche Zeitung”, 10.06.2010

the Treaty. The issue of Eurobonds, postulated by some EU Member States, was rejected. New regulations were to enter into force by the end of 2013³⁸.⁴⁷

Although the proposal to amend the Lisbon Treaty surprised other EU Member States, Germany and France unrelentingly pushed their arrangements forward. The Chancellor had the support of Prime Minister Donald Tusk, who attended the Polish-German intergovernmental consultations in Berlin on the 6th of December. In those circumstances, on 16-17 December 2010, the Brussels summit of the European Council approved the previously agreed French-German terms and conditions. Under the pressure exerted by Germany, the amendment of the Lisbon Treaty was approved and the provision that Member States whose currency is the euro „may establish a stability mechanism to be activated if indispensable to safeguard the stability of the euro area as a whole. The granting of any required financial assistance under the mechanism will be made subject to strict conditionality”. The amendment of the Treaty was necessary for Chancellor Merkel. Merkel was concerned that the generously disbursed German financial aid for troubled EU Member States would be challenged and brought to the Federal Constitutional Court. The fact that such a possibility was foreseen in the Treaty protected Merkel’s government against such actions³⁹.

The draft amendment approved by the December EU summit was to allow the Euroland to establish a permanent crisis management mechanism for Eurozone states (European Stability Mechanism, ESM) on 1 July 2013. The ESM, with its capital of EUR 700 billion, would replace the EFSF and would be based on loans and credit warranties granted to countries with financial problems. Future aid for the euro area would involve „controlled bankruptcy”, i.e. the bad debts of Eurozone members would be repaid not only by Eurozone taxpayers, but also by private creditors (mainly banks) that unreasonably lent money to countries with poor financial perspectives. Germany was to contribute 27.1% (i.e. EUR 190 billion of share capital and warranties) and France was to transfer 20.3% (EUR 142.7 billion) to this end.

³⁸ P. Ehrlich, J. Zepelin, L. Meier, *Als Merkel Stabilitätspakt aufweichte*, „Financial Times Deutschland”, 21.10.2010; C. Gammel, S. Ulrich, *Merkel gibt bei Stabilitätspakt nach*, „Süddeutsche Zeitung”, 19.10.2010.

³⁹ *European Council of 16- 17 December 2010. Conclusions*. Annex no. I, [http:// www. consilium. europa. eu/uedocs /cms-data/ docs/ pressdata/PL/ec/118607.pdf](http://www.consilium.europa.eu/uedocs/cms-data/docs/pressdata/PL/ec/118607.pdf); B. Koszel, *Nierównie partnerstwo...*p.296.

Endeavours toward closer economic integration in the Eurozone were met by the next proposal of Chancellor Merkel and President Sarkozy announced on the 16th of August 2011 after the talks held at the Élysée Palace. Returning to previous proposals, both politicians proposed the establishment of an economic government of the euro area. That government was to convene twice a year. It was to be headed by president of European Council Herman Van Rompuy. It was intended to introduce debt thresholds and a tax on financial transactions to Eurozone members' national constitutions. It was postulated to introduce a Common Consolidated Corporate Tax Base at the beginning of 2013 as that would lower competitiveness of enterprises from states with low CIT rates. To set an example, Merkel and Sarkozy announced that that tax would be harmonised in the Federal Republic of Germany and in France⁴⁰.

In mid-November 2011 preparations began for the December summit of the European Council which was to determine further methods to combat the financial crisis in the eurozone. Chancellor Merkel continued to promote putting a halt to the increasing internal debts of EU countries, maintaining budgetary discipline and monitoring public spending. Germany tried to dispose of French ideas of persuading the ECB to be flexible and purchase the bonds of debt-ridden countries. Germany rejected one more expensive project, namely the issuance of Eurobonds, fearing communitarization of the debt. Therefore, the prescription to cure eurozone countries of the crisis was designed under strong pressure from the German government and was then supported by a decisive majority of EU states at a session of the European Council held in Brussels on December 8–9, 2011. The solution adopted took the form of a „fiscal union”, an intergovernmental agreement which clearly circumvented the treaties, and provided for a maximum of 60% deficit in public finances and 3% of budgetary deficit to be strictly observed by EU members and other volunteers, and included in the respective constitutions of these countries⁴¹.

Formal provisions were incorporated in a new intergovernmental treaty (*Treaty on the stability, coordination and management in the Economic and Monetary Union*), signed

⁴⁰ Ch. Roche, Ch. von Boetticher, *Krise: Europa sollte Deutschland einen hohen Preis wert sein*, „Die Welt”, 16.08.2011; *Sarkozy et Merkel favorables é des sanctions contre les mauvais élèves de la zone euro*, „Le Monde”, 17.08.2011; *Sarkozy et Merkel cherchent le remède pour rassurer les marchés*, „Le Monde” 16.08.2011; *Der Gipfel der Erwartungen*, „Handelsblatt”, 16.08.2011.

⁴¹ G. Höchler, , *Matka chrzestna. Jak Merkel przebudowuje Niemcy*, Poznań 2013, p.149.

in Brussels on March 2, 2012, which set the principles of reinforcing financial discipline in the EU⁴².

Chancellor Merkel was quite surprised by the resistance of the new socialist President of France, Francois Hollande, who did not share the German conviction that the austerity policy was imperative to overcome the financial crisis. He believed that the policy of belt-tightening would actually lead to an even greater recession and that priority should be given to generating economic growth in the eurozone and creating new jobs. After President Hollande won Spain and Italy over, Merkel had to agree to include activities aiming to promote EU growth and employment in the fiscal pact. At a European Council summit held on June 28–29, 2012, decisions were made. The heads of state or government decided on a „Compact for Growth and Jobs“, „encompassing action to be taken by the Member States and the European Union with the aim of relaunching growth, investment and employment as well as making Europe more competitive“⁴³.

ABSTRACT

The author discusses the thesis that in the arduous circumstances of the 21st century France passed the test of cooperation with the united Germany. The French-German “integration engine” scored both successes and failures, but did not break down. Germany governed by Chancellor Merkel proved to be a loyal and predictable partner, while France during Sarkozy’s presidency did not venture any steps that would strain this cooperation. A real test of the German-French leadership of the EU came with the financial crisis of the Eurozone. President Sarkozy understood the situation better and reacted faster to the growing threats, whereas Germany, for internal reasons, delayed launching large-scale rescue actions. Nevertheless, the signing of the fiscal union pact was the effect of a compromise between the two partners and yet another proof of the stability of the German-French cooperation.

Keywords: France-Germany- European Union-cooperation- 2007-2013

⁴² *Treaty on the stability, coordination and management in the Economic and Monetary Union*, <http://www.european-council.europa.eu/media/582311/05-tesm2.en12.pdf>.

⁴³ *European Council 28/29 June 2012. Conclusions*, <http://www.consilium.europa.eu/pl/european-council/conclusions/>.

STRESZCZENIE

Autor w artykule przedstawia tezę, że początki XXI w, stanowiły duże wyzwanie dla współpracy Niemiec i Francji w Unii Europejskiej. Francusko-niemiecki „motor integracji” zaczął się, ale nie doszło do jego załamania. Rząd niemiecki kierowany przez kanclerz Merkel lojalnie i odpowiedzialnie współpracował z Francją w okresie prezydentury Sarkozy’ego. Prawdziwy test dla przywództwa Niemiec i Francji w Unii Europejskiej nastąpił w okresie kryzysu finansowego strefy euro. Prezydent Sarkozy lepiej rozpoznał sytuację i szybciej reagował na powstające zagrożenia. Niemcy ze względów wewnętrznych spowalniały akcję ratunkową. Jednakże podpisanie paktu fiskalnego było efektem kompromisu pomiędzy obu partnerami i kolejnym udanym sprawdzianem dla stabilności współpracy niemiecko-francuskiej.

Słowa kluczowe: Francja-Niemcy-Unia Europejska-kooperacja- 2007-2013

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